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

October 15, 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.**  
Loloff Farms 26H-432  
SWSW, Section 26, T5N R64W  
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 Loustalet 24-25 (API # 05-123-21769, SESW) in Sec. 25, Loustalet 25-1 (API # 05-123-12678, SWSW) in Sec. 25, Schlagel 26-1 (API # 05-123-12300, SWSE) in Sec. 26 and Schlagel 26-4 (API # 05-123-19304, SESE) in Sec. 26, T5N R64W. Since the encroached well(s) are operated by PDC, no waivers are needed. The proposed well will also be less than 150' to Loloff B 26-14X (API # 05-123-24367, SESW) which is located in Section 26 T5N R64W. Please see waiver from the operator of the offset well attached.

**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,

  
Shayelyn Marshall  
Regulatory Analyst  
PDC Energy, Inc.