



Corporate Office
1775 Sherman Street, #3000
Denver, Colorado 80203
303.860.5800
www.pdce.com

July 8, 2014

State of Colorado, Oil & Gas Conservation Commission
Attn: Matt Lepore
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: **Letter to the Director, Rule 318A.m.**
Chesnut 27K-403
NWSW, Section 27, T5N R64W
Weld County, Colorado

Dear Director:

Per rule 318A.m., PDC Energy, Inc. ("PDC") is requesting an exception to the rule for the above-captioned well. The proposed well will be less than 150' to Bailey 5 (API# 05-123-23730, SWSW Sec 34), and White 34-1 (05-123-11585, SENW Sec 34) which are operated by PDC. Since the encroached well(s) are operated by the same operator as the proposed well, no other waivers are needed.

Proposed Anti-Collision Mitigation BMP:

Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.

Due to the reasons above, PDC respectfully requests that you approve this request. If you have any questions, please contact the undersigned at 303-860-5800 or at liz.lindow@pdce.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Liz Lindow".

Liz Lindow
Regulatory Analyst
PDC Energy, Inc.