

Filed by: PDC Energy, Inc.  
(Commission File No.: 001-37419)  
Pursuant to Rule 425 under the Securities Act of 1933, as amended  
and deemed filed pursuant to 14a-12  
under the Securities Exchange Act of 1934, as amended  
Subject Company: SRC Energy Inc.  
(Commission File No.: 001-35245)  
Date: August 26, 2019

On August 26, 2019, PDC Energy, Inc. distributed the following information to its employees:

**A Strategic Combination | A Message From Bart Brookman**

Dear Team,

This morning we announced that PDC Energy will strategically combine with SRC Energy through an all-stock transaction. We are excited about this opportunity to enhance our position as a premier operator in the DJ and Delaware Basins. A copy of the press release we issued can be found here on [www.pdce.com](http://www.pdce.com).

We recognize that over the past few weeks there have been rumors circulating regarding a potential combination of PDC and SRC. Please understand that, although we have been working toward this announcement for some time, as a public company we are subject to securities laws that have required us to keep this matter confidential until a definitive agreement was reached. We are pleased to share with you today this great news regarding our plans to continue growing our company.

As you may know, SRC, like PDC, is a Denver-based oil and gas E&P company operating in the Core Wattenberg. SRC has complementary, high-quality assets that are concentrated entirely in Colorado's Weld County. SRC has an experienced management and operating team with approximately 150 employees who operate approximately 400 horizontal wells, and they share our commitment to local Colorado communities, environmental responsibility and employee safety.

Over the past few years, we have successfully executed a disciplined operating plan to drive sustainable free cash flow and profitable growth. We have demonstrated a track record of operational excellence, taking important steps in both of our core basins to improve drilling and completion efficiencies. This transaction will accelerate our strategy and create a best-in-class operator with the size, scale and financial positioning to thrive in today's market.

Together with SRC, we will be a leading Colorado company and energy producer and the second largest producer in the DJ Basin, while maintaining our strong operating presence in West Texas. Including both the DJ and Delaware basins, we expect the combined company to exit 2019 producing approximately 200,000 Boe per day. The

---

combined company will also have enhanced financial strength and flexibility to capitalize on value-enhancing future growth opportunities.

Importantly, the transaction is a natural cultural fit for PDC and will benefit our stakeholders. By uniting two companies and teams with strong core values and a shared commitment to responsible and safe operations, we will build on our shared mission to create value for the shareholders of both companies. Ensuring the health and safety of our employees and stakeholders, as well as protecting the environment and the communities in which we live and operate, will remain a top priority. We look forward to welcoming SRC to the PDC team, creating exciting new career growth and development opportunities for employees of both companies, and achieving our shared objectives together.

Today is just the first step and it remains business as usual while we work to complete the transaction. We expect the transaction to close in the fourth quarter of 2019, subject to customary closing conditions and regulatory and shareholder approvals. Until the closing of this transaction, PDC and SRC will continue to operate as independent companies. After the closing, PDC's executive management team will continue to lead the combined company and we will remain headquartered in Denver.

In the coming weeks, we will begin integration planning, including planning how we will join our two teams. In the meantime, it is important that we continue to execute and stay focused to build on our strong momentum.

We expect today's announcement will lead to increased interest in PDC from the media and our investors. Please refer all related inquiries to Mike Edwards at michael.edwards@pdce.com or Kyle Sourk at kyle.sourk@pdce.com.

I look forward to discussing this news with you further. Over the next several weeks, members of the SMT will be visiting each of our offices to discuss the transaction in more detail.

Today's announcement is a direct result of your hard work, which continues to drive our success. On behalf of our Board and senior management team, thank you for your continued dedication. I'm excited by the opportunities ahead for PDC and for all of us.

Sincerely,

Bart

---

**DISCLAIMERS:**

***Additional Information and Where to Find It***

*This document does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval. This communication relates to a proposed business combination between PDC and SRC. In connection with the proposed transaction, PDC intends to file with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 that will include a joint proxy statement of PDC and SRC that also constitutes a prospectus of PDC. Each of PDC and SRC also plan to file other relevant documents with the SEC regarding the proposed transaction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended. Any definitive joint proxy statement/prospectus of PDC and/or SRC (if and when available) will be mailed to shareholders of PDC and/or SRC, as applicable. INVESTORS AND SECURITY HOLDERS OF PDC AND SRC ARE URGED TO READ THE REGISTRATION STATEMENT, JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents containing important information about PDC and SRC, once such documents are filed with the SEC through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by PDC will be available free of charge on PDC's website at <http://www.pdce.com> or by contacting PDC's Senior Director of Investor Relations by email at [michael.edwards@pdce.com](mailto:michael.edwards@pdce.com), or by phone at 303-860-5820. Copies of the documents filed with the SEC by SRC will be available free of charge on SRC's website at <http://www.srcenergy.com> or by contacting SRC's Investor Relations Manager by email at [jrichardson@srcenergy.com](mailto:jrichardson@srcenergy.com), or by phone at 720-616-4308.*

***Certain Information Concerning Participants***

*PDC, SRC and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about the directors and executive officers of PDC is set forth in PDC's proxy statement for its 2019 annual meeting of stockholders, which was filed with the SEC on April 17, 2019. Information about the directors and executive officers of SRC is set forth in its proxy statement for its 2019 annual meeting of shareholders, which was filed with the SEC on March 28, 2019. These documents can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when such materials become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from PDC or SRC using the contact information indicated above.*

---

### **Cautionary Statement Regarding Forward-Looking Information**

*This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than historical facts, that address activities that PDC or SRC assumes, plans, expects, believes, intends or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events, including this proposed transaction. These forward-looking statements involve certain risks and uncertainties that could cause the results to differ materially from those expected by the management of PDC or SRC. These include the expected timing and likelihood of completion of the proposed transaction, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction that could reduce anticipated benefits or cause the parties to abandon the proposed transaction, the ability to successfully integrate the businesses, the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, the possibility that stockholders of PDC may not approve the issuance of new shares of common stock in the proposed transaction or that shareholders of SRC may not approve the merger agreement, the risk that the parties may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all, risks related to disruption of management time from ongoing business operations due to the proposed transaction, the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of PDC's securities or SRC's securities, the risk of any unexpected costs or expenses resulting from the proposed transaction, the risk of any litigation relating to the proposed transaction, the risk that the proposed transaction and its announcement could have an adverse effect on the ability of PDC and SRC to retain customers and retain and hire key personnel and maintain relationships with their suppliers and customers and on their operating results and businesses generally, the risk the pending proposed transaction could distract management of both entities and they will incur substantial costs, the risk that problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected, the risk that the combined company may be unable to achieve synergies or other anticipated benefits of the proposed transaction or that it may take longer than expected to achieve those synergies or benefits and other important factors that could cause actual results to differ materially from those projected. All such factors are difficult to predict and are beyond PDC's or SRC's control, including those detailed in PDC's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that are available on its website at <http://www.pdce.com> and on the SEC's website at <http://www.sec.gov>, and those detailed in SRC's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that are available on SRC's website at <http://www.srcenergy.com> and on the SEC's website at <http://www.sec.gov>.*

*All forward-looking statements are based on assumptions that PDC or SRC believe to be reasonable but that may not prove to be accurate. Any forward-looking statement speaks only as of the date on which such statement is made, and PDC and SRC*

---

*undertake no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.*

---