BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF PDC ENERGY, INC. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 320-ACRE DESIGNATED WELLBORE SPACING UNIT IN SECTIONS 1 AND 2, TOWNSHIP 6 NORTH, RANGE 66 WEST, 6TH P.M., FOR THE NIOBRARA FORMATION. FIELD, WATTENBERG WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

<u>APPLICATION</u>

COMES NOW PDC Energy, Inc. ("Applicant"), by its attorneys, Jost & Shelton Energy Group, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests within an approximate 320-acre wellbore spacing unit for the drilling of the Leffler 14-1H, (API No. 05-123-34331) ("Well") for the development of the Niobrara Formation on the following described lands:

Township 6 North, Range 66 West, 6th P.M.

Section 1:

W1/2W1/2

Section 2:

E1/2E1/2

Weld County, Colorado (hereinafter "Application Lands").

In support thereof, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
 - 2. Applicant owns certain leasehold interests in the Application Lands.
- On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Niobrara Formation underlying certain lands, with the permitted well locations in accordance with the provisions of Order No. 407-1 and allowed downhole commingling of production from the Codell and Niobrara Formations.
- On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age

Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended to, among other things, address drilling of horizontal wells.

- 5. On April 16, 2012, the Commission entered Order No. 407-614, which among other things, pooled all interests in an approximate 160-acre designated wellbore spacing unit consisting of the NW¼ of Section 2, Township 6 North, Range 66 West, 6th P.M., for the Anderson 2AD Well (API No. 05-123-32320) and any subsequent well drilled in the wellbore spacing unit, for the development and operation of the Codell and Niobrara Formations. Order No. 407-614 does not affect the Application.
- 6. On April 16, 2012, the Commission entered Order No. 407-621, which among other things, pooled all interests in an approximate 160-acre designated wellbore spacing unit consisting of certain lands in Sections 2 and 11, Township 6 North, Range 66 West, 6th P.M., for the Leffler 2TD Well (API No. 05-123-31969) and any subsequent well drilled in the wellbore spacing unit, for the development and operation of the Codell and Niobrara Formations. Order No. 407-621 does not affect this Application.
- 7. On November 15, 2012, the Commission entered Order No. 407-729, which among other things, pooled all interests in an approximate 160-acre designated wellbore spacing unit consisting of certain lands in Sections 1 and 2, Township 6 North, Range 66 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. Order No. 407-729 does not affect this Application.
- 8. On March 25, 2013, the Commission approved Order No. 407-772, which among other things, pooled all interests in an approximate 160-acre designated wellbore spacing unit consisting of certain lands in Section 2, Township 6 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation. Order No. 407-772 does not affect this Application.
- 9. Applicant designated the 320-acre wellbore spacing unit, as defined below, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.
- 10. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any nonconsenting interests, in the Application Lands in the Niobrara Formation underlying the following approximate 320-acre designated wellbore spacing unit:

Township 6 North, Range 66 West, 6th P.M.

Section 1: W½W½
Section 2: E½E½

(hereafter "Wellbore Spacing Unit").

- 11. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Well to the Niobrara Formation on the Application Lands.
- 12. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Well, and will be provided with the information required by Rule 530 as applicable. The list of such interested parties is attached hereto as Exhibit A.
- 13. That in order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Unit should be pooled for the orderly development of the Niobrara Formation, including any nonconsenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

- A. Pooling all interests in the Application Lands and the Wellbore Spacing Unit for the development of the Niobrara Formation.
- B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Well in the Wellbore Spacing Unit to the Niobrara Formation on the Application Lands.
- C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to the Well drilled to develop the Niobrara Formation in the Wellbore Spacing Unit comprising the Application Lands.
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in April 2014, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: February 27, 2014.

Respectfully submitted:

PDC Energy, Inc.

Jamie L. Jost

Joseph M. Evers

Jost & Shelton Energy Group, P.C. Attorneys for Applicant

1675 Larimer St., Suite 1400

Denver, Colorado 80202

(720) 379-1812

Applicant's Address:

PDC Energy, Inc. ATTN: Marie McCord

1775 Sherman Street, Suite 3000

Denver, CO 80203

VERIFICATION

STATE OF COLORADO)	
CITY AND COUNTY OF DENVER) ss.)	
Sam McClung, of lawful age, bein that she is Regional Landman for PDC I Application and that the matters therein information and belief.	Energy, Inc., and that she h	nas read the foregoing
	Sam McClung Regional Landman PDC Energy, Inc.	luse)
Subscribed and sworn to before me this 21th day of February 2014.		
Witness my hand and official seal.		
[SEAL]		101 C 100%
My commission expires:2-23-20	015	NOTARY

Notary Public

My Commission Expires 02/23/2015

BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF CAUSE NO. PDC ENERGY, INC. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 320-ACRE DESIGNATED WELLBORE SPACING UNIT IN SECTIONS 1 AND 2, TOWNSHIP 6 NORTH, RANGE 66 WEST, 6TH P.M., FOR THE NIOBRARA FORMATION, WATTENBERG FIELD, WELD COUNTY, **COLORADO**

STATE OF COLORADO

CITY AND COUNTY OF DENVER

DOCKET NO.

