

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

☒ Quarterly Report Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934  
For the period ended March 31, 2005

or

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

Commission file number 000-51309

I.R.S. Employer Identification Number 20-2088347

PDC 2005-A 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

Indicate by check mark whether the registrant is an accelerated filer (as definition in Rule 12b-2 of the Exchange Act.)  
Yes ☐ No XX

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PDC 2005-A LIMITED PARTNERSHIP  
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Balance Sheet

March 31, 2005 (Unaudited)

Assets

Current assets:

Cash	\$	44,035,682
Due from Managing General Partner		159,978
Due from PDC Securities, Inc.		<u>1,010</u>
Total current assets		44,196,670

\$ 44,196,670

Partners' Equity

Partners' Equity \$44,196,670

\$44,196,670

See accompanying notes to financial statements.

PDC 2005-A LIMITED PARTNERSHIP  
(A West Virginia Limited Partnership)

Statement of Operations

Period from February 9, 2005 (date of inception) to March 31, 2005  
(Unaudited)

Revenues:	
Interest income	<u>\$65,791</u>
	65,791
Expenses:	
Management fee	599,062
Direct administration cost	<u>22</u>
	<u>599,084</u>
Net loss	<u><u>\$(533,293)</u></u>
Net loss per limited and additional general partner unit	\$ <u><u>(274)</u></u>

See accompanying notes to financial statements.

PDC 2005-A LIMITED PARTNERSHIP  
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Statement of Partners' Equity

Period from February 9, 2005 (date of inception) to March 31, 2005  
(Unaudited)

	Limited and Additional General <u>Partners</u>	Managing General <u>Partner</u>	<u>Total</u>
Partners initial capital contributions	\$39,937,470	8,826,181	48,763,651
Syndication costs	(4,033,688)	-	(4,033,688)
Net (loss) income	<u>(546,447)</u>	<u>13,154</u>	<u>(533,293)</u>
Balance March 31, 2005	<u>\$ 35,357,335</u>	<u>8,839,335</u>	<u>44,196,670</u>

See accompanying notes to financial statements.

PDC 2005-A LIMITED PARTNERSHIP  
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Statement of Cash Flows

Period from February 9, 2005 (date of inception) to March 31, 2005  
(Unaudited)

Cash flows from operating activities:	
Net loss	\$ (533,293)
Adjustments to reconcile net income to net cash used by from operating activities:	
Increase in due from Managing General Partner	(159,978)
Increase in due from PDC Securities, Inc.	<u>(1,010)</u>
Net cash used by operating activities	<u>(694,281)</u>
Cash flows from financing activities:	
Limited and additional general partner contributions	39,937,470
Managing General Partner contribution	8,826,181
Syndication cost paid	<u>(4,033,688)</u>
Net cash provided from financing activities	<u>44,729,963</u>
Net increase in cash	44,035,682
Cash at beginning of period	<u>-</u>
Cash at end of period	<u>\$44,035,682</u>

See accompanying notes to financial statements.

PDC 2005-A LIMITED PARTNERSHIP  
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Notes to Financial Statements  
(Unaudited)

Accounting Policies

1. Basis of Presentation

The Management of PDC 2005-A Limited Partnership (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 period ended March 31, 2005 are not necessarily indicative of the results to be expected for the full year.

2. Oil and Gas Properties

The Partnership will follow 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 will be capitalized and amortized on an annual basis to operations by the units-of-production method using estimated proved developed reserves determined at year end by an independent petroleum engineer, Wright & Company, Inc. If a determination is made that an exploratory well has not discovered economically producible reserves, then its costs will be expensed as dry hole cost.

The Partnership will assess impairment of capitalized costs of proved oil and gas properties by comparing net capitalized costs to undiscounted future net cash flows on a field-by-field basis using expected prices. Prices utilized in each year's calculation for measurement purposes and expected costs will be held constant throughout the estimated life of the properties. If net capitalized cost exceeds undiscounted future net cash flow, the measurement of impairment will be based on estimated fair value which would consider future discounted cash flows.

