



Corporate Office

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

February 11, 2016

Kerr McGee Oil and Gas Onshore LP
1099 18th Street, Suite 1800
Denver, CO 80202

Re: **Stimulation Setback Consent, Rule 317.s.**
Niles Miller 20Y-241
SESE Section 20, T3N-R66W
Weld County, Colorado

To Whom It May Concern,

PDC Energy, Inc. ("PDC") hereby requests a GWA Minimum Interwell Distance waiver from Kerr McGee Oil and Gas Onshore LP, the offset operator of the following wells that are estimated to be closer than 150' to the subject well.

Raymond 38C-29HC (05-123-35848) located in the NENE Section 29, T3N-R66W (approximately 89')
Raymond 38N-29HZX (05-123-35842) located in the NENE Section 29, T3N-R66W (approximately 133')

Pursuant to the following Colorado Oil and Gas Conservation Commission ("COGCC") Rule 317.s.

Statewide Fracture Stimulation Setback: No portion of a proposed wellbore's treated interval shall be located within 150 feet of an existing (producing, shut-in, or temporarily abandoned) or permitted oil and gas wellbore's treated interval belonging to another operator without the signed and written consent of the operator of the encroached upon wellbore. The signed written consent shall be attached to the Application for Permit-to-Drill, Form 2 for the proposed wellbore.

The following BMP will be applied to the permit: 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.



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Sincerely,

A handwritten signature in blue ink, appearing to read "Nick Lebsock".

Nick Lebsock
Landman I
PDC Energy, Inc.

As the offset operator or a designated representative thereof, I understand that the subject well will be potentially drilled within 150' of the offset well listed above. I hereby give my consent for PDC to drill the subject well.

OPERATOR: KERR MCGEE OIL AND GAS ONSHORE LP

DocuSigned by:

A handwritten signature in blue ink, appearing to read "Matt Agee".

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Signature

2/17/2016

Date

Matt Agee Reservoir Engineer
Name, Title