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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities and Exchange Act of 1934
For the period ended March 31, 2000

OR

[ ] Transition Report Pursuant to Section 13 of 15(d) of
the Securities and Exchange Act of 1934
For the transition period from to

Commission file number 0-7246

I.R.S. Employer Identification Number 95-2636730

PETROLEUM DEVELOPMENT CORPORATION
(A Nevada Corporation)
103 East Main Street
Bridgeport, WV 26330
Telephone: (304) 842-6256

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes XX No

Indicate the number of shares outstanding of each of the issuers classes of common stock, as of the latest practicable date: 15,982,376 shares of the Company's Common Stock ($.01 par value) were outstanding as of March 31, 2000.

PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Independent Auditors' Review Report

The Board of Directors
Petroleum Development Corporation:

We have reviewed the accompanying condensed consolidated balance sheet of Petroleum Development Corporation and subsidiaries as of March 31, 2000, and the related condensed consolidated statements of income and cash flows for the three-month periods ended March 31, 2000 and 1999. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Petroleum Development Corporation and subsidiaries as of December 31, 1999 and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 6, 2000, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1999 is fairly presented, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG LLP

Pittsburgh, Pennsylvania
May 9, 2000

PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets
March 31, 2000 and December 31, 1999

ASSETS

	2000 (Unaudited)	1999
Current assets:		
Cash and cash equivalents	$ 13,838,100	$ 29,059,200
Accounts and notes receivable	11,856,600	10,263,200
Inventories	364,700	577,600
Prepaid expenses	3,085,800	2,360,100
Total current assets	29,145,200	42,260,100
Properties and equipment	120,456,900	118,349,100
Less accumulated depreciation, depletion, and amortization	32,694,800	31,207,300
	87,762,100	87,141,800
Other assets	2,505,800	2,681,700
	$119,413,100	$132,083,600

(Continued)

Condensed Consolidated Balance Sheets, Continued
March 31, 2000 and December 31, 1999

LIABILITIES AND STOCKHOLDERS' EQUITY	2000 (Unaudited)	1999
Current liabilities:		
Accounts payable and accrued expenses	$ 18,322,400	$ 17,599,000
Advances for future drilling contracts	7,183,900	25,137,400
Funds held for future distribution	1,838,500	2,027,600
Total current liabilities	27,344,800	44,764,000
Long-term debt	10,000,000	9,300,000
Other liabilities	3,502,600	3,160,600
Deferred income taxes	4,382,300	4,134,100
Stockholders' equity:		
Common stock	159,800	157,400
Additional paid-in capital	32,285,700	32,071,000
Retained earnings	41,737,900	38,496,500
Total stockholders' equity	74,183,400	70,724,900
	$119,413,100	$132,083,600

See accompanying notes to condensed consolidated financial statements.

PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Income
Three Months ended March 31, 2000 and 1999
(Unaudited)

	2000	1999
Revenues:		
Oil and gas well drilling operations	$17,757,800	17,745,600
Oil and gas sales	15,322,000	8,274,700
Well operations and pipeline income	1,287,800	1,156,100
Other income	136,800	489,900
	34,504,400	27,666,300
Costs and expenses:		
Cost of oil and gas well drilling operations	14,403,700	14,871,400
Oil and gas purchases and production costs	13,707,500	8,030,400
General and administrative expenses	679,200	464,400
Depreciation, depletion, and amortization	1,489,700	935,600
Interest	14,600	-
	30,294,700	24,301,800
Income before income taxes	4,209,700	3,364,500
Income taxes	968,300	753,700
Net income	$ 3,241,400	2,610,800
Basic earnings per common share	$ .20	$ .17
Diluted earnings per share	$ .20	$ .16

See accompanying notes to condensed consolidated financial statements

PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31, 2000 and 1999
(Unaudited)

