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

IN THE MATTER OF THE APPLICATION OF CAUSE NO. PDC ENERGY, INC. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 320-ACRE **DESIGNATED HORIZONTAL** WELLBORE SPACING UNIT IN SECTION 14, TOWNSHIP 5 NORTH, RANGE 64 WEST, 6TH P.M., FOR THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, **COLORADO**

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 320-acre Wellbore Spacing Unit, as defined below, for the drilling of the Peterson 14X-434 Well (API No. 05-123-39797) ("Well"), for the development of the Codell Formation on the following described lands:

> Township 5 North, Range 64 West, 6th P.M. Section 14: S½

320-acres, more or less, Weld County, Colorado. Hereinafter "Application Lands"

In support thereof, Applicant states and alleges as follows:

- Applicant is a corporation duly authorized to conduct business in 1. 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.
- 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 Codell-Niobrara Formations, the Codell Formation, and 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. Applicant designated the 320-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.
- 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 non-consenting interests, in the Application Lands in the Codell Formation underlying the following approximate 320-acre Wellbore Spacing Unit:

Township 5 North, Range 64 West, 6th P.M. Section 14: S½

(throughout as "Wellbore Spacing Unit").

- 7. 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.
- 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 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.
- 9. 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 April 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: February 12, 2015.

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 11th day of February 2015.

Witness my hand and official seal.

ISEAL

TRACIE OWENS-YATES
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054039521
My Commission Expires Mar. 5, 2018

My commission expires: 315/2018

Notary Public

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

IN THE MATTER OF THE APPLICATION OF CAUSE NO. PDC ENERGY, INC. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE HORIZONTAL 320-ACRE DESIGNATED WELLBORE SPACING UNIT IN SECTION 14, TOWNSHIP 5 NORTH, RANGE 64 WEST, 6TH P.M., FOR THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

DOCKET NO.

AFFIDAVIT OF MAILING	
STATE OF COLORADO))ss.
CITY AND COUNTY OF DENVER)
I, Jamie L. Jost of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for PDC Energy, Inc., and that on or before the day of February 2015, I 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
Subscribed and sworn to before me thisday of February, 2015.	
Witness my hand and official seal.	
[SEAL]	
My commission expires:	RACHEL FLEMING NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20144025048 MY COMMISSION EXPIRES JUNE 24, 2018

Notary Public

Exhibit A Peterson 14X-434

Petro-Canada Resources (USA)

Inc.

Attn: Chauncey Staples
1625 Broadway, Suite 2200

Denver, CO 80202

Scotia Gas, Ltd. 525 Canyon, Suite B Boulder, CO 80302

Kevin W. Motis and Pauline J. Motis 28608 County Road 388 Kersey, CO 80644

Derril Castor Revocable Intervivos Trust, Derril Castor and Marvel Castor, Trustees 1410 N. Culp Russell. KS 67665

Marvel Castor Revocable Intervivos Trust, Marvel Castor and Derril Castor, Trustees 1410 N. Culp Russell, KS 67665

Cockroft Dairy Farm LLLP 27906 County Road 388 Kersey, CO 80644

Jacqueline M. Frank 28236 County Road 58.5 Greeley, CO 80631

Lavern Glover and Athlyn Glover P.O. Box 44 Kersey, CO 80644 Janeene Deeley Hagan 12055 S. Woodwinds Cir. #25 Traverse City, MI 49684

Linda L. Harsh 662 Estaugh St. N.W. Palm Bay, FL 32907

Jennie Joan Hart and Donald Jake Hart 1524 Sandy Lane Windsor, CO 80550

David A. Holman 28236 County Road 58.5 Greeley, CO 80631

Dorothy Holman 28236 County Road 58.5 Greeley, CO 80631

Holman Family Trust, James Holman and Elizabeth M. Holman, Co-Trustees 28642 WC Road 388 Kersey, CO 80644

James A. Holman 28642 WC Road 388 Kersey, CO 80620

Frances A. Loustalet Revocable Trust, Frances A. Loustalet, Trustee 313 Salem Court Aurora, CO 80011

Francis M. Loustalet Trust, Francis M. Loustalet, Trustee 1618 37th Avenue Place Greeley, CO 80634 Joyce L. Matal 1066 SW Sunflower Ct. Topeka, KS 66604

JoEll K. Matthews 28236 County Road 58.5 Greeley, CO 80631

Bob Kiyoshi and Robert Mitani, joint tenants 24016 Highway 263 Greeley, CO 80631

Joleen A. Kats 228 N. 4th St. Osborne, KS 67473

Kathryn J. Mitchell 3305 Lincoln Drive Hays, KS 67601 Kathleen Mitchell-Wade 812 W. Merle Hibbs Blvd. Marshalltown, IA 50158

Kirk L. Mitchell P.O. Box 157 Osborne, KS 67473

Arthur R. & Judith T. Peterson Trust, Arthur R & Judith T. Peterson, Co-Trustees 27602 Rd. 388 Kersey, CO 80644

Marjorie H. Williams Estate, Leia G. Ursery, Successor Personal Representative 650 South Cherry St., Ste. 850 Denver, CO 80246