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 HORIZONTAL WELLBORE SPACING UNIT FOR PORTIONS OF SECTIONS 5 AND 6, TOWNSHIP 3 NORTH, RANGE 64 WEST, 6TH P.M., FOR THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

APPLICATION

COMES NOW PDC Energy, Inc. (Operator No. 69175) ("PDC" or "Applicant"), by its attorneys, Burleson LLP, 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, as defined below, for the drilling of the Becker Ranch 5E-403 Well (API No. 05-123-39075) ("Well"), for the development of the Codell Formation on the following described lands:

Township 3 North, Range 64 West, 6th P.M.

Section 5:

W½W½

Section 6:

E1/2E1/2

320 acres, more or less, 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.
- 3. 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.

- 4. 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, gas and associated hydrocarbons from the Codell-Niobrara Formations, the Codell Formation, and the Niobrara Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.
- 5. On June 27, 2011, the Commission entered Order No. 407-448, which among other things, approves the request for an order to pool all interests in a designated 160-acre wellbore spacing unit consisting of portions of the Application Lands, for the development and operation of the Codell and Niobrara Formations. Order No. 407-448 does not affect this Application.
- 6. Applicant designated the 320-acre Wellbore Spacing Unit for the production of oil, gas, and associated hydrocarbons from the Codell Formation pursuant to Rule 318A and notified the appropriate parties under Rule 318A.
- 7. 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 non-consenting interests, in the Application Lands in the Codell Formation underlying the following approximate 320-acre Wellbore Spacing Unit:

Township 3 North, Range 64 West, 6th P.M.

Section 5: W½W½
Section 6: E½E½

(throughout as "Wellbore Spacing Unit").

- 8. 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 Codell Formation on the Application Lands.
- 9. 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 503.e., and that at least thirty-five (35) 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.
- 10. 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 Codell Formation, including any non-consenting 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 Codell 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 Codell 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 Codell 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 September 2015, 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.

Respectfully submitted:

PDC ENERGY, INC.

By:

Jamie L. Jost Zachary P. Sears Burleson LLP

Attorneys for Applicant 1700 Lincoln St., Suite 1300 Denver, Colorado 80203

(303) 801-3200

Applicant's Address:
PDC Energy, Inc.
ATTN: Josh Wagner
1775 Sherman Street, Suite 3000
Denver, CO 80203

VERIFICATION

| STATE OF COLORADO |) |
|---------------------------|------|
| |) ss |
| CITY AND COUNTY OF DENVER |) |

Josh Wagner, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Regional Landman for PDC Energy, Inc., and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Josh Wagner Senior Regional Landman PDC Energy, Inc.

Subscribed and sworn to before me this standay of July 2015.

Witness my hand and official seal.

TRACIE OWENS-YATES
[SEAL] NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054039521
My Commission Expires Mar. 5, 2018

My commission expires: 352018

Notary Public

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

IN THE MATTER OF THE APPLICATION OF CAUSE NO. 407 PDC ENERGY, INC. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 320-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNIT FOR PORTIONS | TYPE: POOLING OF SECTIONS 5 AND 6, TOWNSHIP 3 NORTH, RANGE 64 WEST, 6^{†H} P.M., FOR THE CODELL FORMATION, WATTENBERG FIELD,

DOCKET NO.

| WELD COUNTY, COLORADO |
|---|
| AFFIDAVIT OF MAILING |
| STATE OF COLORADO))ss. |
| CITY AND COUNTY OF DENVER) |
| I, Jamie L. 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 22 day of July 2015, 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 July 2015. |
| Witness my hand and official seal. |
| [SEAL] |
| My commission expires: June 24, 2018 RACHEL FLEMING NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20144025048 AY COMMISSION EXPIRES JUNE 24, 201 |

Exhibit A FP – Becker Ranch 5E-403

PDC Energy, Inc. 1775 Sherman Street, Suite 3000 Denver, CO 80203

Double Eagle Energy Rockies LLC 1401 Ballinger Street, Suite 203 Fort Worth, TX 76102

