

**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
480-ACRE DESIGNATED HORIZONTAL
WELLBORE SPACING UNIT IN SECTIONS 22
AND 27, TOWNSHIP 5 NORTH, RANGE 64
WEST, 6TH P.M., FOR THE CODELL
FORMATION, WATTENBERG FIELD, WELD
COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW PDC Energy, Inc. (Operator No. 69175) ("PDC" or "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 480-acre Wellbore Spacing Unit, as defined below, for the drilling of the Chesnut 27K-401 Well (API No. 05-123-40078) ("Well"), for the development of the Codell Formation on the following described lands:

Township 5 North, Range 64 West, 6th P.M.

Section 22: W $\frac{1}{2}$

Section 27: NW $\frac{1}{4}$

480-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, gas and associated hydrocarbons from the Niobrara Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

5. On March 5, 2012, the Commission entered Order No. 407-575, which among other things, approves the request for an order to pool all interests in an approximate 160-acre wellbore spacing unit consisting of certain lands in Sections 15 and 22, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. Order No. 407-575 does not affect this Application.

6. On April 16, 2012, the Commission entered Order No. 407-615, which among other things, approves the request for an order to pool all interests in an approximate 160-acre wellbore spacing unit consisting of certain lands in Section 22, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. Order No. 407-615 does not affect this Application.

7. On April 16, 2012, the Commission entered Order No. 407-616, which among other things, approves the request for an order to pool all interests in an approximate 160-acre wellbore spacing unit consisting of certain lands in Section 22, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. Order No. 407-616 does not affect this Application.

8. On April 16, 2012, the Commission entered Order No. 407-618, which among other things, approves the request for an order to pool all interests in an approximate 160-acre wellbore spacing unit consisting of certain lands in Section 22, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. Order No. 407-618 does not affect this Application.

9. On April 16, 2012, the Commission entered Order No. 407-619, which among other things, approves the request for an order to pool all interests in an approximate 160-acre wellbore spacing unit consisting of certain lands in Section 22, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. Order No. 407-619 does not affect this Application.

10. On April 16, 2012, the Commission entered Order No. 407-620, which among other things, approves the request for an order to pool all interests in an approximate 160-acre wellbore spacing unit consisting of certain lands in Section 22, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. Order No. 407-620 does not affect this Application.

11. Applicant designated the 480-acre Wellbore Spacing Unit for the production of oil, gas, and associated hydrocarbons from the Codell Formation pursuant to Rule 318A and notified the appropriate parties under Rule 318A.

12. 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 non-consenting interests, in the Application Lands in the Codell Formation underlying the following approximate 480-acre Wellbore Spacing Unit:

Township 5 North, Range 64 West, 6th P.M.

Section 22: W $\frac{1}{2}$

Section 27: NW $\frac{1}{4}$

(throughout as "Wellbore Spacing Unit").

13. 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 Formation on the Application Lands.

14. 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 503.e., and that at least thirty-five (35) 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.

15. That in order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Unit should be pooled for the orderly development of the Codell Formation, including any non-consenting 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 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) are first incurred for the drilling of the Well in the Wellbore Spacing Unit to the Codell Formation 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 Formation in the Wellbore Spacing Unit 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 March 2015, 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: December 22, 2014.

Respectfully submitted:

PDC ENERGY, INC.

By: 

Jamie L. Jost

James P. Parrot

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

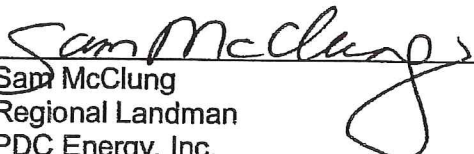
1775 Sherman Street, Suite 3000

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 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.



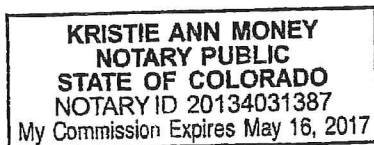
Sam McClung
Regional Landman
PDC Energy, Inc.

Subscribed and sworn to before me this 18th day of December, 2014.

Witness my hand and official seal.

[SEAL]

My commission expires: 5/16/2017





Notary Public

IN THE MATTER OF THE APPLICATION OF
PDC ENERGY, INC. FOR AN ORDER TO
POOL ALL INTERESTS IN AN APPROXIMATE
480-ACRE DESIGNATED HORIZONTAL
WELLBORE SPACING UNIT IN SECTIONS 22
AND 27, TOWNSHIP 5 NORTH, RANGE 64
WEST, 6TH P.M., FOR THE CODELL
FORMATION, WATTENBERG FIELD, WELD
COUNTY, COLORADO

DOCKET NO.