	2000	1999
Cash flows from operating activities:		
Net income	$ 3,241,400	2,610,800
Adjustments to net income to reconcile to cash used in operating activities:		
Deferred federal income taxes	248,200	97,000
Depreciation, depletion & amortization	1,489,700	935,600
Leasehold acreage expired or surrendered	71,100	192,000
Amortization of stock award	1,400	3,100
Gain on disposal of assets	-	(8,300)
(Increase) decrease in current assets	(1,959,500)	823,600
Decrease (increase) in other assets	242,300	(226,700)
Decrease in current liabilities	(17,419,200)	(19,661,500)
Increase in other liabilities	342,000	419,400
Total adjustments	(16,984,000)	(17,425,800)

Net cash used in operating activities	(13,742,600)	(14,815,000)
Cash flows from investing activities:		
Capital expenditures	(2,319,900)	(6,194,700)
Proceeds from sale of leases	141,400	460,400
Proceeds from sale of assets	-	8,300
Net cash used in investing activities	(2,178,500)	(5,726,000)
Cash flows from financing activities:		
Proceeds from long-term debt	10,000,000	-
Retirement of debt	(9,300,000)	-
Net cash provided by financing activities	700,000	-
Net change in cash and cash equivalents	(15,221,100)	(20,541,000)
Cash and cash equivalents, beginning of period	29,059,200	34,894,600
Cash and cash equivalents, end of period	$ 13,838,100	14,353,600

See accompanying notes to condensed consolidated financial statements.

PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements
March 31, 2000
(Unaudited)

1. Accounting Policies

Reference is hereby made to the Company's Annual Report on Form 10-K for 1999, which contains a summary of significant accounting policies followed by the Company in the preparation of its consolidated financial statements. These policies were also followed in preparing the quarterly report included herein.

2. Basis of Presentation

The Management of the Company believes that all adjustments (consisting of only normal recurring accruals) necessary to a fair statement of the results of such periods have been made. The results of operations for the three months ended March 31, 2000 are not necessarily indicative of the results to be expected for the full year.

3. Oil and Gas Properties

Oil and Gas Properties are reported on the successful efforts method.

4. Earnings Per Share

Computation of earnings per common and common equivalent share are as follows for the three months ended March 31,

	2000	1999
Weighted average common shares outstanding	15,966,250	15,722,659
Weighted average common and common equivalent shares outstanding	16,276,659	16,216,020
Net income	$ 3,241,400	$ 2,610,800
Basic earnings per common share	$ .20	$ .17
Diluted earnings per share	$ .20	$ .16

5. Business Segments (Thousands)

PDC's operating activities can be divided into three major segments: drilling and developement, natural gas sales, and well operations. The Company drills natural gas wells for Company-sponsored drilling partnerships and retains an interest in each well. The Company also engages in oil and gas sales to residential, commerical and industrial end-users. The Company charges Company-sponsored partnerships and other third parties competitive industry rates for well operations and gas gathering. Segment information for the three months ended March 31, 2000 and 1999 is as follows:

	2000	1999
REVENUES		
Drilling and Development	$17,758	17,746
Natural Gas Sales	15,322	8,275
Well Operations	1,288	1,156
Unallocated amounts (1)	137	489
Total	$34,505	27,666

(1) Includes interest on investments and partnership management fees which are not allocated in assessing segment performance.

	2000	1999
SEGMENT INCOME BEFORE INCOME TAXES		
Drilling and Development	$3,354	2,874
Natural Gas Sales	1,176	208
Well Operations	276	293
Unallocated amounts (2)		
General and Administrative expenses	(679)	(464)
Interest expense	(15)	-
Other (1)	98	454
Total	$ 4,210	3,365

(2) Items which are not allocated in assessing segment performance.

	March 31, 2000	December 31, 1999
SEGMENT ASSETS		
Drilling and Development	$10,252	23,957
Natural Gas Sales	96,232	93,073
Well Operations	5,911	7,977
Unallocated amounts		
Cash	182	1,967
Other	6,836	5,110
Total	$119,413	132,084

6. Commitments and Contingencies

The nature of the independent oil and gas industry involves a dependence on outside investor drilling capital and involves a concentration of gas sales to a few customers. The Company sells natural gas to various public utilities and industrial customers.

