

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

IN THE MATTER OF THE PROMULGATION AND	)	CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN	)	
OPERATIONS IN THE WATTENBERG FIELD,	)	DOCKET NO. 1205-UP-163
WELD COUNTY, COLORADO	)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On December 19, 1983, the Commission issued Order No. 407-1 (amended March 29, 2000), 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 with the unit to be designated by the operator drilling the first well in the quarter section. The permitted well shall be located in the center of either 40-acre tract within the 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. Section 21, Township 4 North, Range 67 West, 6<sup>th</sup> P.M. is subject to this Order for the Codell Formation.

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, with the permitted well locations in accordance with the provisions of Order No. 407-1. Section 21, Township 4 North, Range 67 West, 6<sup>th</sup> P.M. is subject to this Order for the Codell and Niobrara Formations.

On April 27, 1998, the Commission adopted Rule 318A., the Greater Wattenberg Well Location Rule ("GWA Rule"), 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. Pursuant to Rule 318A.j., Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. Section 21, Township 4 North, Range 67 West, 6<sup>th</sup> P.M. is subject to Rule 318A., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

On March 30, 2012 (Amended April 4, 2012), Unioil, a wholly owned subsidiary of Petroleum Development Corporation d/b/a PDC Energy ("Unioil" or "Applicant"), by its attorneys, filed with the Commission a verified amended application ("Amended Application") for an order to: 1) pool all interests in five approximate 80-acre designated wellbore spacing units for the below-described lands to accommodate the Binder 22-10D U (API No. 05-123-31149), Binder 11-10D U (API No. 05-123-31515), Binder 12-10D U (API No. 05-123-31519), Binder 21-10D U (API No. 05-123-32494), Binder 32-10D U (API No. 05-123-31148) Wells:

<u>Township 4 North, Range 67 West, 6<sup>th</sup> P.M.</u>		
Section 10:	E½ NW¼	(Binder 22-10D U) – WSU #1
Section 10:	W½ NW¼	(Binder 11-10D U) – WSU #2
Section 10:	W½ NW¼	(Binder 12-10D U) – WSU #3
Section 10:	E½ NW¼	(Binder 21-10D U) – WSU #5
Section 10:	W½ NE¼	(Binder 32-10D U) – WSU #6

and 2) pool all interests in five approximate 160-acre designated wellbore spacing units for the below-described lands ("Application Lands") to accommodate the Binder 10AD U (API No. 05-123-331516), Binder 10O U (API No. 05-123-31021), Binder 10KD U (API No. 05-123-31015), Binder 10ND U (API No. 05-123-31154), and the Binder 10CD U (API No. 05-123-31150) Wells:

<u>Township 4 North, Range 67 West, 6<sup>th</sup> P.M.</u>		
Section 10:	NW¼	(Binder 10AD U) – WSU #4
Section 10:	SE¼ NW¼, SW¼ NE¼, NW¼ SE¼, NE¼ SW¼	(Binder 10O U) – WSU #7
Section 10:	S½ NW¼, N½ SW¼	(Binder 10 KD U) – WSU #8
Section 10:	W½ NW¼, E½ NE¼	(Binder 10 ND U) – WSU #9
Section 10:	NE¼	(Binder 10 CD U) – WSU #10;

for the development and operation of the Codell and Niobrara Formations, effective as of the earlier of

the date of the Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b)(II) were first incurred for the drilling of the well, and to subject any nonconsenting interests to the cost recovery provisions of C.R.S. § 34-60-116(7). Collectively, the lands describing Wellbore Spacing Units 1-10 above, are referred to as the "Application Lands".

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Tuesday, May 29, 2012  
Wednesday, May 30, 2012

Time: 9:00 a.m.

Place: COGCC Offices  
1120 Lincoln Street, Suite 801  
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 May 14, 2012, 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 May 14, 2012.** Pursuant to Rule 503.g., 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 **May 14, 2012, the Applicant may request that an administrative hearing be scheduled beginning May 14, 2012.** 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   
Peter J. Gowen, Acting Secretary

Dated at Suite 801  
1120 Lincoln Street  
Denver, Colorado 80203  
April 30, 2012

Attorneys for Unioil:  
Jamie L. Jost  
Kenneth A. Wonstolen  
Beatty & Wozniak, P.C.  
216 Sixteenth Street, Suite 1100  
Denver, Colorado 80202  
(303) 407-4499