PDC ENERGY, INC.
Form 424B5
March 20, 2015

Table of Contents

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Price to Us per Share	Aggregate Offering Price	Amount of Registration Fee(2)
Common stock, par value $.01 per share	4,002,000	$50.73	$203,021,460	$23,591.10

(1) Includes 522,000 shares of common stock issuable upon exercise of the underwriters option to purchase additional shares of common stock to cover overallotments.
(2) This filing fee is calculated and being paid pursuant to Rule 457(r) of the Securities Act of 1933 and relates to our Registration Statement on Form S-3 (File No. 333-202853).

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-202853

PROSPECTUS SUPPLEMENT

(To Prospectus dated March 18, 2015)

3,480,000 Shares

PDC Energy, Inc.

Common Stock

We are selling 3,480,000 shares of our common stock.

Our shares trade on the Nasdaq Global Select Market under the symbol PDCE. On March 18, 2015, the last sale price of the shares as reported on the Nasdaq Global Select Market was $53.34 per share.

Investing in the common stock involves risks that are described in the Risk Factors section beginning on page S-13 of this prospectus supplement.

The underwriters have agreed to purchase the common stock from us at a price of $50.73 per share, which will result in approximately $176.5 million of proceeds to us before expenses. The underwriters may offer the shares of common stock from time to time for sale in one or more transactions on the Nasdaq Global Select Market, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices.

The underwriters may also exercise their option to purchase up to an additional 522,000 shares from us, at the price per share set forth above, for 30 days after the date of this prospectus supplement to cover overallotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about March 23, 2015.

Goldman, Sachs & Co. **J.P. Morgan**

The date of this prospectus supplement is March 18, 2015

Table of Contents

(1) 2013 includes slight production from Shallow-Devonian assets

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of our common stock and certain other matters relating to our business. The second part is the accompanying prospectus, which gives more general information, some of which does not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference, you should rely on the information in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus as well as the additional information described under Incorporation of Certain Information by Reference on page S-55 of this prospectus supplement before investing in our common stock. Also see Special Note Regarding Forward-Looking Statements on page S-iii of this prospectus supplement.

We have filed with the SEC a registration statement on Form S-3 with respect to the securities offered hereby. This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement, parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the securities offered hereby, reference is made to the registration statement and the exhibits that are a part of the registration statement.

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in each of this prospectus supplement, the accompanying prospectus, the documents incorporated by reference into this prospectus supplement and the accompanying prospectus and any related free writing prospectus is accurate as of the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates. You should read this prospectus supplement, the accompanying prospectus, the documents incorporated by reference into this prospectus supplement and the accompanying prospectus and any related free writing prospectus when making your investment decision.

Unless otherwise stated, information in this prospectus supplement assumes the underwriters will not exercise their option to purchase additional shares of our common stock.

Unless otherwise indicated or the context requires otherwise, all references in this prospectus supplement to PDC, PDC Energy, we, us, or our are to PDC Energy, Inc., and its consolidated subsidiaries, including our proportionate share of the financial position, results of operations, cash flows and operating activities of our affiliated partnerships and PDC Mountaineer, LLC (PDCM), a joint venture owned 50% each by PDC and Lime Rock Partners, LP until its disposition in October 2014.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (Securities Act) and Section 21E of the Exchange Act regarding our business, financial condition, results of operations and prospects. All statements other than statements of historical facts included in and incorporated by reference into this report are forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Words such as expects, anticipates, intends, plans, believes, seeks, estimates and similar expressions or variations of such words are intended to identify forward-looking statements herein. These statements relate to, among other things: estimated future production (including the components of such production), sales, expenses, cash flows and liquidity; estimated crude oil, natural gas and natural gas liquids (NGLs) reserves; the impact of prolonged depressed commodity prices; anticipated 2015 capital projects, expenditures and opportunities; expected 2015 capital budget allocations; future exploration, drilling and development activities, including the number of drilling rigs we expect to run during 2015 and number of locations; capital efficiencies and per well reserves expected to be realized through drilling of extended length laterals, tighter frac spacing and cost reductions; future horizontal drilling projects that are estimated to be economically producible at certain commodity prices and costs; anticipated reductions in our 2015 cost structure; potential for future impairments; potential acquisitions of additional acreage and other future transactions; the impact of high line pressures and the timing, availability, cost and effect of additional midstream facilities and services going forward; the borrowing base under our credit facility; and our future strategies, plans and objectives.

