

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NOS. 232 and 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN THE WATTENBERG FIELD, WELD)	DOCKET NO. 1003-UP-15
COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On October 19, 1981, the Commission issued Order No. 232-23, which among other things, amended Order No. 232-20 to establish additional 320-acre drilling and spacing units and allow a second well to be drilled on said units for certain lands, including the W½ of Section 28, Township 5 North, Range 67 West, 6th P.M., for the production of gas and associated hydrocarbons from the "J" Sand Formation.

On December 19, 1983, the Commission issued Order No. 407-1 (amended on March 29, 2000 in accordance with Order No. 407-17, entered November 18, 1985), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas and associated hydrocarbons from the Codell Formation underlying certain lands, including Sections 28 and 33, Township 5 North, Range 67 West, 6th P.M., with the drilling and spacing unit to be designated by the operator drilling the first well in the quarter section, (or the Director, if the operator fails to designate). The permitted well shall be located in the center of either 40-acre tract within the drilling and spacing unit with a tolerance of 200 feet in any direction. The operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit.

On February 19, 1992, the Commission issued 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 Codell and Niobrara Formations underlying certain lands, including Sections 28 and 33, Township 5 North, Range 67 West, 6th P.M., with the permitted well locations in accordance with the provisions of Order No. 407-1.

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, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. Sections 28 and 33, Township 5 North, Range 67 West, 6th P.M. are subject to this Rule for the Codell, Niobrara, and "J" Sand Formations.

On February 3, 2010, Petroleum Development Corporation ("PDC"), by its attorneys, filed with the Commission a verified application to:

(1) Designate an approximate 320-acre drilling and spacing unit consisting of the W½ SW¼ of Section 28, Township 5 North, Range 67 West, 6th P.M. (to accommodate the **Kinzer #13-28 Well**, with a permitted bottomhole location of 2155 feet FSL and 652 feet FWL in said Section 28), for the production of gas and associated hydrocarbons from the "J" Sand Formation, and to pool all nonconsenting interests in said unit, for the development and operation of the "J" Sand Formation;

(2) Designate an approximate 320-acre drilling and spacing unit consisting of the W½ of Section 28, Township 5 North, Range 67 West, 6th P.M. (to accommodate the **Kinzer #11-28 Well**, with a permitted bottomhole location of 652 feet FNL and 850 feet FWL in said Section 28), for the production of gas and associated hydrocarbons from the "J" Sand Formation, and to pool all nonconsenting interests in said unit, for the development and operation of the "J" Sand Formation;

(3) Designate an approximate 160-acre drilling and spacing unit consisting of the S½ NW¼ and the N½ SW¼ of Section 28, Township 5 North, Range 67 West, 6th P.M. (to accommodate the **Kinzer #28KD Well**, with a surveyed bottomhole location of 2533 feet FNL and 1320 feet FWL in said Section 28), for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations;

(4) Designate an approximate 160-acre wellbore spacing unit consisting of the S½ SW¼ of Section 28, Township 5 North, Range 67 West, 6th P.M. and the N½ NW¼ of Section 33, Township 5 North, Range 67 West, 6th P.M. (to accommodate the **Kinzer #28LD Well**, with a surveyed bottomhole location of 96 feet FSL and 1333 feet FWL in said Section 28), for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations;

(5) Designate an approximate 160-acre wellbore spacing unit consisting of the E½ NW¼ and the W½ NE¼ of Section 28, Township 5 North, Range 67 West, 6th P.M. (to accommodate the **Mellon #28-N Well**, with a projected bottomhole location of 1158 feet FNL and 2525 feet FWL in said Section 28), for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations;

(6) Designate an approximate 320-acre drilling and spacing unit consisting of the W½ of

Section 28, Township 5 North, Range 67 West, 6th P.M. (to accommodate the **Kinzer 28A Well**, with a projected bottomhole location of 1386 feet FNL and 1191 feet FWL in said Section 28), for the production of gas and associated hydrocarbons from the Codell, Niobrara, and "J" Sand Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell, Niobrara, and "J" Sand Formations; and

(7) Designate an approximate 320-acre drilling and spacing unit consisting of the W½ of Section 28, Township 5 North, Range 67 West, 6th P.M. (to accommodate the **Kinzer 28B Well**, with a projected bottomhole location of 1721 feet FSL and 1221 feet FWL in said Section 28), for the production of gas and associated hydrocarbons from the Codell, Niobrara, and "J" Sand Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell, Niobrara, and "J" Sand Formations;

Further, it is alleged that said wells are presently drilled and producing, and PDC requests that the pooling of all nonconsenting interests be retroactive to the respective spud dates for said wells. Furthermore, PDC requests, that where feasible, the proposed pooling of nonconsenting interests extend to future development within a particular drilling and spacing unit.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Thursday, March 25, 2010
Friday, March 26, 2010

Time: 9:00 a.m.

Place: Suite 801, The Chancery Building
1120 Lincoln Street
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than March 11, 2010, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of March 15, 2010.** Pursuant to Rule 503.f., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by **March 11, 2010, the Applicant may request that an administrative hearing be scheduled during the week of March 15, 2010.** In the alternative, pursuant to Rule 511., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Carol Harmon, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
February 26, 2010

Attorneys for Applicant:
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