

**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 POOLING ALL
INTERESTS IN THE CODELL AND/OR NIOBRARA
FORMATIONS IN A DESIGNATED DRILLING AND
SPACING UNIT IN WELD COUNTY, COLORADO.

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW PDC Energy, Inc. ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., and respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests for the development of the Codell and/or Niobrara Formations in the below-described approximate 160-acre designated wellbore spacing unit for the Heinrich 7KDU Well (API No. 05-123-27131) ("Well"):

Township 5 North, Range 67 West, 6th P.M.
Section 7: S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$

Weld County, Colorado ("Application Lands").

In support thereof, the 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 leasehold interests in a substantial portion of the Application Lands.
3. 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 the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.
4. 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 Formation 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. The Application Lands are subject to Rule 318A for the Codell and/or Niobrara Formations.
5. Applicant designated a 160-acre wellbore spacing unit, as defined below, for the production of oil, gas, and associated hydrocarbons from the Codell and/or Niobrara Formations pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.
6. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. §34-60-116 (6) and (7), seeks an order to pool all interests, including but not limited to, any

nonconsenting interests, in the Application Lands in the Codell and/or Niobrara Formations underlying the following designated 320-acre wellbore spacing unit:

Township 5 North, Range 67 West, 6th P.M.
Section 7: S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$

(referred to herein as the "Wellbore Spacing Unit").

7. Applicant requests that the Commission's pooling order be made effective as of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well to the Codell and/or Niobrara Formations on the Application Lands, whichever is earlier.

8. 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, or has already been, 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. The interested parties list shall be filed with the Commission no later than seven (7) days after the filing of this application.

9. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Codell and/or Niobrara Formations, 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 Wellbore Spacing Unit for the development of the Codell and/or Niobrara Formations.

B. Providing that the Commission's pooling order is made effective as of the date of this 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, whichever is earlier.

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(7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Codell and/or Niobrara Formation in the Wellbore Spacing Unit comprised of the Application Lands.

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

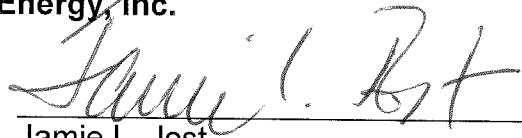
WHEREFORE, Applicant respectfully requests that this matter be set for hearing in October 2012, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: August 1, 2012

Respectfully submitted:

PDC Energy, Inc.

By:



Jamie L. Jost

Theresa M. Sauer

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

Applicant's Address:

PDC Energy, Inc.

ATTN: Marie McCord

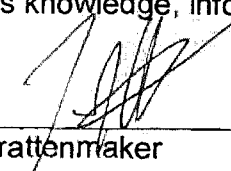
1775 Sherman Street, Suite 3000

Denver, CO 80203-4341

VERIFICATION

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

John Krattenmaker, of lawful age, being first duly sworn upon oath, deposes and says that he is the 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.

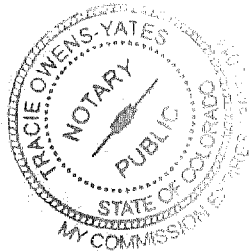


John Krattenmaker

Subscribed and sworn to before me this 11 day of July, 2012.

Witness my hand and official seal.

My commission expires: 31 Jul





Notary Public

EXHIBIT A

PDC Energy, Inc.
1775 Sherman Street, Suite 3000
Denver, CO 80203-4341

OMX Corporation
1419 41st Avenue
Greeley, CO 80634

Anadarko E&P Company LLP
1099 18th Street, Suite 1800
Denver, CO 80202

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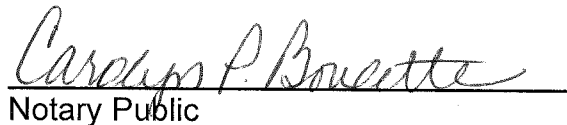
DOCKET NO.

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

That she is the attorney for PDC Energy, Inc. and that on or before August 10, 2012 she 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.

Subscribed and sworn to before me August 1ST, 2012.

My commission expires: October 22, 2015



My Comm. Expires October 22, 2015