The above statements are not the exclusive means of identifying forward-looking statements herein. Although forward-looking statements contained in this prospectus supplement reflect our good faith judgment, such statements can only be based on facts and factors currently known to us. Consequently, forward-looking statements are inherently subject to risks and uncertainties, including known and unknown risks and uncertainties incidental to the exploration for, and the acquisition, development, production and marketing of, crude oil, natural gas and NGLs, and actual outcomes may differ materially from the results and outcomes discussed in the forward-looking statements.

Important factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to:

- changes in worldwide production volumes and demand, including economic conditions that might impact demand;

- volatility of commodity prices for crude oil, natural gas and NGLs and the risk of an extended period of depressed prices;

- impact of governmental policies and/or regulations, including changes in environmental and other laws and regulations, the interpretation and enforcement related to those laws and regulations, liabilities arising thereunder and the costs to comply with those laws and regulations;

- potential declines in the value of our crude oil, natural gas and NGLs properties resulting in impairments;

changes in estimates of proved reserves;

inaccuracy of reserve estimates and expected production rates;

potential for production decline rates from our wells being greater than expected;

timing and extent of our success in discovering, acquiring, developing and producing reserves;

our ability to secure leases, drilling rigs, supplies and services at reasonable prices;

availability of sufficient pipeline, gathering and other transportation facilities and related infrastructure to process and transport our production and the impact of these facilities and regional capacity on the prices we receive for our production;

- timing and receipt of necessary regulatory permits;
- risks incidental to the drilling and operation of crude oil and natural gas wells;
- our future cash flows, liquidity and financial condition;
- competition within the oil and gas industry;
- availability and cost of capital;
- reductions in the borrowing base under our revolving credit facility;
- our success in marketing crude oil, natural gas and NGLs;
- effect of crude oil and natural gas derivatives activities;
- impact of environmental events, governmental and other third-party responses to such events, and our ability to insure adequately against such events;
- cost of pending or future litigation;
- effect that acquisitions we may pursue have on our capital expenditures;
- our ability to retain or attract senior management and key technical employees; and
- success of strategic plans, expectations and objectives for our future operations.

Furthermore, we urge you to carefully review and consider the disclosures made in this prospectus supplement and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, including the risks and uncertainties that may affect our business, financial condition, results of operations and cash flows as discussed in Risk Factors beginning on page S-13 of this prospectus supplement. We caution you not to place undue reliance on forward-looking statements, which speak only as of the respective dates on which they were made. **We undertake no obligation to update any forward-looking statements in order to reflect any event or circumstance occurring after the date of this prospectus supplement or currently unknown facts or conditions or the occurrence of unanticipated events. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.**

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary provides a brief overview of us and the key aspects of this offering. This summary does not contain all of the information that may be important to you. For a more complete understanding, you should read carefully this entire prospectus supplement and the accompanying prospectus, including the information presented under the headings Risk Factors and Special Note Regarding Forward-Looking Statements, and the documents incorporated by reference.

PDC Energy, Inc.

Our Company

We are a domestic independent exploration and production company that produces, develops, acquires and explores for crude oil, natural gas and NGLs with primary operations in the Wattenberg Field in Colorado, the Utica Shale in southeastern Ohio and, until the fourth quarter of 2014, the Marcellus Shale in northern West Virginia. Our 2015 operations in the Wattenberg Field are focused in the inner and middle core areas of the Niobrara and Codell plays. We own an interest in approximately 2,900 gross producing wells, of which approximately 350 are horizontal. Production of 9.3 MMboe from continuing operations for the year ended December 31, 2014 represents an increase of 42% compared to the year ended December 31, 2013. For the month ended December 31, 2014, we maintained an average production rate of 30 MBoe per day. As of December 31, 2014, we had approximately 250 MMBoe of proved reserves (30% of which are proved developed) with a pre-tax present value of future net revenues, or PV-10, of $3.5 billion, representing increases of 24 MMBoe and $0.8 billion, respectively, relative to December 31, 2013, after adjusting for the divestiture of our Marcellus Shale dry-gas assets. Proved reserves at December 31, 2014 were comprised of approximately 64% liquids and 36% natural gas. Our proved reserve additions included further downspacing in the Wattenberg Field and an increase in per well reserves in our inner core horizontal wells targeting the Niobrara formation. See Summary Reserve Information for a reconciliation of PV-10 to standardized measure.

The increases in our production and estimated proved reserves are primarily attributable to our successful horizontal Niobrara and Codell drilling programs in the Wattenberg Field. Future development of the Wattenberg Field provides the opportunity to add further proved, probable and possible reserves to our portfolio through continued delineation and downspacing of the horizontal Niobrara and Codell formations. Similarly, we believe the Utica Shale provides the opportunity for additional proved, probable and possible reserves in a more favorable crude oil and natural gas pricing environment. In 2014, we spudded 116 horizontal wells in the Wattenberg Field, turned-in-line 86 horizontal wells and participated in 84 gross, 18.7 net, horizontal non-operated drilling projects. We spudded 11 horizontal Utica Shale wells in 2014 and turned-in-line eight horizontal wells.

Table of Contents

The following table presents our proved reserve estimates as of December 31, 2014 based on a reserve report prepared by Ryder Scott Company, L.P., or Ryder Scott, our independent petroleum engineering consulting firm, and related information:

Proved Reserves at December 31, 2014

	Proved Reserves (MMBoe)	% of Total Proved Reserves	% Proved Developed	% Liquids	Proved Reserves to Production Ratio (in years)	2014 Production (MBoe)
Wattenberg Field	245	98%	29%	64%	28.9	8,484
Utica Shale	5	2%	77%	53%	6.5	805
Total proved reserves	250	100%	30%	64%	26.9	9,289

Our Strengths

Excellent drilling opportunities with a strong liquidity position.

Multi-year project inventory in premier crude oil, natural gas and NGLs plays. We have a significant operational presence in two key U.S. onshore basins and have identified a substantial inventory of approximately 2,650 gross proved undeveloped and probable horizontal drilling projects. We believe that this inventory will allow us to continue to grow our reserves and production, and that, with respect to the Wattenberg Field in particular, the majority of our projects will generate attractive rates of return at current commodity prices and our expected cost structure.

Access to liquidity. As of December 31, 2014, we had a total liquidity position of $398.4 million, comprised of $16.1 million of cash and cash equivalents and $382.3 million available for borrowing under our revolving credit facility. We have no near-term debt maturities and had $56.0 million outstanding on our revolving credit facility as of December 31, 2014. In September 2014, the semi-annual redetermination of our revolving credit facility s borrowing base was completed, resulting in an increase in the borrowing base from $450 million to $700 million. We elected to maintain the aggregate commitment at $450 million. Considering the additional $250 million borrowing base available under our revolving credit facility, subject to certain terms and conditions of the agreement, our liquidity position as of December 31, 2014 would have been $648.3 million.

Derivative program. We actively hedge our future exposure to commodity price fluctuations by entering into crude oil and natural gas collars, fixed-price swaps and basis protection swaps. As of December 31, 2014, we have hedged approximately 5,200 MBbls, or approximately 79% to 85%, of our expected crude oil production in 2015 at a weighted-average minimum price of $88.61 per Bbl and a weighted-average maximum price of $90.07 per Bbl. As of the same date, we have hedged approximately 22.5 Bcf, or approximately 74% to 79%, of our expected natural gas production in 2015 at a weighted-average minimum price of $3.90 per Mcf and a weighted-average maximum price of $4.02 per Mcf. While our derivative program limits the upside benefits we may otherwise receive during periods of higher commodity prices, the program helps protect our cash flows, borrowing base and liquidity during periods of depressed commodity prices.

