



Corporate Office

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Denver, Colorado 80203
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August 8, 2016

State of Colorado
Oil & Gas Conservation Commission
Attn: Matt Lepore
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: **Rule 603.a.(2)**
Paul 5N67W27D pad, SESE, Sec. 27 T5N R67W, Weld County, Co.
Wells: Paul 27W-204 (doc #401087111), Paul 27W-334 (doc #401087073), Paul 27W-434 (doc #401087055)

Dear Director:

PDC Energy, Inc. ("PDC") is respectfully requesting an exception to Rule 603.a.(2) for the above-captioned wells.

Rule 603.a.(2). Statewide location requirements

A well shall be drilled a minimum of one hundred fifty (150) feet from a surface property line. An exception may be granted by the Director if it is not feasible for the operator to meet this minimum distance requirement and a waiver is obtained from the offset surface owner. An exception request letter stating the reasons for the exception shall be submitted to the Director and accompanied by a signed waiver(s) from the offset owner(s). Such waiver shall be written and filed in the County Clerk and Records office and with the Director.

The proposed location is the best to drill horizontal wells with sufficient lateral length in the producible zone of our lease and build sufficient production facilities on location. Both parcels of property are owned by Paul L. Nelson and this location is also strongly preferred by the surface owner.

We respectfully request that you approve this waiver to reduce the impact on surface operations. Attached is the surface location waiver signed by Paul L. Nelson.

If you have any questions, please contact the undersigned at 303-860-5800.

Sincerely,

A handwritten signature in black ink that reads "Kelsi Welch".

Kelsi Welch
Regulatory Analyst
PDC Energy, Inc.