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


Jamie L. Jost

Daniela Caswell
Notary Public

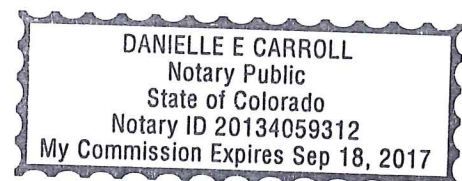


Exhibit A
Interested Party List

J.M. Petrikin, as Trustee under the
Will of Asa Sterling
Address Unknown

Heirs and Devisees of George A. Prebish
10510 Kingswood Circle
Sun City, AZ 85351

Frank Loustalet
1937 11th Avenue
Greeley, CO 80631

Walter B. Loustalet
1614 25th Street
Greeley, CO 80631

George H. Loustalet

Loustalet Green
Address Unknown

Frank C. Green
Address Unknown

George Loustalet Hunter
1221 12th Street
Greeley, CO 80631

Anna Green Beardsley
Address Unknown

Winifred Hannas Klett
Address Unknown

The Travelers Insurance Company
PO Box 1100
Edmond, OK 73083

William D. Rice & Jean V Rice
5 Brightford Heights
Rochester, NY 14610

Harold E. Rice & Doris A. Rice
2021 7th Avenue
Greeley, CO 80631

Erma Fithian, formerly
Erma Dalton &
Robert W. Fithian
Address unknown

Colorado Department of Transportation P03-090-00
Address unknown

Allen R. Iwata
Address unknown

Mary Ellen Alt, Delia Ann Bettale
& John White
30129 WCR 46
Kersey, CO 80644

John R. Duell & Frank A. Duell
John A. White
Address unknown

Kevin S. Chesnut
27275 WCR #52
Kersey, CO 80644

James Rice
3001 70th Avenue
Greeley, CO 80634

The Travelers Insurance Company
PO Box 1100
Edmond, OK 73083

William D. Rice & Jean V Rice
5 Brightford Heights
Rochester, NY 14610

Harold E. Rice & Doris A. Rice
2021 7th Avenue
Greeley, CO 80631

Erma Fithian, formerly
Erma Dalton &
Robert W. Fithian

Colorado Department of Transportation P03-090-00
C/O Reciepts and Deposits
4201 East Arkansas Avenue
Denver, CO 80222

Allen R. Iwata
3072 Ursula Street

Aurora, CO 80011

Mary Ellen Alt, Delia Ann Bettale
& John White
30129 WCR 46
Kersey, CO 80644

John R. Duell & Frank A. Duell
John A. White
Kevin S. Chesnut
27275 WCR #52
Kersey, CO 80644

James Rice
3001 70th Avenue
Greeley, CO 80634

Ardis Kerns
1811 Montview Blvd
Greeley, CO 80631

Audrey L. Thout
5460 Tennyson Street
Denver, CO 80212

Bettie K. Miller
14200 Upper Fredericktown Road
Fredericktown, OH 43019
BLG Resources, LLC
2602 McKinney Avenue #200
Dallas, TX 75204

Carol Ann Fowler
453 Mayfair Drive
Poinciana, FL 34759

Candi K. Bauer Reinick
PO Box 718
Greeley, CO 80632

Centennial Mineral Holdings, LLC
5950 Cedar Springs Rd., Suite 200
Dallas, TX 75235

Clyde Nelson
7455 Centennial Glen Drive
Colorado Springs, CO 80919

Cozzens Living Trust dated August 25, 2010
3170 Soaring Bird Circle
Colorado Springs, CO 80920

Cynthia Marie Spurlock
325 Washington Avenue S #342
Kent, WA 98032

Dana L. Geist
PO Box 514
Ault Colorado 80610-0514

Darell E. Rice
Dennis D. Klein and
Victoria Lynn Klein, JT
24822 Hwy 34
Greleey, CO 80631

First Interstate Financial, LLC
Po Box 655
Salt Lake City, UT 84110

Greycock Minerals, LLC
address Unknown

Helen Crews
6600 West 20th Street, #35
Greeley, CO 80634

Herbert H. Duell
1601 Rosewood Drive
Brentwood, TN 37027

Jacquelyn M. Speake
11420 Rd. 20
Cortez, CO 81321

Jay W. Gibson
18560 Creekview Road
Sanger, TX 76266

John R. Duell
26542 WCR 51
Greeley, CO 80631

John R. Lazuick & LeLanie
Lazuick, JT
27470 WCR 54 1/2
Kersey, CO 80644

Kevin L Thoutt
6195 Tennyson Street
Arvada, CO 80002

Kevin S. Chesnut
27275 WCR #52
Kersey, CO 80644

Kurk Douglas Dalton
242 Dalton Street
Longmont, CO 80501