Track record of reserve and production growth. Our proved reserves have grown from 38 MMBoe at December 31, 2009, after adjusting for subsequent divestitures, to approximately 250 MMBoe at December 31, 2014, representing a compound annual growth rate (CAGR) of 46%. During the same time period, our proved crude oil and NGL reserves grew at a CAGR of 55%. Our annual production from continuing operations grew from 2.7 MMBoe in 2009 to 9.3 MMBoe in 2014, representing a CAGR of 28%.

Horizontal drilling and completion experience. We have a proven track record of applying technical expertise toward developing unconventional resources through horizontal drilling and completion operations. We have transitioned to multi-well pad drilling, extended laterals, increased frac density and enhanced frac design to further optimize costs and enhance horizontal drilling efficiencies. These changes enable us to improve economics and increase well density in our horizontal plays.

Significant control in our core areas. As a result of successfully executing our strategy of acquiring largely concentrated acreage positions with a high working interest, we operate and manage approximately 89% of the wells in which we have an interest. Our high percentage of operated properties enables us to exercise a significant level of control with respect to drilling, production, operating and administrative costs, in addition to leveraging our base of technical expertise in our core operating areas. Additionally, this strategy provides us flexibility in selecting drilling locations based upon differing criteria. Our operational control is also enhanced by the fact that a majority of our Wattenberg Field leasehold is held by production.

Reputation for strong environmental, health and safety compliance program. We believe that we have established a positive reputation for our environmental, health and safety program. We believe that this is an important advantage for us in competing in today s intensive regulatory climate and in working with local communities in which we operate.

Community participation and outreach. We are dedicated to being an active and contributing member in the communities in which we operate. We share our success with these communities in various ways, including charitable giving and community event sponsorships. We also encourage our employees to take an active role through our charitable matching contribution fund and by participating in our Energizing Our Community day, during which our employees volunteer in the communities in which they work and live.

Management experience and operational expertise. We have a management team with a proven track record of drilling performance and a technical and operational staff with expertise in the basins in which we operate, particularly in horizontal drilling, completion and production activities in the Wattenberg Field.

Business Strategy

Our long-term business strategy focuses on generating shareholder value through the development, acquisition and exploration of crude oil and natural gas properties. We are currently focused on the organic growth of our reserves, production and cash flows in our horizontal drilling programs after having completed multiple transactions over the last several years to restructure and simplify our property portfolio. We pursue various midstream, marketing and cost reduction initiatives designed to increase our per unit operating margins while maintaining a conservative and disciplined financial strategy focused on providing sufficient liquidity and balance sheet strength to execute our business strategy.

We focus on horizontal development drilling programs in resource plays that offer repeatable results capable of driving growth in reserves, production and cash flows. We periodically review acquisition opportunities in our core areas of operation as we believe we can extract additional value from such assets through production optimization, refracturing, recompletions and development drilling. In addition, core acquisitions can potentially provide synergies that result in economies of scale from a combined position. While we believe development drilling will remain the foundation of our capital program, we expect to continue our disciplined approach to acquisitions and exploratory drilling.

Development drilling

Our leasehold interests consist of developed and undeveloped crude oil, natural gas and NGLs resources. Based upon our current acreage holdings, we have identified an inventory of approximately 2,650 gross proved

Table of Contents

undeveloped and probable capital projects for horizontal development. Our 2015 capital program forecast is $473 million, including $435 million of development capital and $38 million for lease acquisition and other capital expenditures. The capital program forecast is a revision to our original 2015 capital budget that was announced in December 2014 and has been adjusted for anticipated service cost reductions and lower non-operated spending, partially offset by increased working interests on certain planned 2015 wells. As a result of our operational flexibility, we have allocated a significantly higher percentage of our 2015 capital program forecast to our higher-return projects in the Wattenberg Field inner and middle core areas.

