

## 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

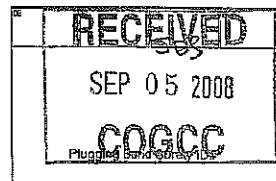
Enclosures

**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: \_\_\_\_\_



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

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

Refilling ☐  
Sidetrack ☐

3. Name of Operator: <u>Unioil</u>	4. COGCC Operator Number: <u>90950</u>	Complete the Attachment Checklist:	
5. Address: <u>1775 Sherman St, Suite 3000</u>	City: <u>Denver</u> State: <u>CO</u> Zip: <u>80203</u>	APD Orig & 1 Copy	<input checked="" type="checkbox"/>
6. Contact Name: <u>James Annable</u> Phone: <u>(303) 905-4340</u> Fax: <u></u>		Form 2A	<input checked="" type="checkbox"/>
7. Well Name: <u>Sater</u> Well Number: <u>19F-Untoil</u>		Well location plat	<input checked="" type="checkbox"/>
8. Unit Name (if appl): <u></u> Unit Number: <u></u>		Topo map	<input checked="" type="checkbox"/>
9. Proposed Total Measured Depth: <u>7370'</u>		Mineral lease map	<input type="checkbox"/>
10. QtrQtr: <u>NWNW</u> Sec: <u>19</u> Twp: <u>4N</u> Rng: <u>63W</u> Meridian: <u>6th PM</u>		Surface agmt/Surety	<input type="checkbox"/>
Latitude: <u>40.30167 N</u> Longitude: <u>104.48927 W</u>		30 Day notice letter	<input checked="" type="checkbox"/>
Footage At Surface: <u>1183</u> <u>N</u> <u>130</u> <u>W</u>		Deviated Drilling Plan	<input type="checkbox"/>
11. Field Name: <u>Wattenberg</u> Field Number: <u>90750</u>		Exception Location Request	<input checked="" type="checkbox"/>
12. Ground Elevation: <u>4680'</u> 13. County: <u>Weld</u>		Exception Loc Waivers	<input checked="" type="checkbox"/>
14. GPS Data: Date of Measurement: <u>4/16/08</u> PDOP Reading: <u>6</u> Instrument Operator's Name: <u>Thomas G. Carlson PLS 24657</u>		H2S Contingency Plan	<input type="checkbox"/>
		Federal Drilling Permit	<input type="checkbox"/>

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'

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>407-67</u>	160	All Formations:
J Sand	JSND	<u>232-23</u>	160	Sec. 19-NWNW & SWNW
				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 QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheetmap 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes, attach contingency plan.				
28. Will salt sections be encountered during drilling?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If 28, 29 or 30 are "Yes" a pit permit may be required.				
31. Mud disposal:	<input type="checkbox"/> Offsite <input checked="" type="checkbox"/> Onsite					
Method:	<input checked="" type="checkbox"/> Land Farming <input type="checkbox"/> Land Spreading <input type="checkbox"/> Disposal Facility <input type="checkbox"/> 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
Surface	12 1/4"	8 5/8"	24#	500'	300sx	500'
Production	7 7/8"	4 1/2"	10.5#	7370'	200sx Poz	7370'
Conductor	N/A	N/A				5870'
Stage Tool						
32. BOP Equipment Type:	<input type="checkbox"/> Annular Preventor <input checked="" type="checkbox"/> Double Ram <input type="checkbox"/> Rotating Head <input type="checkbox"/> None					
33. Comments <u>Conductor Casing will not be used.</u>						
34. Initial Rule 306 Consultation took place on (date) <u>5/2/08</u> , 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: <u>[Signature]</u> Print Name: <u>James Annable</u> Title: <u>Sr. Regulatory Consultant</u> Date: <u>9/3/08</u> Email: <u>jim.annable@comcast.net</u>						

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] Date: 11/14/2008 Director of COGCC

Permit Number: 20085998 Expiration Date: 11/13/2009

API NUMBER  
05-123-29441-00

CONDITIONS OF APPROVAL, IF ANY:

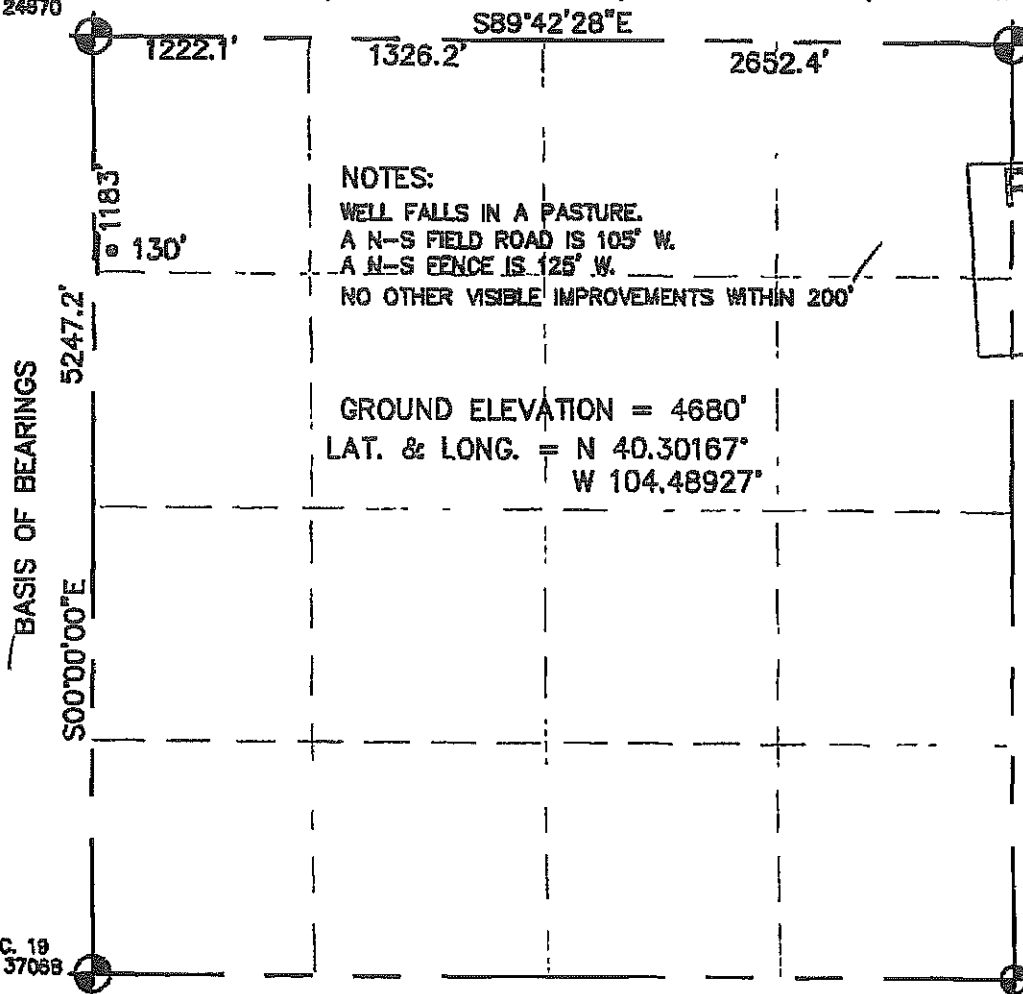


# WELL LOCATION CERTIFICATE

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'

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

RECEIVED

SEP 05 2008

COGCC

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  
HORSESHOE 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.**