Substantially all of the Company's drilling programs contain a repurchase provision where Investors may tender their partnership units for repurchase at any time beginning with the third anniversary of the first cash distribution. The provision provides that the Company is obligated to purchase an aggregate of 10% of the initial subscriptions per calendar year (at a minimum price of four times the most recent 12 months' cash distributions), only if such units are tendered, subject to the Company's financial ability to do so. The maximum annual 10% repurchase obligation, if tendered by the investors, is currently approximately $850,000. The Company has adequate capital to meet this obligation.

The Company is not party to any legal action that would materially affect the Company's results of operations or financial condition.

7. Subsequent Event

On April 27, 2000 the Company entered into an agreement to purchase all of the working interest in 168 producing wells in Colorado for $5,650,000. The transaction is effective April 1, 2000 and is scheduled to close on or before May 31, 2000. The wells have net remaining reserves of 560,000 barrels of oil and 4.9 billion cubic feet of natural gas.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Three Months Ended March 31, 2000 Compared With March 31, 1999

Revenues. Total revenues for the three months ended March 31, 2000 were $34.5 million compared to $27.7 million for the three months ended March 31, 1999, an increase of approximately $6.8 million, or 24.5 percent. Such increase was primarily a result of increased oil and gas sales. Drilling revenues for the three months ended March 31, 2000 were $17.7 million approximately the same as the three months ended March 31, 1999. Oil and gas sales for the three months ended March 31, 2000 were $15.3 million compared to $8.3 million for the three months ended March 31, 1999, an increase of approximately $7.0 million, or 84.3 percent. Such increase was due to the natural gas marketing activities of Riley Natural Gas (RNG), the Company's market subsidiary, and increased production from the Company's producing properties along with higher average sales prices of oil and natural gas. Well operations and pipeline income for the three months ended March 31, 2000 was $1.3 million compared to $1.2 million for the three months ended March 31, 1999 an increase of approximately $100,000, or 8.3 percent. Such increase resulted from an increase in the number of wells operated by the Company. Other income for the three months ended March 31, 2000 was $137,000 compared to $490,000 for the three months ended March 31, 1999, a decrease of approximately $353,000, or 72.0 percent. Such decrease resulted from less interest earned on lower average cash balances.

Costs and expenses. Costs and expenses for the three months ended March 31, 2000 were $30.3 million compared to $24.3 million for the three months ended March 31, 1999, an increase of approximately $6.0 million or 24.7 percent. Oil and gas well drilling operations costs for the three months ended March 31, 2000 were $14.4 million compared to $14.9 million for the three months ended March 31, 1999, a decrease of approximately $500,000, or 3.4 percent. Such decrease resulted from an improved gross profit margin on the Company's drilling activity. Oil and gas purchases and production costs for the three months ended March 31, 2000 were $13.7 million compared to $8.0 million for the three months ended March 31, 1999, an increase of approximately $5.7 million, or 71.2 percent. Such increase was primarily due to natural gas marketing activities of RNG along with production costs associated with the increased production from the Company's producing properties. General and administrative expenses for the three months ended March 31, 2000 increased to $679,000 compared with $464,000 for the three months ended March 31, 1999, an increase of $215,000 or 46.3 percent. Such increase was due to higher personnel costs experienced during the quarter.

Depreciation, depletion, and amortization costs for the three months ended March 31, 2000 were $1,489,000 compared to $936,000 for the three months ended March 31, 1999, an increase of $553,000 or 59.1 percent. Such increase was due to the increased amount of investment in oil and gas properties owned by the Company. Interest costs were $15,000 for the three months ended March 31, 2000 as the Company utilized its line-of-credit for the development of oil and gas properties.

Net income. Net income for the three months ended March 31, 2000 was $3.2 million compared to a net income of $2.6 million for the three months ended March 31, 1999, an increase of approximately $600,000 or 23.1 percent.

Year 2000 Issue

The Company experienced no known disruptions as a result of the year date change and intends to continue monitoring its critical systems at various other date changes during the Year 2000.

The Company expenditures for addressing Year 2000 issues were not material, nor does the Company expect to incur any significant costs addressing Year 2000 issues in the future.