Wattenberg Field. Our primary focus in the Wattenberg Field is drilling in the horizontal Niobrara and Codell plays. Based on our current drilling program, and considering our inventory of approximately 2,600 gross proved undeveloped and probable horizontal projects, we have nearly 20 years of drilling activity. These projects are primarily located in the core Wattenberg Field, which is further delineated between the inner, middle and outer core. In 2015, we expect to continue to realize additional capital efficiencies through drilling extended length laterals, tighter frac spacing and shifting more of our drilling program to the inner and middle core areas of the field. We plan to enhance our completion design by decreasing the spacing between frac stages from 250 feet to 200 feet. With the modified completion design of more frac stages and anticipated cost structure savings, our gross drilling and completion costs per well for a 4,000 foot length lateral are expected to be approximately $3.6 million and are expected to be approximately $4.6 million for our extended 6,500 to 7,000 foot laterals. We expect increased per well reserves from tighter frac spacing and extended laterals. Additionally, we are drilling the majority of our wells in the inner and middle core areas, which have higher per well reserves than the outer core.

Approximately $414 million of our 2015 capital program forecast is expected to be spent on development activities in the Wattenberg Field, consisting of $358 million for our operated drilling program, of which 91% is directed towards the inner and middle core, and $56 million for non-operated projects. We expect to spud approximately 119 and turn in line 109 horizontal Niobrara or Codell wells of which 40% are expected to be extended length laterals. Approximately 60% of those wells are expected to target the Niobrara formation with the remainder targeting the Codell formation. We expect to participate in approximately 85 gross, 14.2 net, non-operated horizontal opportunities in 2015. We plan to invest approximately $21 million on other capital expenditures in the Wattenberg Field. The 2015 capital program forecast maintains our five-rig drilling program in the Wattenberg Field and is based upon the commodity price environment experienced in the first quarter of 2015. A further deterioration of commodity prices could negatively impact our financial condition and results of operations. We may further revise our capital program forecast during the year as a result of, among other things, commodity prices, acquisitions or dispositions of assets, drilling results, changes in our borrowing capacity and/or significant changes in cash flows.

Utica Shale. During 2014, we continued to delineate and develop our leasehold position in the Utica Shale. However, based on current low commodity prices and large natural gas price differentials in Appalachia, we elected to temporarily cease drilling in the Utica Shale at the end of 2014. We recognized an impairment charge of $158.3 million to write-down our Utica Shale producing and non-producing crude oil and natural gas properties to their estimated fair value. The impairment of undeveloped acreage is primarily on acreage located outside the condensate and wet natural gas windows of the Utica Shale. For 2015, we plan to invest a total of $35 million in the Utica Shale play to complete and turn-in-line a four-well pad that was in process as of December 31, 2014 and for lease acquisition and other capital expenditures. We expect to resume our Utica Shale drilling program when commodity prices and net-back realizations rebound. We remain committed to the strong Utica Shale resource we are developing in the condensate and wet natural gas windows of the play. In 2015, we will develop production, reservoir and completion analyses from our recently drilled wells and will incorporate the data into our future drilling programs. We currently estimate that we have approximately 50 gross probable projects for horizontal drilling in the condensate and wet natural gas windows of the Utica Shale and have spudded 24 horizontal wells through December 31, 2014.

Table of Contents

Operational and financial risk management

We proactively employ strategies to help reduce the financial risks associated with our industry. One such strategy is to maintain a balanced production mix of liquids and natural gas. During 2014, we produced crude oil, natural gas and NGLs with a production mix of approximately 65% liquids and 35% natural gas. This strategy of a diversified commodity mix helps mitigate the financial impact from a decline in the market price of any one of our commodities. In addition, we utilize commodity-based derivative instruments to manage a substantial portion of our exposure to price volatility with regard to our crude oil and natural gas sales and natural gas marketing segments. As of December 31, 2014, we had natural gas and crude oil derivative positions in place for 2015 covering approximately 5,200 MBbls of our crude oil production and approximately 22.5 Bcf of our natural gas production. Currently, we do not hedge our NGL production.