AFFIDAVIT OF MAILING

)ss.

I, Jamie Jost of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for PDC Energy, Inc., and that on or before the day of March 2014, I caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application. Jamie L. Jost
Subscribed and sworn to before me this day of February 2014.
Witness my hand and official seal.
[SEAL]
My commission expires:
Notary Public

EXHIBIT A

Synergy Resources Corp. 20203 Highway 60 Plattville, CO 80651

Phyllis Jane Clayton 501 Airport Drive, Suite 100 Farmington, NM 87401

Jack L. Schrieber 2155 Glenfair Drive Greeley, CO 80631

Pete Martinez, Jr., and Kalie Laine Martinez 58 Pioneer Place Eaton, CO 80615

Russell Edward Nix No address available

William Heers Revocable Trust 8028 Park Hill Drive Ft. Collins, CO 80528

Kevin Shironaka & Gary Shironaka 48 Pioneer Place Eaton, CO 80615 &

Christopher G. Doering 48 Pioneer Place Eaton, CO 80615

Betty Achziger 1606 Plains Drive Eaton, CO80615

Lori L Adams 310 Juniper Avenue Eaton, CO80615

Harriett J Anderson 23279 WCR 66 Greeley, CO80631

Richard Applehans & 1752 Pioneer Place Eaton, CO80615

Jerry Baab 4140 S Deframe St Morrison, CO 80465

Kenneth Baab 2507 Antelope Road Fort Collins, CO 80525

Corie J & Paige L Baessler JT 1620 Carriage Dr Eaton, CO 80615

Thomas E & Marjorie L Bail 1565 Colorado Parkway Eaton, CO 80615

Thomas E & Shelly D Bail JT 1655 Plains Drive Eaton, CO 80615

Georgann A Beauparlant 2004 Highland Avenue Durango, CO 81301-4853

Brown Legacy LLLP 1601 44th Ave Ct Greeley, CO80634

Marcelyn M Brown RLT 1013 Arlene Point Cheyenne, WY 82009

Bryan Graham Trust 7/14/1994 4912 Firwood RoadLake Oswego, OR 97035

Willadene Ann Burley 19 Pioneer Place Eaton, CO 80615

Donald & Cheryl Cadwallader JT 10220 Benton Street Westminster, CO 80020

Allan D Cazer 800 Hawkstone Drive #24 Eaton, CO 80615 Jack D Cazer 1225 Huckleberry Lane Eaton, CO 80615

Vincent Bruce Clark 1585 Colorado Parkway Eaton, CO 80615

Mary Ann Closson 6437 Hoochaneetsa Blvd Cochiti Lake, NM87083

Schuyler E Cone 6279 N Coolville Ridge Road Athens, OH 45701

Lanny C Cook 14506 WCR 74 Eaton, CO 80615

Ronald L Cook 3915 Cheyenne Drive Greeley, CO80634

Melissa N Craig 1522 Carriage Dr Eaton, CO 80615

Gwendolyn Crook 15224 NW Aberdeen Dr Portland, OR 97229

Robin Delp 4265 , COunty Road 23 Ridgway, CO 81432

Sarah M Eaton Diebold PO Box 236 Lyme, NH 03768

Dillard Family LLC PO Box 333 Galeton, CO80622

Holliday Dines PO Box 839 La Jolla,CA 92038

Winston H Dines PO Box 65983 Salt Lake City, UT 84165 Benjamin A Eaton 9 Inwood Cliffs Drive San Antonio, TX 78248

Charles H Eaton Living Trust 135 Ulen Blvd Lebanon, IN 46052

Eric L Eaton 1540 Parkview Road Maple Plain, MN 55359

Kimberly McKee Eaton 2053 E Watson Dr Tempe, AZ 85283

Lawrence Christopher Eaton 201 Circle Drive Bozeman, MT 59715

Nancy Leigh Eaton 2802 Sitting Bull Way Fort Collins, CO 80525

Rex C Eaton III 4629 West Leona Street Tampa, FL 33629

Robert L Eaton 1904 26th Ave Greeley, CO 80634

Robert L Eaton Jr 1571 Route 30 South Cornwal, VT 05753

Rosemary T Eaton PO Box 114 Hallieford, VA 23068-0114

Lynn A & Leslie K Fagerberg JT 18271 Weld County Road 70 Eaton, CO 80615

Francis Royalties LLC 36141 S Octillo Canyon Drive Tuscon, AZ 85737

Governors Ranch Comm Assoc 16977 WCR 74 Eaton, CO 80615 Kathleen C Groves 420 E. 57th St #106 Loveland, CO 80538