3. Revenue Recognition

Sales of natural gas will be recognized when natural gas has been delivered to a custody transfer point, persuasive evidence of a sales arrangement exists, the rights and responsibility of ownership pass to the purchaser upon delivery, collection of revenue from the sale is reasonably assured and the sales price is fixed or determinable. Natural gas will be sold by the Managing General Partner under contracts with terms ranging from one month to three years. Virtually all of the Managing General Partner's contracts pricing provisions will be tied to a market index, with certain adjustments based on, among other factors, whether a well delivers to a gathering or transmission line, quality of natural gas and prevailing supply and demand conditions, so that the price of the natural gas will fluctuate to remain competitive with other available natural gas supplies. As a result, the Partnership's revenues from the sale of natural gas will suffer if market prices decline and benefit if they increase. The Partnership believes that the pricing provisions of its natural gas contracts are customary in the industry.

The Managing General Partner currently uses the "Net-Back" method of accounting for transportation arrangements of natural gas sales. The Managing General Partner sells gas at the wellhead and collects a price and recognizes revenues based on the wellhead sales price since transportation costs downstream of the wellhead are incurred by the Managing General Partner's customers and reflected in the wellhead price.

Sales of oil will be recognized when persuasive evidence of a sales arrangement exists, the oil is verified as produced and is delivered in a stock tank, collection of revenue from the sale is reasonably assured and the sales price is determinable. The Partnership will not refine any of its oil production. The Partnership's crude oil production will be sold to purchasers at or near the Partnership's wells under short-term purchase contracts at prices and in accordance with arrangements that are customary in the oil industry.

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Notes to Financial Statements  
(Unaudited)

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

Liquidity and Capital Resources

The Partnership was funded on February 9, 2005 with initial Limited and Additional General Partner contributions of \$39,937,470 (1,996.8735 units) and the Managing General Partner's cash contribution of \$8,826,181 in accordance with the Limited Partnership Agreement. After payment of syndication costs of \$4,033,688 and a one-time management fee to the Managing General Partner of \$599,062 the Partnership had available cash of \$44,130,901 for Partnership activities.

The Partnership began exploration and development activities subsequent to the funding of the Partnership. No wells have been drilled as of March 31, 2005.

The Partnership had net working capital at March 31, 2005 of \$44,196,670.

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

Results of Operations

Period from February 9, 2005 (Date of Inception) to March 31, 2005

In accordance with the Partnership agreement, a one-time management fee equal to 1 ½% of investors' subscriptions was charged to the Partnership in the amount of \$599,062 by the Managing General Partner. This fee was paid by the Partnership to the Managing General Partner of the Partnership upon funding of the Partnership. There was no drilling activity or oil and gas sales for the period ended March 31, 2005.

The Partnership's revenues from oil and natural gas sales 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 oil and gas sales prices are subject to increase and decrease based on various market sensitive indices.

Critical Accounting Policies and Estimates

Certain accounting policies are very important to the portrayal of the Partnership's financial condition and results of operations and require management's most subjective or complex judgments. In applying those policies, our management uses its judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical experience, our observance of trends in the industry, and information available from other outside sources, as appropriate. The Partnership's critical accounting policies and estimates are as follows:

Revenue Recognition. Sales of natural gas will be recognized when natural gas has been delivered to a custody transfer point, persuasive evidence of a sales arrangement exists, the rights and responsibility of ownership pass to the purchaser upon delivery, collection of revenue from the sale is reasonably assured and the sales price is fixed or determinable. Natural gas will be sold by the Managing General Partner under contracts with terms ranging from one month to three years. Virtually all of the Managing General Partner's contracts pricing provisions will be tied to a market index, with certain adjustments based on, among other factors, whether a well delivers to a gathering or transmission line, quality of natural gas and prevailing supply and demand conditions, so that the price of the natural gas will fluctuate to remain competitive with other available natural gas supplies. As a result, the Partnership's revenues from the sale of natural gas will suffer if market prices decline and benefit if they increase. The Partnership believes that the pricing provisions of its natural gas contracts are customary in the industry.



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Notes to Financial Statements

The Managing General Partner currently uses the “Net-Back” method of accounting for transportation arrangements of natural gas sales. The Managing General Partner sells gas at the wellhead and collects a price and recognizes revenues based on the wellhead sales price since transportation costs downstream of the wellhead are incurred by the Managing General Partner’s customers and reflected in the wellhead price.

Sales of oil will be recognized when persuasive evidence of a sales arrangement exists, the oil is verified as produced and is delivered in a stock tank, collection of revenue from the sale is reasonably assured and the sales price is determinable. The Partnership will not refine any of its oil production. The Partnership’s crude oil production will be sold to purchasers at or near the Partnership’s wells under short-term purchase contracts at prices and in accordance with arrangements that are customary in the oil industry.

