

## Petroleum Development Corporation

August 13, 2009

VIA USPS CERTIFIED MAIL  
(Tracking Number 7008 1830 0001 2693 2354)

Noble Energy, Inc.  
Attention: Ms. Elizabeth (Libby) A. Ecord  
1625 Broadway, Suite 2200  
Denver, Colorado 80202

RE: Notice of 318A(e) Well Proposal – APD REFILE  
Codell-Niobrara (New) Vertical Well  
WELL NAME: Sater 19F-Unioil  
Section 19, T4N, R63W  
Weld County, Colorado

Dear Ms. Ecord:

Unioil, a wholly owned subsidiary of Petroleum Development Corporation (“Unioil”), 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 **W/2NW/4 of Section 19-T4N-R63W and the E/2NE/4 of Section 24-T4N-R64W** as depicted on the enclosed plat. The working interests attributable to the Codell-Niobrara formations 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 Codell/Niobrara formations.
- (3) **Surface and Bottom Hole Location**  
1183' FSL, 130' FWL Section 19-T4N-R63W
- (4) **Anticipated Spud Date**  
November 20, 2009

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CORPORATE OFFICE:  
Petroleum Development Corporation  
1775 Sherman Street, Suite 3000  
Denver, CO 80203  
303-860-5800

BRIDGEPORT OFFICE:  
Petroleum Development Corporation  
120 Genesis Boulevard • P.O. Box 26  
Bridgeport, WV 26330  
304-842-3597

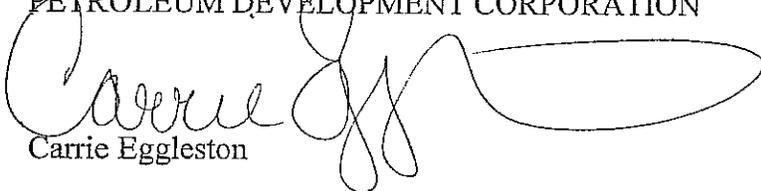
Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160-acre spacing unit set forth herein shall be established. 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 Unioil may timely continue the permitting process for this well.

Unioil requests you provide a copy of all title opinions applicable to your leasehold within the described wellbore spacing unit so that we may have title updated and obtain a drilling and division order title opinion for the benefit of all participating and non-participating interest owners within the spacing unit.

A formal well proposal, including Unioil's proposed Authority For Expenditure and 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 me at (303) 860-5807 should you have any questions or need additional information.

Sincerely,  
UNIOIL, a Wholly Owned Subsidiary of  
PETROLEUM DEVELOPMENT CORPORATION



Carrie Eggleston

Enclosures

**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 ("COGCC") and does not object to such well location and proposed spacing unit as set out herein.**

**NOBLE ENERGY, INC.**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

FORM 2 Rev 12/05

State of Colorado  
Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)864-2100 Fax: (303)864-2108  
APPLICATION FOR PERMIT TO:



RECEIVED  
SEP 05 2008  
COGCC  
Plugged Backcountry

1.  Drill,  Deepen,  Re-enter,  Recomplete and Operate

2. TYPE OF WELL  
OIL  GAS  COALBED  OTHER:   
SINGLE ZONE  MULTIPLE ZONES  COMMINGLE ZONES

3. Name of Operator: Unioil 4. COGCC Operator Number: 90950

5. Address: 1775 Sherman St, Suite 3000  
City: Denver State: CO Zip: 80203

6. Contact Name: James Annable Phone: (303) 905-4340 Fax: \_\_\_\_\_

7. Well Name: Sater Well Number: 19F-Unioil

8. Unit Name (if app): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 7370'

10. Qtr: NWNW Sec: 19 Twp: 4N Rng: 63W Meridian: 6th PM  
Latitude: 40.30167 N Longitude: 104.48927 W  
Footage At Surface: 1183 N 130 W

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4680' 13. County: Weld

14. GPS Data:  
Date of Measurement: 4/16/08 PDOP Reading: 6 Instrument Operator's Name: Thomas G. Carlson PLS 24657

Complete the Attachment Checklist:		OP	COGCC
APD Orig & 1 Copy		<input checked="" type="checkbox"/>	
Form 2A		<input checked="" type="checkbox"/>	
Well location plat		<input checked="" type="checkbox"/>	
Topo map		<input checked="" type="checkbox"/>	
Mineral lease map			
Surface agrmt/Surety			
30 Day notice letter		<input checked="" type="checkbox"/>	
Deviated Drilling Plan			
Exception Location Request		<input checked="" type="checkbox"/>	
Exception Loc Waivers		<input checked="" type="checkbox"/>	
H2S Contingency Plan			
Federal Drilling Permit			