Colorado Energy Minerals, Inc. P.O. Box 899 Denver, CO 80201

Russell Roundtree 15503 Canterbury Forest Drive Tomball, TX 77377

George G. Vaught, Jr. P.O. Box 13557 Denver, CO 80201

McCulliss Oil & Gas, Inc. P.O. Box 221515 Denver, CO 80222

McCulliss Resources Co., Inc. P.O. Box 3248 Littleton, CO 80161

J. M. Golden, Nominee under Agreement dated 10/31/1993 2211 Tinkham Rd Akron, OH 44313

Jonathan M. Golden 2211 Tinkham Rd Akron, OH 44313

Susan Golden 2211 Tinkham Rd Akron, OH 44313 Alyson Warnick 2723 D Street Sacramento, CA 95816

Ann Shannon Oil & Gas, LLC c/o Calais Energy Acct LLC 555 17th Street, Suite 1400 Denver, CO 80202

Becker Ranch, LLC 25517 WCR 36 LaSalle, CO 80645

Centennial Mineral Holdings, LLC 5950 Cedar Springs Rd, Suite 200 Dallas, TX 75235

David L. Ludwig 18010 WCR 38 Platteville, CO 80651

David P. McReynolds and Candice McReynolds PMB 464 1151 Eagle Drive Loveland, CO 80537

B2 Energy, LLC P.O. Box 630825 Highlands Ranch, CO 80163

Bronco Mineral Partners, LLC P.O. Box 4631 Englewood, CO 80155

The Douglas E. Schwed Trust 12722 NE 28th Street Bellevue, WA 98005

Farmers Reservoir and Irrigation 80 South 27th Avenue Brighton, CO 80601 The Kern Family Trust B Sonya G. Johnson & Sheila G. Patterson Successor Trustees 2420 Busmarck Avenue Loveland, CO 80538

Centennial Mineral Holdings, LLC 4718 Sandpiper Lane Hoover, AL 35244

JSWH, LLC c/o Calais Energy Acct LLC 555 17th Street, Suite 1400 Denver, CO 80202

The Linda A. Olmstead Trust 9351 Goyette Place Santee, CA 92071

Margaret Alice Smith 1243 Aikins Way Boulder, CO 80303

Mary Kathryne Warnick P.O. Box 14 Grand Lake, CO 80447

McKenney/Knaub Oil & Gas LLC 8409 Firethorn Dr W Loveland, CO 80538

Meadow Oil & Gas, LLC c/o Calais Energy Acct LLC 555 17th Street, Suite 1400 Denver, CO 80202

MKL Gas & Oil, LLC c/o Calais Energy Acct LLC 555 17th Street, Suite 1400 Denver, CO 80202

The Trust f/b/o Kathleen Doney P.O. Box 547 Ross, CA 94957

The Trust f/b/o Neil Dan Schwed II P.O. Box 3480 Omaha, NE 68103-0480

Our Plum, LLC c/o Margaret S. Lundock P.O. Box 218 Lowell, FL 32663

Phillip Warnick 7017 Viridian Lane Austin, TX 78739-2091

Richard J. Adamson Estate c/o Leah Sullivan, Personal Representative P.O. Box 880846 Steamboat Springs, CO 80488

Robert N. and Dorothy J. Kern, JT 20246 Road 29 Platteville, CO 80651

SAE Oil & Gas Company, LLC c/o Calais Energy Acct LLC 555 17th Street, Suite 1400 Denver, CO 80202

SEK Oil & Gas Company, LLC 5994 South Holly Street PMB 269 Greenwood Village, CO 80111

Shannon Warnick 27550 Robinson Road Conroe, TX 77385-7516

Starla K. Sapienza c/o Mick Madsen 4630 Sunridge Terrace Dr Castle Rock, CO 80109

Steven G. Ludwig 17978 WCR 39 Platteville, CO 80651 Susan Mackay Smith 3130 Endicott Dr Boulder, CO 80303