Oil and Gas Properties

Exploration and development costs are accounted for by the successful efforts method.

The Partnership will assess impairment of capitalized costs of proved oil and gas properties by comparing net capitalized costs to undiscounted future cash flows on a field-by-field basis using expected prices. Prices utilized in each year’s calculation for measurement purposes and expected costs will be held constant throughout the estimated life of the properties. If net capitalized costs exceed undiscounted future net cash flow, the measurement of impairment will be based on estimated fair value which would consider future discounted cash flows.

Property acquisition costs will be capitalized when incurred. Geological and geophysical costs and delay rentals will be expensed as incurred. The costs of drilling exploratory wells will be capitalized pending determination of whether the wells have discovered economically producible reserves. If reserves are not discovered, such costs will be expensed as dry holes. Development costs, including equipment and intangible drilling costs related to both producing wells and developmental dry holes will be capitalized.

Unproved properties and leases will be written-off to expense when it is determined that they will expire or be abandoned.

Costs of proved properties, including leasehold acquisitions, exploration and development costs and equipment, will be depreciated and depleted by the unit-of-production method based on estimated proved developed oil and gas reserves.

Upon sale or retirement of complete fields of depreciable or depletable property, the book value thereof, less proceeds or salvage value, will be credited or charged to income. Upon sale of a partial unit of property, the proceeds will be credited to accumulated depreciation and depletion.

Recently Issued Accounting Pronouncements

Asset Retirement Obligations

On March 30, 2005, the FASB issued FASB Interpretation No. 47, “Accounting for Conditional Asset Retirement Obligations” (FIN No. 47). This interpretation clarifies that the term “conditional asset retirement obligation” as used in Statement No. 143 refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity

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(Unaudited)

Notes to Financial Statements

incurring the obligation. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement. Thus, the timing and/or method of settlement may be conditional on a future event. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability, rather than the timing of recognition of the liability, when sufficient information exists. FIN No. 47 will be effective for the Partnership at the end of the fiscal year ended December 31, 2005. The Partnership has not determined the impact on the Partnership's financial position or results of operations of the application of FIN No. 47.

Disclosure Regarding Forward Looking Statements

This Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included in and incorporated by reference into this Form 10-Q are forward-looking statements. These forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Among those risks, trends and uncertainties are the Managing General Partner's estimate of the sufficiency of its existing capital sources, its ability to raise additional capital to fund cash requirements for future operations, the uncertainties involved in estimating quantities of proved oil and natural gas reserves, in prospect development and property acquisitions and in projecting future rates of production, the timing of development expenditures and drilling of wells, and the operating hazards attendant to the oil and gas business. In particular, careful consideration should be given to cautionary statements made in the various reports the Partnership has filed with the Securities and Exchange Commission. The Partnership undertakes no duty to update or revise these forward-looking statements.

When used in the Form 10-Q, the words, "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Because these forward-looking statements involve risks and uncertainties, actual results could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons, including those discussed under "Management's Discussions and Analysis of Financial Condition and Results of Operations" and elsewhere in this Form 10-Q.

Item 3. Controls and Procedures

Under the supervision and with the participation of the Managing General Partner's management, including the Managing General Partner's Chief Executive Officer and Chief Financial Officer, the Managing General Partner has evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of this fiscal quarter, and, based on their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective in all material respects, including those to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the Commission's rules and forms, and is accumulated and communicated to management, including the Managing General Partner's Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely disclosure. There have been no significant changes in our internal control over financial reporting or in other factors that have materially affected or are reasonably likely to materially affect these controls that occurred during the Partnership's last fiscal quarter and subsequent to the date of their evaluation.

## PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 6. Exhibits

Exhibit Name	Exhibit Number
Rule 13a-14(a)/15d-14(a) Certifications by Chief Executive Officer	31
Rule 13a-14(a)/15d-14(a) Certification by Chief Financial Officer	31
Title 18 U.S.C. Section 1350 (Section 906 of Sarbanes-Oxley Act of 2002) Certifications by Chief Executive Officer and Chief Financial Officer of Petroleum Development Corporation, the managing general partner of the Limited Partnership	32

## 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 2005-A Limited Partnership  
(Registrant)

By its Managing General Partner  
Petroleum Development Corporation

Date: May 13, 2005

/s/ Steven R. Williams  
Steven R. Williams  
Chairman

Date: May 13, 2005

/s/ Darwin L. Stump  
Darwin L. Stump  
Chief Financial Officer