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September 3, 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.**
Peschel 20I-312
SWSW, Section 20, T4N R65W
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 Peschel 24-20 (API #05-123-13969, SESW) and Peschel 14-20 (API# 05-123-14244, SWSW) in Sec 20, T4N R65W. Since the encroached wells are operated by PDC, 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 your approval. If you have any questions, please contact the undersigned at 303-318-6131 or at shayelyn.marshall@pdce.com.

Sincerely,

A handwritten signature in blue ink that reads "Shayelyn Marshall".

Shayelyn Marshall
Regulatory Analyst
PDC Energy, Inc.