

OMB APPROVAL	
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person * <u>Peterson Lynn A</u> (Last) (First) (Middle) 1675 BROADWAY, SUITE 2600 (Street) DENVER CO 80202 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>SRC Energy Inc. [SRCI]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) President, CEO
	3. Date of Earliest Transaction (Month/Day/Year) 01/13/2020	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/14/2020		D		328,605	D	(1)(2)	0	D	
Common Stock	01/14/2020		D		718,140	D	(1)	0	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Performance Share Units	(3)	01/13/2020		A		423,453		(3)	12/31/2021	Common Stock	423,453	\$0	423,453	D	
Performance Share Units	(3)	01/14/2020		D		423,453		(3)	12/31/2021	Common Stock	423,453	(4)	0	D	
Performance Share Units	\$0.0	01/14/2020		D		119,318		(5)	12/31/2020	Common Stock	119,318	(6)	0	D	
Performance Share Units	\$0.0	01/14/2020		D		139,205		(5)	12/31/2020	Common Stock	139,205	(6)	0	D	
Performance Share Units	\$0.0	01/14/2020		D		189,135		(5)	12/31/2021	Common Stock	189,135	(6)	0	D	
Performance Share Units	\$0.0	01/14/2020		D		189,135		(5)	12/31/2021	Common Stock	189,135	(6)	0	D	
Performance Share Units	\$0.0	01/14/2020		D		210,113		(5)	12/31/2021	Common Stock	210,113	(6)	0	D	
Non-Qualified Stock Option	\$11.46	01/14/2020		D		1,750,000		(7)	05/27/2026	Common Stock	1,750,000	(8)	0	D	

Explanation of Responses:

- On January 14, 2020, pursuant to the Agreement and Plan of Merger, dated as of August 25, 2019 (the "Merger Agreement"), by and between PDC Energy, Inc. ("PDC") and SRC Energy Inc. (the "Company"), the Company merged with and into PDC (the "Merger"), with PDC surviving the Merger. Pursuant to the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of Company common stock issued and outstanding immediately prior to the Effective Time owned by the reporting person converted into the right to receive 0.158 of a validly issued, fully-paid and nonassessable share of PDC common stock, with cash in lieu of any fractional shares (the "Merger Consideration"). The closing price per share of PDC common stock on January 13, 2020, the day prior to the Effective Time, was \$25.78.
- On January 14, 2020, immediately prior to the Effective Time, each then outstanding restricted stock unit award in respect of shares of SRC common stock, whether vested or unvested, became fully vested and was cancelled and converted into the right to receive the Merger Consideration in respect of each share of SRC common stock subject to the award (less required tax withholdings), pursuant to the Merger Agreement.
- Each performance share unit granted on 1/13/2020 (each a "New PSU") represents a contingent right to receive a share of SRC common stock. The amount reported represents the "target" number, and vests upon the achievement of specified metrics during the performance period as described in the related grant agreement. The New PSUs were granted under the 2015 SRC Equity Plan.
- Pursuant to the Merger Agreement and immediately prior to the Effective Time, each then outstanding New PSU award was automatically assumed by PDC and converted automatically into a performance stock unit award of PDC, subject to the same terms and conditions as were applicable to the New PSU awards immediately prior to the Effective Time. The "target" number of shares of PDC common stock for such assumed awards will be equal to the product obtained by multiplying (a) the "target" number of shares of SRC common stock subject to the New PSU award immediately prior to the Effective Time by (b) 0.158 (rounding the resulting number to the nearest whole number of shares of PDC common stock). Each PDC assumed New PSU award will remain outstanding under the 2015 SRC Equity Plan and will otherwise be subject to the same terms and conditions as were applicable to the New PSU award immediately prior to the Effective Time, including any performance-based vesting terms.

5. Each performance share unit other than a New PSU (each a "PSU") represented a contingent right to receive a share of SRC common stock based upon the price of the common stock compared to the Company's peer group over the performance period. The amount reported represented the "target" number, and vesting was based upon the achievement of specified metrics compared to certain peers as described in the related grant agreement. The PSUs were granted under the 2015 SRC Equity Plan.

6. Pursuant to the Merger Agreement and immediately prior to the Effective Time, each then outstanding PSU in respect of shares of SRC common stock, whether vested or unvested, became automatically vested (with performance-based vesting to be deemed satisfied as if performance had been achieved at the target level (i.e., 100%)), and, in lieu of the issuance of the target number of shares of SRC common stock in respect of such PSU award, was cancelled and converted automatically into the right to receive the Merger Consideration in respect of each share of SRC common stock subject to the award at target (with such number of shares determined by deeming the applicable performance goals to be achieved at the target level of performance (i.e., 100%)) (less required tax withholdings).

7. Options were exercisable on a pro-rata basis over four years commencing 5/27/2015.

8. Pursuant to the Merger Agreement and immediately prior to the Effective Time, each then outstanding option to purchase shares of SRC common stock, whether vested or unvested, became fully vested, and each such option that was "in the money" relative to the per-share value of the Merger Consideration as determined pursuant to the Merger Agreement was cancelled and converted into the right to receive the Merger Consideration for each share with respect to a number of shares of SRC common stock subject to the option, less a number of shares of SRC common stock equal to the value of the aggregate exercise price of such option (less required tax withholdings). Immediately prior to the Effective Time, each then outstanding option that was "out of the money" relative to the per-share value of the merger consideration as determined pursuant to the Merger Agreement was cancelled in exchange for no consideration.

/s/ Lynn A. Peterson

01/14/2020

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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