Liquidity and Capital Resources

The Company funds its operations through a combination of cash flow from operations, capital raised through stock offerings and drilling partnerships, and use of the Company's credit facility. Operational cash flow is generated by sales of natural gas from the Company's well interests, well drilling and operating activities for the Company's investor partners, natural gas gathering and transportation, and natural gas marketing. Cash payments from Company-sponsored partnerships are used to drill and complete wells for the partnerships, with operating cash flow accruing to the Company to the extent payments exceed drilling costs. The Company utilizes its revolving credit arrangement to meet the cash flow requirements of its operating and investment activities.

Sales volumes of natural gas have continued to increase while natural gas prices fluctuate monthly. The Company's natural gas sales prices are subject to increase and decrease based on various market-sensitive indices. A major factor in the variability of these indices is the seasonal variation of demand for the natural gas, which typically peaks during the winter months. The volumes of natural gas sales are expected to continue to increase as a result of continued drilling activities and additional investment by the Company in oil and gas properties. The Company utilizes commodity-based derivative instruments (natural gas futures and option contracts traded on the NYMEX) as hedges to manage a portion of its exposure to this price volatility. The futures contracts hedge committed and anticipated natural gas purchases and sales, generally forecasted to occur within a three to twelve-month period.

The Company has a bank credit agreement with First National Bank of Chicago, which provides a borrowing base of $20.0 million, subject to adequate oil and natural gas reserves. As of March 31, 2000, the outstanding balance was $10.0 million. Interest accrues at prime, with LIBOR (London Interbank Market Rate) alternatives available at the discretion of the Company. No principal payments are required until the credit agreement expires on December 31, 2002.

The Company has commenced sales of units in its ninth partnership in its registered PDC 2000 public drilling program which has four remaining partnerships which are scheduled to close during 2000. The ninth partnership is scheduled to close in late May, 2000, with drilling planned in the second and third quarters of 2000. Additional programs are scheduled to close in September, November and December of 2000. The Company generally invests, as its equity contribution to each drilling partnership, an additional sum approximating 20% of the aggregate subscriptions received for that particular drilling partnership. As a result, the Company is subject to substantial cash commitments at the closing of each drilling partnership. The funds received from these programs are restricted to use in future drilling operations. No assurance can be made that the Company will continue to receive this level of funding from these or future programs.

On April 27, 2000 the Company entered into an agreement to purchase all of the working interest in 168 producing wells in Colorado for $5,650,000. The transaction is effective April 1, 2000 and is scheduled to close on or before May 31, 2000. The wells have net remaining reserves of 560,000 barrels of oil and 4.9 billion cubic feet of natural gas. The Company plans to utilize its bank credit agreement to finance this purchase.

The Company continues to pursue capital investment opportunities in producing natural gas properties as well as its plan to participate in its sponsored natural gas drilling partnerships, while pursuing opportunities for operating improvements and costs efficiencies. Management believes that the Company has adequate capital to meet its operating requirements.

New Accounting Standard

Statement of Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS No. 133), was issued by the Financial Accounting Standards Board in June, 1998. SFAS No. 133 standardized the accounting for derivative instruments, including certain derivative instruments embedded in other contracts. SFAS No. 133 is effective for years beginning after June 15, 2000; however, early adoption is permitted. On adoption, the provisions of SFAS No. 133 must be applied prospectively. At the present time, the Company cannot determine the impact that SFAS No. 133 will have on its financial statements upon adoption, as such impact will be based on the extent of derivative instruments, such as natural gas futures and option contracts, outstanding at the date of adoption.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not a party to any legal actions that would materially affect the Company's operations or financial statements.

Item 6. Exhibits and Reports on Form 8-K

(a) None.

(b) No reports on Form 8-K have been filed during the quarter ended March 31, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Petroleum Development Corporation
(Registrant)

Date: May 9, 2000

/s/ Steven R. Williams
Steven R. Williams
President

Date: May 9, 2000

/s/ Dale G. Rettinger
Dale G. Rettinger
Executive Vice President
and Treasurer

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