



Corporate Office

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February 2, 2011

Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779

Sent via USPS Certified Mail
Tracking: 7009 3410 0000 3277 9282

Re: Notice of 318A(e) Well Proposal
Zeiler 7H DU
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 E/2SE/4 of Section 12, T5N-R68W and the W/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: 1105' FSL, 925' FWL Section 7, T5N, R67W
BHL: 1315' FSL, 75' 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 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.

Kerr-McGee Oil & Gas Onshore LP

By:
Date: