



## Petroleum Development Corporation

Henry Schaefer Farm LLC  
4503 West 23<sup>rd</sup> St  
Greeley, Co. 80634

6-18-2010  
Hand Delivered

Notice of Drilling Operations and Initial Consultation:

Twp 6 North, Range 66 West:

Section 7: E/2 15wells are as follows:

**Schaefer 7MD:** 165' FNL & 2014' FEL; Lat. N 40.50876°, Long. W -104.81892°  
**Schaefer 31-7D:** 165' FNL & 1992' FEL; Lat. N 40.50876°, Long. W -104.81884°  
**Schaefer 7CD:** 165' FNL & 1970' FEL; Lat. N 40.50876°, Long. W -104.81876°  
**Schaefer 41-7D:** 165' FNL & 1948' FEL; Lat. N 40.50876°, Long. W -104.81868°  
**Schaefer 7RD:** 165' FNL & 1926' FEL; Lat. N 40.50876°, Long. W -104.81860°  
**Schaefer 7OD:** 2547' FNL & 1673' FEL; Lat. N 40.50225°, Long. W -104.81763°  
**Schaefer 33-7D:** 2548' FNL & 1651' FEL; Lat. N 40.50225°, Long. W -104.81755°  
**Schaefer 32-7D:** 2549' FNL & 1651' FEL; Lat. N 40.50225°, Long. W -104.81747°  
**Schaefer 7S:** 2550' FNL & 1607' FEL; Lat. N 40.50225°, Long. W -104.81739°  
**Schaefer 42-7D:** 2551' FNL & 1585' FEL; Lat. N 40.50225°, Long. W -104.81731°  
**Schaefer 7TD:** 549' FSL & 610' FEL; Lat. N 40.49636°, Long. W -104.81374°  
**Schaefer 34-7D:** 581' FSL & 611' FEL; Lat. N 40.49645°, Long. W -104.81374°  
**Schaefer 7XD:** 603' FSL & 611' FEL; Lat. N 40.49651°, Long. W -104.81374°  
**Schaefer 7DD:** 625' FSL & 612' FEL; Lat. N 40.49657°, Long. W -104.81374°  
**Schaefer 43-7D:** 647' FSL & 613' FEL; Lat. N 40.49663°, Long. W -104.81374°

Dear *Schaefer Farm* :

In accordance with the requirement of Rule 305.e.(1).B. of the Colorado Oil and Gas Conservation Commission (COGCC), this letter serves as the 30-day notice by Petroleum Development Corporation (PDC) of its intention to conduct drilling operations on the captioned wells.

This Letter will also act as our consultation which includes our discussions concerning the locations of the wellsites, Drill pads, access roads, production facilities and other related surface matters (your list of concerns), which we addressed on the Surface Damage Agreement. The well locations and Pads are staked. You may waive the 30-day notice requirement if so desired.

Also enclosed is a site diagram that depicts the area, per COGCC rules, within which the well(s) may be located, and the proposed location of the well(s), access road(s), and production facilities. Additionally, you have been supplied a copy of the COGCC's brochure describing surface owner rights and responsibilities, and a copy of the COGCC's on-site inspection policy.

As surface owner you have the responsibility for notifying any affected tenant farmer, lessee or other party that may own or have an interest in any crops or surface improvements that could be affected by these proposed operations.

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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

Should you have any questions regarding our operations or this notice, please feel free to contact me at contact me at 970 834-2055 cell 970 539-1265

Sincerely,

PETROLEUM DEVELOPMENT CORPORATION

  
Steven Tracy, Agent

If this is your understanding of our proposed operations Please acknowledge below

Henry Schaefer Farm, LLC  
By Nancy Hammers, Mgr.  
Henry Schaefer Farm LLC  
By Nancy Hammers Manager

Date June 28, 2010