15. If well is:  Directional  Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: \_\_\_\_\_  
Footage At Top of Prod Zone: \_\_\_\_\_ At Bottom Hole: \_\_\_\_\_

16. Is location in a high density area (Rule 603b)?  Yes  No

17. Distance to the nearest building, public road, above ground utility or railroad: 1 Mile +

18. Distance to Nearest Property Line: 130' 19. Distance to nearest well permitted/completed in the same formation: 845'

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N2, SE4, etc.)
Niobrara, Codell	NB-CD	<u>407-87</u>	160	All Formations: Sec. 19 - NWNW & SWNW
J Sand	JSND	<u>222-23</u>	160	Sec. 24, T4N, R64W- NENE & SENE

21. Mineral Ownership:  Fee  State  Federal  Indian Lease # \_\_\_\_\_  
22. Surface Ownership:  Fee  State  Federal  Indian  
23. Is the Surface Owner also the Mineral Owner?  Yes  No Surface Surety ID# 20070028  
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease?  Yes  No  
23b. If 23 is No:  Surface Owners Agreement Attached or  \$25,000 Blanket Surface Bond  \$2,000 Surface Bond  \$5,000 Surface Bond  
24. Using standard Qtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):  
W2 Sec. 19 T4N R63W  
25. Distance to Nearest Mineral Lease Line: 130' 26. Total Acres in Lease: 320

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated?  Yes  No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling?  Yes  No

29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling?  Yes  No

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)?  Yes  No If 28, 29 or 30 are "Yes" a pit permit may be required.

31. Mud disposal:  Offsite  Onsite  
Method:  Land Farming  Land Spreading  Disposal Facility  Other: \_\_\_\_\_

NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b) if air/gas drilling, notify local fire officials.

String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12 1/4"	8 5/8"	24#	500'	300sx	500'	Surface
Production	7 7/8"	4 1/2"	10.5#	7370'	200sx Poz	7370'	5870'
Conductor	N/A	N/A					

32. BOP Equipment Type:  Annular Preventor  Double Ram  Rotating Head  None

33. Comments Conductor Casing will not be used.

34. Initial Rule 306 Consultation took place on (date) 5/2/08, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.  
PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.  
I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: [Signature] Print Name: James Annable  
Title: Sr. Regulatory Consultant Date: 9/3/08 Email: jim.annable@comcast.net

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.  
COGCC Approved: [Signature] Director of COGCC Date: 11/14/2008  
Permit Number: 20085998 Expiration Date: 11/13/2009

