

**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 AN APPROXIMATE
320-ACRE WELLBORE SPACING UNIT FOR
THE J-SAND FORMATION, AND AN
APPROXIMATE 80-ACRE WELLBORE
SPACING UNIT FOR THE CODELL-NIOBRARA
FORMATION, IN PORTIONS OF SECTION 2,
TOWNSHIP 5 NORTH, RANGE 63 WEST, 6TH
P.M., WATTENBERG FIELD, WELD COUNTY,
COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW PDC Energy, Inc. ("Applicant"), by its attorneys, Jost & Shelton Energy Group, 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 within an approximate 320-acre Wellbore Spacing Unit, as defined below, and all interests within an approximate 80-acre Wellbore Spacing Unit, for the drilling of the Wells Ranch 32-2 Well, (API No. 05-123-21131) ("Well") for the development of the J-Sand and Codell-Niobrara Formations, respectively, on the following described lands:

Township 5 North, Range 63 West, 6th P.M. ("WSU #1" J-Sand)
Section 2: E $\frac{1}{2}$

320-acres, more or less, Weld County, Colorado

Township 5 North, Range 63 West, 6th P.M. ("WSU #2" Codell-Niobrara)
Section 2: E $\frac{1}{2}$ NE $\frac{1}{4}$

80-acres, more or less, 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.

4. On February 19, 1992, the Commission entered 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 Niobrara Formation underlying certain lands, with the permitted well locations in accordance with the provisions of Order No. 407-1 and allowed downhole commingling of production from the Codell and Niobrara Formations.

5. On March 17, 2014, the Commission entered Order No. 407-987, which among other things, approves the request for an order to pool all interests in two approximate 317-acre designated wellbore spacing units established for certain lands in Section 2, Township 5 North, Range 63 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation. Order No. 407-987 does not affect this Application.

6. Applicant designated the approximate 320-acre Wellbore Spacing Unit, and the approximate 80-acre Wellbore Spacing Unit, for the production of oil, gas, and associated hydrocarbons from the J-Sand and Codell-Niobrara Formations, respectively, pursuant to Rule 318A and notified the appropriate parties under Rule 318A.

7. 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 in the J-Sand Formation underlying the following approximate 320-acre wellbore spacing unit:

Township 5 North, Range 63 West, 6th P.M.
Section 2: E½

(throughout as "WSU #1").

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) are first incurred for the drilling of the Well to the J-Sand Formation on the Application Lands.

9. 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 in the Codell-Niobrara Formation underlying the following approximate 80-acre Wellbore Spacing Unit:

Township 5 North, Range 63 West, 6th P.M.
Section 2: E $\frac{1}{2}$ NE $\frac{1}{4}$

(throughout as "WSU #2") (collectively "Wellbore Spacing Units")

10. 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) are first incurred for the drilling of the Well to the Codell-Niobrara Formation on the Application Lands.

11. 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 Well, 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.

12. That in order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Units should be pooled for the orderly development of the Codell-Niobrara and J-Sand Formations, respectively, 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 Units for the development of the Codell-Niobrara and J-Sand Formations.

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) are first incurred for the drilling of the Well in the Wellbore Spacing Units to the Codell-Niobrara or J-Sand Formations, respectively, on the Application Lands.

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(6) and (7), and made subject to the cost recovery provisions thereof with respect to the Well drilled to

develop the Codell-Niobrara and J-Sand Formations, respectively, in the Wellbore Spacing Units comprising 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 2014, 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 28th, 2014.

Respectfully submitted:

PDC Energy, Inc.

By: 

Jamie L. Jost
Joseph M. Evers
Jost & Shelton Energy Group, P.C.
Attorneys for Applicant
1675 Larimer St., Suite 420
Denver, Colorado 80202
(720) 379-1812


Applicant's Address:

PDC Energy, Inc.
ATTN: Marie McCord
1775 Sherman Street, Suite 3000
Denver, CO 80203

VERIFICATION

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

Sam McClung, of lawful age, being first duly sworn upon oath, deposes and says that she is a Regional 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.


Sam McClung
Regional Landman
PDC Energy, Inc.

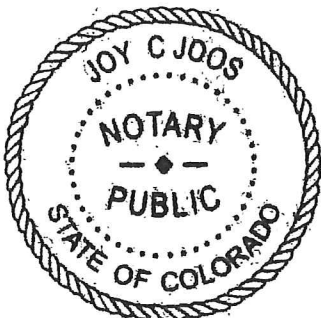
Subscribed and sworn to before me this 28th day of August 2014.

Witness my hand and official seal.

[SEAL]

My commission expires: 2-23-2015

Jay C. Goss Notary Public



My Commission Expires 02/23/2015

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P.M., WATTENBERG FIELD, WELD COUNTY,
COLORADO

DOCKET NO.

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

Jamie L. Jost

Subscribed and sworn to before me this 10 day of August 2014.

[SEAL]

My commission expires: 06/16/2008

Charlotte Jacobs No

CHARLOTTE LAWLESS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144023899
MY COMMISSION EXPIRES JUNE 16, 2018

Exhibit A
Interested Party List
FP-Wells Ranch 32-2

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

Violet Fuqua Ahlefeld
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Yuma, AZ 85367

Donna Alexander
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Yuma, AZ 85367

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60 County Line Road
Fountain Run, KY 41233

Tracy D'Lane Dillard
763 State Line Road
Scottsville, KY

Anthony David Garcia
22145 Chase Avenue
Corning, CA 96021

Hazel L. Brookman
3025 Greentree Drive
Jamestown, OH 45335

Sylvia Buchanan
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Pierce, CO 82009

Katherine Calve TR dtd 2/28/91
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Denver, CO 80247

Marie Ann Del Mugnaio
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Sacramento, CA 95691

Twyla B & Lloyd G Denney
18854 Hanover Drive
Madera, CA 93638

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13434 Highway 14
Ault, CO 80610

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Donna Kay Fernandez
C/O Marie Ann Del Miegnaio
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2362 Kay Drive
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Rancho Cordova, CA 95670

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Corning, CA 96021

Jon Douglas Garcia
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Corning, CA 96021

Leonard A. Garcia
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Corning, CA 96021

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Rocklin City, CA 95677

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c/o Mark Kincy
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Nokesville, VA 20181

Mark David Kincy
Suzanne Y. Kincy
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Nokesville, VA 20181

Richard Albert Kincy, Jr.
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Spring, TX 77379

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P. Marie McKenzie
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Greeley, CO 80634

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Seattle, WA 98146

Robert M. McKnight, MD
Mary L. McKnight
6228 Central Drive
Mukilteo, WA 98275
Vonnie K. Meyer
1014 3rd Street
Pierce, CO 80650

John F. Milburn Estate
Gary B. Mckenzie Administrator
2436 West 13th Street
Greeley, CO 80634

Deanna Lee Miller
3025 Greentree Drive
Jamestown, OH 45335

Susan Marie Kincy Murillo
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Modesto, CA 95356

Gerald Edward Porter, Jr.
Sally Renee Porter
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Fresno, CA 93711

Jerry Porter, deceased
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Peoria, AZ 85382

S. Jane Porter
20554 N. 101st Ave Apt. 2007
Peoria, AZ 85382

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Greeley, CO 80634

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