

CONFORMED COPY

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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☒ Quarterly Report Pursuant to Section 13 or 15(d) of  
the Securities and Exchange Act of 1934  
For the period ended June 30, 2000

or

☐ Transition Report Pursuant to Section 13 or 15(d) of  
the Securities and Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

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Commission file number 333-41977-04

I.R.S. Employer Identification Number 55-0757539

PDC 1998-D LIMITED PARTNERSHIP

(A West Virginia Limited Partnership)  
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

PDC 1998-D LIMITED PARTNERSHIP  
(A West Virginia Limited Partnership)

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PDC 1998-D LIMITED PARTNERSHIP  
(A West Virginia Limited Partnership)

Balance Sheets

June 30, 2000 and December 31, 1999

<u>Assets</u>	2000 (Unaudited)	<u>1999</u>
Current assets:		
Cash	\$ 7,095	\$ 8,038
Accounts receivable - oil and gas revenues	343,837	366,296
Total current assets	<u>350,932</u>	<u>374,334</u>
Oil and gas properties, successful efforts method	10,123,711	10,123,711
Less accumulated depreciation, depletion, and amortization	1,593,731	1,134,611
	<u>8,529,980</u>	<u>8,989,100</u>
	<u>\$ 8,880,912</u>	<u>\$ 9,363,434</u>
<u>Current Liabilities and Partners' Equity</u>		
Current liabilities:		
Accrued expenses	\$ 22,965	\$ 34,302
Total current liabilities	<u>22,965</u>	<u>34,302</u>
Partners' Equity	<u>8,857,947</u>	<u>9,329,132</u>
	<u>\$ 8,880,912</u>	<u>\$ 9,363,434</u>

See accompanying notes to financial statements.

PDC 1998-D LIMITED PARTNERSHIP  
(A West Virginia Limited Partnership)

Statements of Operations

Three months and Six months ended June 30, 2000 and 1999  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
-				
Revenues:				
Sales of oil and gas	\$ 518,315	\$ 189,470	\$1,230,366	\$ 203,706
Interest	<u>4,387</u>	<u>-</u>	<u>4,387</u>	<u>-</u>
	<u>522,702</u>	<u>189,470</u>	<u>1,234,753</u>	<u>203,706</u>
Expenses:				
Exploratory dry hole	-	800,802	-	1,357,054
Lifting cost	229,700	53,907	516,063	60,167
Direct administrative cost	-	25	-	25
Depreciation, depletion, and amortization	<u>194,558</u>	<u>181,043</u>	<u>459,120</u>	<u>195,275</u>
	<u>424,258</u>	<u>1,035,777</u>	<u>975,183</u>	<u>1,612,521</u>
Net income (loss)	\$ <u>98,444</u>	\$ <u>(846,307)</u>	\$ <u>259,570</u>	\$ <u>(1,408,815)</u>
Net income (loss) per limited and additional general partner unit	\$ <u>76</u>	\$ <u>(660)</u>	\$ <u>202</u>	\$ <u>(1,098)</u>

See accompanying notes to financial statements.

PDC 1998-D LIMITED PARTNERSHIP  
(A West Virginia Limited Partnership)

Statement of Partners' Equity

Six months ended June 30, 2000  
(Unaudited)

	<u>Limited and additional general partners</u>	<u>Managing general partner</u>	<u>Total</u>
Balance, December 31, 1999	\$ 7,463,305	\$1,865,827	\$ 9,329,132
Distributions to partners	(584,605)	(146,150)	(730,755)
Net income	<u>207,657</u>	<u>51,913</u>	<u>259,570</u>
Balance, June 30, 2000	\$ <u><u>7,086,357</u></u>	\$ <u><u>1,771,590</u></u>	\$ <u><u>8,857,947</u></u>

See accompanying notes to financial statements.