API NUMBER  
05-123-29444-00

1) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

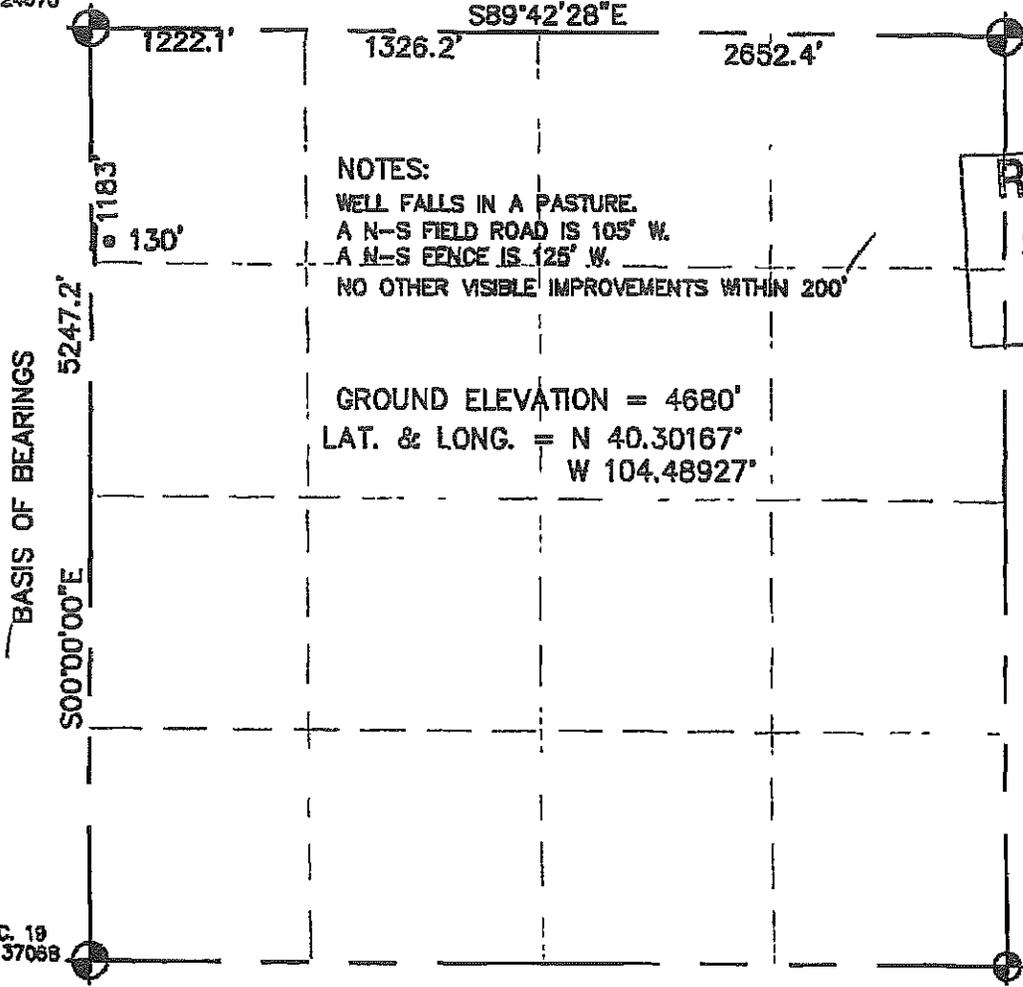


# WELL LOCATION CERTIFICATE

NW CORN SEC. 19  
2.5 AC LS 24970

SECTION 19, TOWNSHIP 4 NORTH, RANGE 63 WEST, 6TH P.M.

NE CORN SEC 19  
2.5 AC LS 24970



### NOTES:

WELL FALLS IN A PASTURE.  
 A N-S FIELD ROAD IS 105' W.  
 A N-S FENCE IS 125' W.  
 NO OTHER VISIBLE IMPROVEMENTS WITHIN 200'

**RECEIVED**  
 SEP 05 2008  
 COGCC

GROUND ELEVATION = 4680'  
 LAT. & LONG. = N 40.30167°  
 W 104.48927°

SW CORN SEC. 19  
3.25 AC LS 37068

I HEREBY STATE TO UNIOIL THAT THIS WELL LOCATION CERTIFICATE FOR THE  
 WELL SATER 19F-UNIOIL IS LOCATED 1183' FNL & 130' FWL, SEC. 19, T4N, R63W, 6PM.

*Thomas G. Carlson*  
 4-30-08  
 SURVEYING, LLC

### LEGEND

- = FOUND MONUMENT
- = PROPOSED WELL
- = IMPROVEMENTS (AS LABELED)



SCALE 1" = 1000'

ELEVATION SOURCE = USGS 7.5' QUAD.MAP CONTOURS  
NGVD 1929 DATUM.

LAT. & LONG. ARE DIFFERENTIALLY CORRECTED (NAD'83)  
USING (DGPS) WITH (PDOP) VALUES LESS THAN SIX (6).

THOMAS G. CARLSON, PLS 24657  
 HORSESHOE SURVEYING, LLC

SHOWN DISTANCES ARE FIELD MEASURED - EXTERIOR SECTION LINES  
 ARE DRAWN TO SCALE (BEST APPROX. OR FOUND MONUMENT).

THIS IS NOT A MONUMENTED BOUNDARY SURVEY. IT IS ONLY A  
 DRAWING INTENDED TO DEPICT THE WELL LOCATION TO SECTION LINES.

DISTANCES TO WELL SHOWN PERPENDICULAR  
 TO SECTION LINES.

PREPARED BY: HORSESHOE SURVEYING, LLC PO BOX 150458 LAKEWOOD, CO 80215 (720)872-0186		WELL NAME: SATER 19F-UNIOIL	
DRAWING DATE: 4-30-08		LOCATION: WELD COUNTY, CO NW1/4, SEC. 19, T4N, R63W, 6TH P.M.	
FIELD DATE: 4-16-08	BY: TGC	JOB NO.	SHEET NO. 1 OF 1

**Sater 19F-Unioil Well**

**Green Outline:** Proposed 160 acre spacing unit

**Blue Outline:** Not more than 8 wells with bottom hole in governmental quarter section.  
Existing Codell/Niobrara producing wells in T4N-R63W; Sec. 19: NW¼:

- Sater 11-19U
- Sater 19AU
- Sater 12-19U
- Sater 21-19U
- Sater 22-19U

**Red Markers:** Surface and Bottom Hole locations

**Township 4 North, Range 64 West, 6th P.M.**

**Township 4 North, Range 63 West, 6th P.M.**

