



Corporate Office

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January 7, 2011

Department of Natural Resources
Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln St., Suite 801
Denver, CO 80203

Re: **Rule 318Ae – Proposed Spacing Unit**
Tracy 30-23H
Township 7 North, Range 66 West
Section 23: NE
Weld County, Colorado

Dear Director,

Petroleum Development Corporation doing business as PDC Energy ("PDC") hereby certifies to the Director that PDC owns all minerals in the proposed 320 acre wellbore spacing unit in the E2 of Section 23, Township 7N, Range 66W; therefore, no 20-day notice is needed to owners in the proposed wellbore spacing unit. This horizontal well location crosses existing unit boundaries and requires the formation of the proposed unit. PDC hereby requests the Director to approve the well.

Please see the attached spacing unit map which certifies that the SE $\frac{1}{4}$ and NE $\frac{1}{4}$ of Section 23 will have no more than eight (8) bottom-hole locations each producing from the Niobrara/Codell formation.

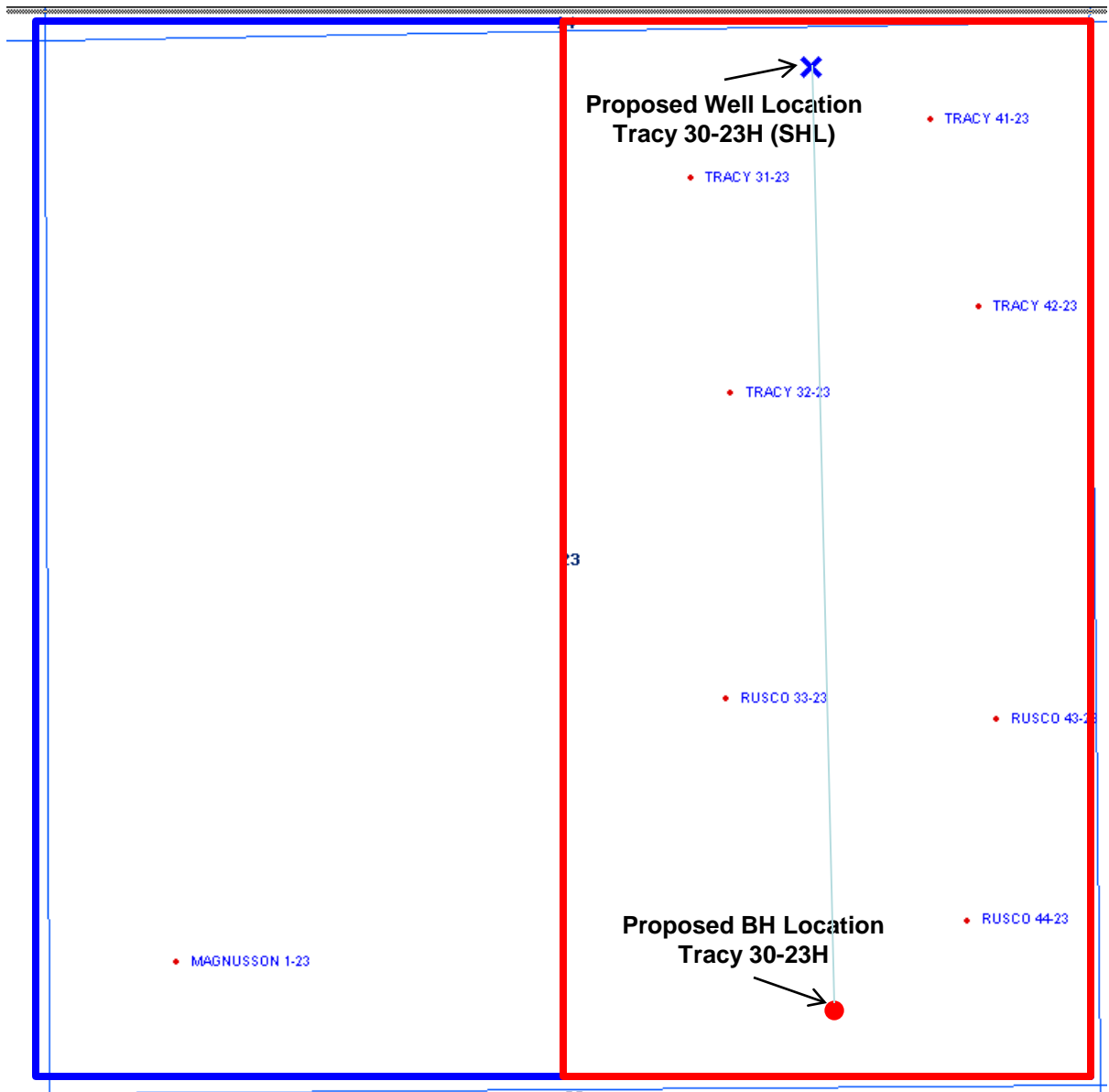
If you should have any questions or concerns regarding this permit, please contact the undersigned at (303) 860-5800.

Sincerely,

A handwritten signature in blue ink that reads "Liz Lindow".

Liz Lindow
Permit Analyst
PDC Energy

Tracy 30-23H NE/4 Sec. 23, T7N-R66W



Legend



Proposed 320 acre Spacing Unit, E2 of Sec 23



Sec. 23, T7N, R66W

The SE $\frac{1}{4}$ and NE $\frac{1}{4}$ of Section 23 will have no more than 8 bottom-hole wells each producing from the Niobrara-Codell formation.