

**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 FOUR
APPROXIMATE 160-ACRE TO 320-ACRE
WELLBORE SPACING UNITS ESTABLISHED
FOR SECTION 24, TOWNSHIP 7 NORTH,
RANGE 66 WEST, 6TH P.M. FOR THE
CODELL-NIOBRARA FORMATION,
WATTENBERG FIELD, WELD COUNTY,
COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW PDC Energy, Inc. ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests in four (4) approximate 160-acre to 320-acre designated wellbore spacing units for the drilling of the Dalton 24Q-441 Well (API No. 05-123-36098), the Dalton 24L-441 Well (API No. 05-123-35824), the Dalton 24Q-241 Well (API No. 05-123-36100) and the Dalton 24L-201 Well (API No. 05-123-35826) (collectively the "Wells") for the development of the Codell-Niobrara Formation on the following described lands:

Township 7 North, Range 66 West, 6th P.M.

Section 24: E $\frac{1}{2}$ W $\frac{1}{2}$ (WSU#1 - 160-acres - Dalton 24Q-441)

Section 24: W $\frac{1}{2}$ W $\frac{1}{2}$ (WSU#2 - 160-acres - Dalton 24L-441)

Section 24: E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$ (WSU#3 - 320-acres - Dalton 24Q-241)

Section 24: W $\frac{1}{2}$ (WSU#4 - 320-acres - Dalton 24L-201)

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 and allow wellbore spacing units to be established on unspaced lands within GWA pursuant to certain notice and hearing procedures.

4. Applicant designated two (2) approximate 160-acre wellbore spacing units for the Dalton 24Q-441 Well and the Dalton 24L-441 Well and two (2) approximate 320-acre wellbore spacing units for the Dalton 24Q-241 Well and the Dalton 24L-201 Well as defined below, for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.

6. 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 nonconsenting interests, in the Application Lands for the development of the Codell-Niobrara Formation underlying the following four (4) designated wellbore spacing units:

Township 7 North, Range 66 West, 6th P.M.

Section 24: E½W½ (WSU#1 - 160-acres - Dalton 24Q-441)

Section 24: W½W½ (WSU#2 - 160-acres - Dalton 24L-441)

Section 24: E½W½, W½E½ (WSU#3 – 320-acres - Dalton 24Q-241)

Section 24: W½ (WSU#4 – 320-acres - Dalton 24L-201)

7. That in order to prevent waste and to protect correlative rights, all interests in WSU#1, WSU#2, WSU#3 and WSU#4 should be pooled for the orderly development of the Codell-Niobrara Formation, including any nonconsenting interests therein.

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)(II) are first incurred for the drilling of each of the Dalton 24Q-441 Well in WSU#1, the Dalton 24L-441 Well in WSU#2, the Dalton 24Q-241 Well in WSU#3 and the Dalton 24L-201 Well in WSU#4 to the Codell-Niobrara Formation on the Application Lands respectively.

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 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 offered the opportunity to lease, or to participate in the drilling of the Wells, 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.

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 WSU#1 for the development of the Codell-Niobrara 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)(II) are first incurred for the drilling of the Dalton 24Q-441 Well the Codell-Niobrara Formation on the Application Lands.

C. Pooling all interests in the Application Lands and WSU#2 for the development of the Codell-Niobrara Formation.

D. 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)(II) are first incurred for the drilling of the Dalton 24L-441 Well to the Codell-Niobrara Formation on the Application Lands.

E. Pooling all interests in the Application Lands and WSU#3 for the development of the Codell-Niobrara Formation.

F. 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)(II) are first incurred for the drilling of the Dalton 24Q-241 Well to the Codell-Niobrara Formation on the Application Lands.

G. Pooling all interests in the Application Lands and WSU#4 for the development of the Codell-Niobrara Formation.

H. 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)(II) are first incurred for the drilling of the Dalton 24L-201 Well to the Codell-Niobrara Formation on the Application Lands.

I. 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 Wells 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 Dalton 24Q-441 Well in WSU#1, the Dalton 24L-441 Well in WSU#2, the Dalton 24Q-241 Well in WSU#3 and the Dalton 24L-201 Well in WSU#4 drilled to develop the Codell-Niobrara Formation comprising the Application Lands.

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

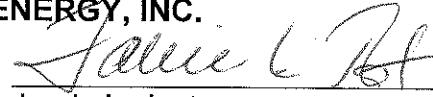
WHEREFORE, Applicant respectfully requests that this matter be set for hearing in July, 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: May 30, 2013.

Respectfully submitted:

PDC ENERGY, INC.

By:



Jamie L. Jost

Gregory J. Nibert Jr.

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

(303) 407-4499

Applicant's Address:

PDC Energy, Inc.

ATTN: Marie McCord

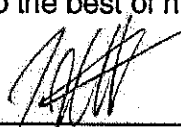
1775 Sherman Street, Suite 3000

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 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.



John Krattenmaker
Senior Regional Landman
PDC Energy, Inc.

Subscribed and sworn to before this 30th day of May, 2013.

Witness my hand and official seal.

[SEAL]

My commission expires: 3/5/14





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FORMATION, WATTENBERG FIELD, WELD
COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

AFFIDAVIT OF MAILING

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

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

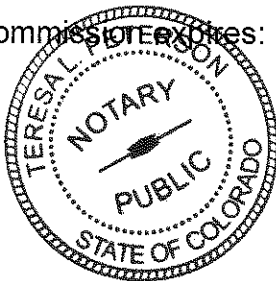
That she is the attorney for PDC Energy, Inc., that on or before June 7, 2013, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Jamie L. Jost
Jamie L. Jost

Subscribed and sworn to before me on May 30, 2013.

Witness my hand and official seal.

My commission expires: 10-04-13



Teresa L. Peters
Notary Public

EXHIBIT A

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

Energy & Exploration Partners LLC
Attn: Land Department
100 Throckmorton, Suite 700
Fort Worth, TX 76102

Corey D. Houtchin &
Angela Diodati, JT
912 Messara Drive
Ft Collins, CO 80524

David D. Hill
P.O. Box 2448
Honolulu, HI 96804

James D. Hill
1126 Ebbtide Road
Corona del Mar, CA 92625

Elizabeth Louise Nichols
980 Nickel Street
Broomfield, CO 80020

City of Thornton
A Colorado Municipal Corp
9500 Civic Center Drive Thornton, CO
80229

Dalton LLC
C/O James Dalton
1335 Hawkridge Rd
Eaton, CO 80615

Dalton Oil LLC
C/O Rochard Dalton
1400 Falcon Ridge Road
Eaton, CO 80615

Denise Jameson
17591 CR 78
Eaton, CO 80615

Gregory R. Johnson &
Mary W. Johnson
7383 Westmoreland Drive
Saint Louis, MO 63130

Phillip A. Johnson &
Susan C. Johnson
P.O. Box 683
Payonia, CO 81428

Margaret J. Randow &
Charles K. Randow
2705 White Horse Trail Austin, TX 78757

Charles Winter &
Charlene Winter
38117 Weld County Road 37
Eaton, CO 80615

Matthew E. Carroll
Carrie A. Carroll
38754 CR 65
Galeton, CO 80622

Michael A. Myers
Mary C. Myers
17084 WCR 80
Eaton, CO 80615