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**Corporate Office**

1775 Sherman Street, #3000  
Denver, Colorado 80203  
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February 2, 2011

K.P. Kauffman Company, Inc.  
1675 Broadway, Suite 2800  
Denver, CO 80202

*Sent via USPS Certified Mail*  
*Tracking: 7009 3410 0000 3277 9299*

Re: Notice of 318A(e) Well Proposal  
Zeiler 7LDU  
T5N, R67W, Section 7  
Weld County, Colorado

To Whom It May Concern:

Petroleum Development Corporation doing business as PDC Energy ("PDC") intends to propose, drill and operate the referenced well pursuant to paragraph 6, rule 318A(e), order 1R-100 of the Colorado Oil and Gas Conservation Commission ("COGCC").

Additional information for this well:

1. Wellbore Spacing Unit

The wellbore spacing unit will be comprised of the N/2NW/4 of Section 18, T5N-R67W and the S/2SW/4 of Section 7, T5N-R67W, for the Niobrara-Codell formation, as depicted on the enclosed plat. The working interests attributable to the Niobrara-Codell formation in the contributing 40-acre quarter-quarter sections will be utilized to determine the interests of the parties in the proposed 160-acre spacing unit for the well.

2. Target Formations

This well will be drilled to a total depth to sufficiently test the Niobrara-Codell formation.

3. Surface and Bottom-Hole Location

SHL: 1039' FSL, 925' FWL Section 7, T5N, R67W  
BHL: 75' FSL, 1246' FWL Section 7, T5N, R67W

4. Anticipated Spud Date

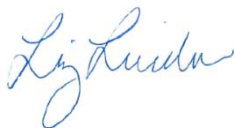
First Quarter 2012

Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed spacing unit set forth herein will be established. **However, should you have no objection to this proposal, your cooperation of a written reply, either faxed or mailed to that effect as soon as possible would be greatly appreciated so that PDC may timely continue with the permitting process for this well. Also, if you have no objections, would you please forward any title opinions, revenue decks with social security numbers and addresses concerning the lands owned by Kerr-McGee in the spacing unit to the undersigned for further processing, so that we may expedite the well proposal process.**

A formal well proposal, including PDC's proposed Authority for Expenditure and Joint Operating Agreement will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact the undersigned at (303) 831-3974 or [llindow@petd.com](mailto:llindow@petd.com) should you have any questions.

Sincerely,  
PDC Energy



Liz Lindow  
Permit Representative

**The undersigned hereby waives the minimum twenty (20) day written notice requirement as specified in paragraph 6, Rule 318A(e), Order 1R-100 of the Colorado Oil and Gas Conservation Commission and does not object to such well location and proposed spacing unit as set out herein.**

**K.P. Kauffman Company, Inc.**

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**By:**  
**Date:**