PDC 1998-D LIMITED PARTNERSHIP  
(A West Virginia Limited Partnership)

Statements of Cash Flows

Six months ended June 30, 2000 and 1999  
(Unaudited)

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Net income (loss)	\$ 259,570	\$(1,408,815)
Adjustments to reconcile net income (loss) to net cash provided from (used by) operating activities:		
Exploratory dry hole costs	-	1,357,054
Depreciation, depletion, and amortization	459,120	195,275
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable - oil and gas revenues	22,459	(143,539)
Decrease in accrued expenses	<u>(11,337)</u>	<u>(12,859)</u>
Net cash provided from (used by) operating activities	729,812	(12,884)
Cash flows from financing activities:		
Distributions to partners	(730,755)	<u>-</u>
Net cash used by financing activities	<u>(730,755)</u>	<u>-</u>
Net change in cash	(943)	(12,884)
Cash at beginning of period	8,038	20,000
Cash at end of period	<u>\$ 7,095</u>	<u>\$ 7,116</u>

See accompanying notes to financial statements.

PDC 1998-D LIMITED PARTNERSHIP  
(A West Virginia Limited Partnership)

Notes to Financial Statements  
(Unaudited)

1. Accounting Policies

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

2. Basis of Presentation

The Management of the Partnership 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 six months ended June 30, 2000 are not necessarily indicative of the results to be expected for the full year.

3. Oil and Gas Properties

The Partnership follows the successful efforts method of accounting for the cost of exploring for and developing oil and gas reserves. Under this method, costs of development wells, including equipment and intangible drilling costs related to both producing wells and developmental dry holes, and successful exploratory wells are capitalized and amortized on an annual basis to operations by the units-of-production method using estimated proved developed reserves which will be determined at year end by an independent petroleum engineer. If a determination is made that an exploratory well has not discovered economically producible reserves, then its costs are expensed as dry hole costs.

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

### Liquidity and Capital Resources

The Partnership was funded with initial Limited and Additional General Partner contributions of \$20,525,261 and the Managing General Partner contributed \$4,464,244 in accordance with the Agreement. Syndication and management fee costs of \$2,668,284 were incurred leaving available capital of \$22,321,221 for Partnership activities.

The Partnership began exploration and development activities subsequent to the funding of the Partnership and completed well drilling activities by March 31, 1999. Ninety-seven wells have been drilled, of which eighty-nine have been completed as producing wells.

Operations will be conducted with available funds and revenues generated from oil and gas activities. No bank borrowings are anticipated.

The Partnership had net working capital at June 30, 2000 of \$327,967.

The Partnership's revenues from oil and gas will be affected by changes in prices. As a result of changes in federal regulations, gas prices are highly dependent on the balance between supply and demand. The Partnership's gas sales prices are subject to increase and decrease based on various market sensitive indices.

### Results of Operations

#### Three Months Ended June 30, 2000 and 1999

Revenue and expenses during the second quarter of 2000 include natural gas sales and related expenses for all of the Partnership's wells. During the same period in 1999 all of the wells were not yet turned into line and producing for the entire quarter. While the Partnership experienced net income of \$98,444, depreciation, depletion and amortization is a non-cash expense and therefore the Partnership distributed \$336,746 to the partners during the second quarter of 2000.

#### Six Months Ended June 30, 2000 Compared with 1999

Revenue and expenses during the first six months of 2000 include natural gas sales and related expenses for all of the Partnership's wells. During the same period in 1999 all of the wells were not turned into line and producing for the entire period. While the Partnership experienced net income of \$259,570, depreciation, depletion, and amortization is a non-cash expense and therefore the Partnership distributed \$730,755 to the partners during the first six months of 2000.

#### Year 2000 Issue

PDC, who administers all aspects of the Partnership, 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.

PDC's 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.



PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

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 June 30, 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.

PDC 1998-D Limited Partnership

(Registrant)

By its Managing General Partner  
Petroleum Development Corporation

Date: July 27, 2000

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

Date: July 27, 2000

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