Stanley W Groves 6515 West 26th Street Greeley, CO 80634

Eugene R & Joanne K Hallock JT 29 Pioneer Place Eaton, CO 80615

Penny Eaton Hancock 2750 Kootenai Street Pocatello, ID 83201

Dianne S Hansen 22567 WCR 49 LaSalle, CO 80645

Lou Anne Hettinger 802 42nd Street Evans, CO 80620

James T Holt 7804 Lewis Avenue Billings, MT 59106

Charles W & Jill Johnson JT 1552 Carriage Dr Eaton, CO 80615

Ruth Lenora Johnson 9 Cottonwood Ave Eaton, CO 80615

Russell S Kifer Jr 6468 Tahawash Cochiti Lake, NM 87083

Colorado Oil & Gas Expl LLC PO Box 13194 Denver, CO 80201

Kristi A Kinsey 6430 South Dallas Ct Englewood, CO 80111

Marlys Kinsey 5827 Jasper Pointe Circle Castle Pines, CO 80108 Stacy A & Michelle A Kleve JT 16 So Mountain View Dr Eaton, CO 80615

Nancy M Krauer 8156 E Lindner Avenue Mesa, AZ 85209

Glenn C & Marilyn K Ledall JT 1592 Carriage Dr Eaton, CO 80615

Seokjin & Sarah G Lee JT 6120 Tilden Street Fort Collins, CO 80528

Leffler Custom Designs LLC 16977 CR 74 Eaton, CO 80615

Leffler Investments, LLC 35945 CR 35 Eaton, CO 80615

Brent & Marielle A Leffler JT 1615, COlorado Parkway Eaton, CO 80615

"Robert R Martin & Stephanie L Martin JT 1605 Colorado Parkway Eaton, CO 80615"

"Mary E O'Neil Fam Gen Sk Trust Dana P Ivers Trustee PO Box 1828 Telluride, CO 81435"

J & L Mineral Rights LLC 1781 Pioneer Place Eaton, CO 80615

"Phelps Oil & Gas LLC William Ward Phelps Mgr 280 South High Street Denver, CO 80209-2628"

Dorothy Thomas Phelps 2801 B Street #150 San Diego, CA 92102 Richard & Rebecca Proctor JT 49 Pioneer Place Eaton, CO 80203

"Denna L Randall & Joshua J Martinez JT 1761 Pioneer Place Eaton, CO 80615"

Daniel W & Marlis V Riddle JT 1656 Plains Dr Eaton, CO 80615

"Robin A Janssen Trust 7/14/94 Carol E Preston Ttee 4912 Firwood Road Lake Oswego, OR 97035"

Gerald L & Janet M Roth JT 32100 Weld Cnty Rd 49 Greeley, CO 80631

Margaret A Royer 110 Splendid View Drive Kalispell, MT 59901

Hurle A & Donna M Schneider JT PO Box 338080 Greeley, CO 80633

Alan K & Sheryl D Sears JT 61 Westward Way Eaton, CO 80615

Raymond F & Nyla Seela JT 1646 Plains Drive Eaton, CO 80615

Krista & Scott H Shuman JT 38539 CR 33 Eaton, CO 80615

Brian A & , Courtney D Stone 1582 Carriage Dr Eaton, CO 80615

Sylvia Strom 7816 N 132nd E Ave Owasso, OK 74055-7206 Town of Eaton 223 First Street Eaton, CO 80615-3479

Gregory P & Paula R Ure JT 1562 Carriage Dr Eaton, CO 80615

Brian W & Heather D Walker JT 1616 Plains Dr Eaton, CO 80615

Weld County School Dist RE-2200 Park Avenue Eaton, CO 80615

Michelle A Willmott 435 N 35th Avenue #226 Greeley, CO 80631

Jerry Wommack & Robin Hansen JT 1572 Carriage Dr Eaton, CO 80615

Alexandra Eaton Woodmansee 11564 Killdeer Avenue Glencoe, MN 55336

Jacob & Gina M Comer JT 39 Pioneer Place Eaton, CO 80615

Kenneth Griffith & Christine Griffith JT 1512 Carriage Dr Eaton, CO 80615