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January 29, 2020

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

Re: Rules 318A.a. and 318A.c. Exception Location Request

Schrute 5N64W16 1-10 Pad, Part of the SW (Lands best described in Exhibit A attached to SUA), Sec. 16, T5N-R64W, Weld County, Colorado
Wells: Schrute 1N (Doc 402119663), Schrute 2N (Doc 402298029), Schrute 3N (Doc 402298036), Schrute 4N (Doc 402298041), Schrute 5N (Doc 402298048), Schrute 6N (Doc 402298058), Schrute 7N (Doc 402298061), Schrute 8N (Doc 402298064), Schrute 9N (Doc 402298068), Schrute 10N (Doc 402298085)

Dear Director:

PDC Energy, Inc. ("PDC") is requesting an exception to Rule 318A.a. and Rule 318A.c. for the above-captioned well(s).

The location(s) are planned outside of a GWA window and are not within 50' of an existing well. This location is a good location in order to drill horizontal wells with sufficient lateral length in the producible zone and build sufficient production facilities on location.

We respectfully request the approval of this exception to reduce the impact on the surface owner and surface operations. Attached is the Exception Location Waiver signed by the surface owner, Theodore A. Buderus, President of Lower Latham Reservoir Company.

If you have any questions, please contact the undersigned at (303) 831-3931.

Sincerely,

A handwritten signature in black ink, appearing to read "Ally Ota".

Ally Ota
Regulatory Technician
PDC Energy, Inc