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

IN THE MATTER OF THE APPLICATION OF PDC	)	CAUSE NO.
ENERGY, INC. FOR AN ORDER POOLING ALL	)	
INTERESTS IN THE CODELL AND/OR NIOBRARA	)	DOCKET NO.
FORMATIONS IN DESIGNATED WELLBORE	)	
SPACING UNIT LOCATED IN SECTIONS 21 AND 28,	)	
TOWNSHIP 4 NORTH, RANGE 67 WEST, 6TH PM,	)	
WELD COUNTY, COLORADO.	)	

## **APPLICATION**

COMES NOW PDC Energy, Inc. ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., and makes 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 a designated 160-acre wellbore spacing unit for the Walters #21LDU Well ("Well") – API Number 05-123-31998:

Township 4 North, Range 67 West, 6th P.M.

Section 21: S½SW¼ Section 28: N½NW¼

Weld County, Colorado

(hereinafter "Application Lands")

In support of its application, 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. Order Nos. 407-655 and 407-692 include portions of the Application Lands but do not apply, and do not affect, the Application.

- 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 160-acre wellbore spacing unit:

Township 4 North, Range 67 West, 6th P.M.

Section 21: S½SW¼ Section 28: N½NW¼

(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 Application Lands and 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 the Well 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 November, 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: September 1, 2012

Respectfully submitted:

PDC Energy, Inc.

By:

Jamie L. Jost

Kenneth A. Wonstolen 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	)	

Carrie Ratliff, of lawful age, being first duly sworn upon oath, deposes and says that she is the Landman for PDC Energy, Inc., and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

Carrie Ratliff

Subscribed and sworn to before me this 144 day of September, 2012.

Witness my hand and official seal.

My commission expires: 2-23-2015

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My Commission Expires 102/23/2015

Notary Public

## **EXHIBIT A**

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

Graham B. Blanton 1804 Pugh Fayetteville, NC 28305

L Gordon Pfefferkorn Jr. Trust L Gordon Pfefferkorn Jr., Trustee 715 Coliseum Dr. Winston-Salem. NC 27106

Robert L. Boschert 70 Huntington Parkway St. Charles, MO 63301

Richard M Haber 1311 North Church Ave. Tampa, FL 33607

Charles and Maureen Ardolino 8871 Sailport Dr. Huntington Beach, CA 92646

Claude Stull 11807 Admiralton Dr. Bridgeton, MO 63044

K.P. Babi V Varada 1630 Chadwick Pl. Blue Bell, PA 19422

Richard L Kies 259 Deer Creek Ln. Cape Girardeau, MO 63701

Edward Foerstel 3998 US Highway 61 Bloomsdale, MO 63627

Edward Foerstel & Debra Foerstel 3998 US Highway 61 Bloomsdale, MO 63627

Cimarron Petroleum Corp. PO Box 2768 Amarillo, TX 79105

Richard R. Chotin 509 Olive St., Suite 500 St. Louis, MO 63101

American Investment Bank David S. Toth DPM Chargrin Wally Foot Centers 514 Water St. Chardon, OH 44024

American Investment Bank Leslie Wint 79 Esplanade Mt. Vernon, NY 10553

Gregory J. Bunton 11437 St. Charles Rock Rd. Bridgeton, MO 63044

Troy B. Fergman and Marilyn Fergen J/T 219 N. Avenue #4 Chicago, IL 60610

Michael R. Freeman, MD Rt. 2, Box 386 ECape Girardeau, MO 63701

William D. Grahm 1008 Wellington St. Louis, MO 63017

H.W. Hardy 711 Louisiana, Suite 1300 Houston, TX 77002

Meyer Lewshin 1253 N. Vine St. #16 Los Angeles, CA 90038

Peter C. and Joyce T. Merrill 9825 Waterbury Dr. Ladue, MO 63124 Robert G. Rager 7002 S. Chaparral Cir. East Aurora, CO 80016 Gurijala N. Reddy, MD 6 Fieldcrest Ave. Wheeling, WV 26003

Jack D. and Janet Tatom PO Box 191 Cosmopolis, WA 98537

Jack I. Tompkins 10022 Briar Dr. Houston, TX 77042

Gary Van Shaften 2 Timberline Dr. Wayneon, NJ 07470

R. Dean and Lovena Burchette C/O Dean Burchette Eric Equities, Inc. 2021 E. 4<sup>th</sup> St., Suite 218 Santa Ana, CA 92705

Ethelyn L. Looy PO Box 1404 New York, NY 10185

R. Bruce Fickle, II PO Box S Berthoud, CO 80513 Jane Frances King Trust C/O American National Bank 3033 East 1<sup>st</sup> Ave. Denver, CO 80206

Helen Y McCarthy Revocable Trust Dated December 12, 1994 Helen Y. Hanna, Trustee PO Box 17850 Boulder, CO 80308

Michael H. McCarthy RT 11/26/01 Michael H McCarthy, Trustee PO Box 1418 Cody, WY 82414

Timothy D. McCarthy Trust Charles L. Sick, Trustee PO Box 17850 Boulder, 80308

McCarthy Weld Farms 801 Panorama Circle Longmont, CO 80501

Patrick W. McCarthy 3000 CR 301 Parachute, CO 81635

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

IN THE MATTER OF THE APPLICATION OF ENERGY, INC. FOR AN ORDER POOLING INTERESTS IN THE CODELL AND/OR NIOBE FORMATIONS IN DESIGNATED WELLB SPACING UNIT LOCATED IN SECTIONS 21 AND TOWNSHIP 4 NORTH, RANGE 67 WEST, 6 <sup>TH</sup> WELD COUNTY, COLORADO.	ALL ) RARA ) DOCKET NO. BORE ) D 28, )
<u>AFFIDAVIT</u>	OF MAILING
STATE OF COLORADO )	
)ss. CITY AND COUNTY OF DENVER )	
Jamie L. Jost, of lawful age, and being fire	st duly sworn upon his oath, states and declares:
caused a copy of the attached Application to prepaid, addressed to the parties listed on Exhib	y and that on or before September 2/, 2012 she be deposited in the United States Mail, postage bit A to the Application.  Jamie L. Jost
Subscribed and sworn to before me Septe	ember <u>/-</u> , 2012.
Witness my hand and official seal.	
My commission expires October 22,	<i>201</i> 5.
CAROLYN P. BOULETTE NOTARY PUBLIC, STATE OF COLORADO  My Comm. Expires October 22, 2015	Parolem Phouletto Notary Public