Strategic acquisitions

We typically pursue the acquisition of assets that may have value from producing wells and behind-pipe reserves, but most importantly, from high quality undeveloped drilling locations. We seek properties with large undeveloped drilling upside where we believe we can utilize our operational abilities to add shareholder value. We have an experienced team of management, engineering, geosciences and commercial professionals who identify and evaluate acquisition opportunities.

Wattenberg Field. In June 2012, we acquired certain assets from affiliates of Merit Energy (the Merit Acquisition) for an aggregate purchase price of $304.6 million. The acquired assets comprise approximately 30,000 net acres located almost entirely in the core Wattenberg Field and in close proximity to our then-existing acreage position. Our total position in the core Wattenberg Field is now approximately 96,000 net acres.

Utica Shale. Over the past three years, we have acquired approximately 67,000 net acres of Utica leaseholds, targeting the condensate and wet natural gas windows of the Utica Shale play in southeastern Ohio. As an early entrant into the development of the Utica Shale, we believe we have gained valuable experience in drilling and developing the condensate and wet natural gas windows of the play.

Strategic divestitures

We continue to seek ways to optimize our asset portfolio as part of our business strategy. This may include divesting lower return assets and reinvesting in our stronger economic inventory. As a result, we have divested several assets over the past few years.

Appalachian Marcellus Shale Assets. In October 2014, we completed the sale of our entire 50% ownership interest in PDCM to an unrelated third-party for aggregate consideration, after our share of PDCM s debt repayment and other working capital adjustments, of approximately $192 million, comprised of approximately $153 million in net cash proceeds and a promissory note due in 2020 of approximately $39 million. The transaction included the buyer s assumption of our share of the firm transportation commitment related to the assets owned by PDCM, as well as our share of PDCM s natural gas hedging positions for the years 2014 through 2017. The divestiture resulted in a pre-tax gain of $76.3 million. Proceeds from the divestiture were used to reduce outstanding borrowings on our revolving credit facility and to fund a portion of our 2014 capital budget. Our proportionate share of PDCM s Marcellus Shale results of operations has been separately reported as discontinued operations in the consolidated statements of operations for all periods presented.

Appalachian Shallow Upper Devonian Gas Assets. In December 2013, we divested our shallow Upper Devonian (non-Marcellus Shale) Appalachian Basin crude oil and natural gas properties previously owned directly by us, as well as through our proportionate share of PDCM, for aggregate consideration of approximately $20.6 million, of which our share of the proceeds was approximately $5.1 million. We received our proportionate

Table of Contents

share of cash proceeds and a note receivable. Concurrent with the closing of the transaction, our $6.7 million irrevocable standby letter of credit and an agreement for firm transportation services was released and novated to the buyer.

Colorado Dry Gas Assets. In June 2013, we completed the sale of our non-core Colorado dry gas assets, primarily natural gas producing properties located in the Piceance Basin, northeastern Colorado and other non-core areas, to certain affiliates of Caerus Oil and Gas LLC for consideration of $177.6 million, with an additional $17 million paid to our non-affiliated investor partners in our affiliated partnerships. The sale resulted in a pre-tax loss of $2.3 million. The proceeds from the asset disposition were used to pay down our revolving credit facility and to fund a portion of our 2013 capital budget.

Selective exploration

With the current commodity pricing environment, we do not expect our exploration activity to be significant in 2015. Historically, we have pursued a disciplined exploration program intended to replenish our portfolio and to position us for production and reserve growth in future years. We have attempted to identify potential plays in their early stages in order to accumulate significant leasehold positions prior to competitive forces driving up the cost of entry and to invest in leasehold positions that are in the proximity of existing or emerging midstream infrastructure.

