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

July 21, 2014

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

*Sent via USPS Certified Mail*  
*Tracking: 7199 9991 7032 4647 8106*

Re: Notice of 318A(I)a.(4)D. Horizontal Well Proposal  
SunMarke 28U-434, Codell Formation  
T4N, R67W, Section 28  
Weld County, Colorado

To Whom It May Concern,

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:

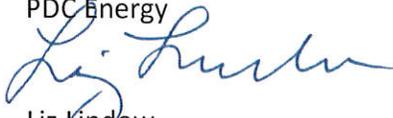
1. Wellbore Spacing Unit  
The wellbore spacing unit will be comprised of the N2N2 of Sec. 28 and S2S2 of Sec. 21 T4N R67W, for the subject formation, as depicted on the enclosed plat. The working interests attributable to the producing formation in the contributing 40-acre quarter-quarter sections will be utilized to determine the interests of the parties in the proposed 320-acre spacing unit for the well.
2. Target Formations  
This well will be drilled to a total depth to sufficiently test the CODELL formation.
3. Surface and Productive Zone Location  
SHL: 338' FNL, 210' FEL Section 28 T4N R67W  
Top of Productive Zone: 385' FNL, 813' FEL Section 28 T4N R67W  
Bottom of Productive Zone: 465' FNL, 500' FWL Section 28 T4N R67W
4. Anticipated Spud Date  
Third Quarter 2014

Pursuant to the aforementioned rule, you have thirty (30) 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 KP Kauffman Company, Inc. 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 [liz.lindow@pdce.com](mailto:liz.lindow@pdce.com) should you have any questions.

Sincerely,  
PDC Energy



Liz Lindow  
Permit Representative

The undersigned hereby waives the minimum thirty (30) 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.

KP Kauffman Company, Inc.



By: Kevin H. Kauffman, Chairman & CEO.  
Date: 7/22/14