Corporate Information

Our common stock is quoted on The NASDAQ Global Select Market under the symbol PDCE.

Our principal executive offices are located at 1775 Sherman Street, Suite 3000, Denver, Colorado 80203. Our telephone number is 303-860-5800.

We also maintain an internet website at www.pdce.com, which contains information about us. Our website and the information contained in and connected to it are not a part of or incorporated by reference into this prospectus supplement or the accompanying prospectus.

Table of Contents

THE OFFERING

Issuer	PDC Energy, Inc.
Common stock offered (1)	3,480,000 shares
Common stock to be outstanding after this offering	39,386,342 shares
Option to purchase additional shares granted by us	Up to 522,000 shares
Use of proceeds	We estimate that our net proceeds from this offering, after deducting underwriting discounts and commissions and estimated fees and expenses, will be approximately $176 million ($202.5 million if the underwriters exercise their overallotment option to purchase 522,000 additional shares of our common stock in full). We intend to use the net proceeds from this offering to fund a portion of our capital expenditure program for the remainder of 2015 and for general corporate purposes. See Use of Proceeds. An affiliate of J.P. Morgan Securities LLC is a lender and the administrative agent under our revolving credit facility. Accordingly, an affiliate of J.P. Morgan Securities LLC will receive a portion of the net proceeds of this offering and a conflict of interest is deemed to exist under Rule 5121 (Rule 5121) of the Financial Industry Regulatory Authority, Inc. (FINRA) rules. Accordingly, this offering is being made in compliance with the requirements of FINRA Rule 5121. Please read Use of Proceeds and Underwriting (Conflicts of Interest).
The NASDAQ Global Select Market symbol	PDCE
Dividend policy	We have not paid dividends on our common stock and do not intend to pay cash dividends in the foreseeable future. In addition, our revolving credit facility and the indenture governing our senior notes limit our ability to pay dividends and make other distributions on our common

	stock.
Risk factors	An investment in our common stock involves a significant degree of risk. We urge you to carefully consider all of the information described in the section entitled Risk Factors beginning on page S-13 of this prospectus supplement.

(1) See Description of Capital Stock on page S-41 of this prospectus supplement for additional information regarding the common stock to be issued in this offering.

The information above regarding the number of shares of our common stock outstanding is based on 35,906,342 shares of common stock outstanding as of December 31, 2014. The number of shares of our common stock outstanding as of that date does not include 2,013,632 shares reserved for issuance under our equity

Table of Contents

compensation plans, of which 611,779 restricted shares have been granted and are subject to issuance in the future based on the satisfaction of certain time-based or market-based vesting criteria established pursuant to the respective awards. In addition, as of December 31, 2014, we had outstanding options to purchase 3,523 shares of our common stock at a weighted average exercise price of $44.95 per share and 279,011 stock appreciation rights. As of March 16, 2015, the number of shares of our common stock outstanding was 35,999,221.

Table of Contents

SUMMARY FINANCIAL INFORMATION

The following table sets forth our summary financial data. The summary financial data shown below has been derived from, and should be read together with, our audited consolidated financial statements and the related notes contained in our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on February 19, 2015. The results presented below are not necessarily indicative of the results to be expected for any future period. You should read the following tables together with Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2014 and our historical consolidated financial statements and the related notes, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Year Ended December 31,		
	2014	**2013**	**2012**
	(dollars in millions, except per share data as noted)		
Statement of Operations			
Crude oil, natural gas and NGL sales (1)	$ 471.4	$ 340.8	$ 228.0
Commodity price risk management gain (loss), net (1)	310.3	(23.9)	29.3
Total revenues (1)	856.2	392.7	307.1
Income (loss) from continuing operations	107.3	(21.1)	(19.4)
Income (loss) from discontinued operations, net of tax	48.2	(1.2)	(111.4)
Earnings (loss) per share attributable to shareholders:			
Net income (loss) from continuing operations basic	$ 3.00	$ (0.65)	$ (0.70)
Net income (loss) from discontinued operations basic	1.34	(0.04)	(4.02)
Net income (loss) from continuing operations diluted	2.93	(0.65)	(0.70)
Net income (loss) from discontinued operations diluted	1.31	(0.04)	(4.02)
Statement of Cash Flows			
Net cash provided by operating activities	$ 236.7	$ 159.2	$ 174.7
Capital expenditures	628.6	394.9	347.7
Acquisitions of crude oil and natural gas properties		9.7	312.2
Balance Sheet			
Total assets	$ 2,340.6	$ 2,025.2	$ 1,826.8
Working capital (deficit)	30.3	112.4	(31.4)
Long-term debt	664.9	605.0	676.6
Total Equity	1,137.4	967.6	703.2

(1) Amounts shown are from continuing operations.

Table of Contents

SUMMARY RESERVE INFORMATION

The table below sets forth information regarding our estimated proved reserves as of December 31, 2014, 2013 and 2012 based on estimates made in reserve reports prepared by Ryder Scott. Reserves cannot be measured exactly because reserve estimates involve subjective judgments. The estimates must be reviewed periodically and adjusted to reflect additional information gained from reservoir performance, new geological and geophysical data and economic changes. Neither PV-10 nor the standardized measure is intended to represent the current market value of the reserves.

Estimated future net cash flows represents the undiscounted estimated future gross revenue to be generated from the production of proved reserves, net of estimated production costs, future development costs and income tax expense. Prices used to estimate future gross revenues and production and development costs were based on a 12-month average price calculated as the unweighted arithmetic average price on the first day of each month, January through December. Prices were not adjusted to reflect the value of our commodity hedges. Prices relating to production and development costs were estimated as of December 31 for each of the years presented; costs do not include non-property related expenses such as corporate general and administrative expenses, debt service, or depreciation, depletion and amortization expense. The standardized measure of discounted future net cash flows represents the present value of estimated future net cash flows discounted at a rate of 10% per annum to reflect the timing of future cash flows.

	As of December 31,		
	2014	2013 (3)	2012 (3)(4)(5)
Proved reserves			
Crude oil and condensate *(MMBbls)*	101	94	59
Natural gas *(Bcf)*	537	740	604
NGLs *(MMBbls)*	60	49	33
Total proved reserves *(MMBoe)*	250	266	193
Proved developed reserves *(MMBoe)*	75	76	82
Estimated future net cash flows (in millions) (1)	$ 4,938	$ 4,323	$ 2,756
PV-10 (in millions) (2)	$ 3,450	$ 2,704	$ 1,709
Standardized measure (in millions)	$ 2,306	$ 1,782	$ 1,168

(1) Amount represents undiscounted pre-tax future net cash flows estimated by Ryder Scott of approximately $7.3 billion, $6.4 billion and $4.0 billion as of December 31, 2014, 2013 and 2012, respectively, less an internally-estimated future income tax expense of approximately $2.3 billion, $2.1 billion and $1.2 billion, respectively.

(2) PV-10 is a non-U.S. GAAP financial measure. It is not intended to represent the current market value of our estimated reserves. PV-10 should not be considered in isolation or as a substitute for the standardized measure reported in accordance with U.S. GAAP, but rather should be considered in addition to the standardized measure. The difference between PV-10 and standardized measure on each date is the present value of estimated future income tax discounted at 10%.

(3) Includes estimated reserve data related to our Marcellus Shale crude oil and natural gas properties, which were divested in October 2014.

(4) Includes estimated reserve data related to our Piceance Basin and northeast Colorado crude oil and natural gas properties, which were divested in June 2013.

(5)

Includes estimated reserve data related to our shallow Upper Devonian (non-Marcellus Shale) Appalachian Basin crude oil and natural gas properties, which were divested in December 2013.

Table of Contents

SUMMARY OPERATING INFORMATION

The following table sets forth summary operating information for the years ended December 31, 2014, 2013 and 2012.

	Year Ended December 31,