

Appendix I

Surface Location Exception Waiver
(Rule 318A.a. and 318A.c.)

Wells: Schrute 1N, Schrute 2N, Schrute 3N, Schrute 4N, Schrute 5N, Schrute 6N, Schrute 7N, Schrute 8N,
Schrute 9N, Schrute 10N

Township 5 North, Range 64 West: Section 16: Part of the SW (Lands best described in Exhibit A attached to SUA)

Parcel Number(s) 096316300012 and 096316400013, Weld County, Colorado

Operator reserves the right to change any well name(s) at its discretion without further notice.

PDC Energy, Inc. as Operator of the above listed proposed well(s) hereby requests a Surface Location Exception Waiver from the following owner of the surface for the aforementioned well location(s):

Surface Property Owner(s) Name and Address:

Lower Latham Reservoir Company
Theodore A. Buderus, President
8209 W 20th Street, Suite A
Greeley, Colorado 80634

Pursuant to the following Colorado Oil and Gas Conservation Commission ("COGCC") Rule:

Rule 318A.a. GWA, GWA wells, GWA windows and unit designations

COGCC Rule 318A.a designates five "drilling windows" per quarter section of land in the Greater Wattenberg Area (GWA) – 400'x400' boxes in the center of each quarter/quarter section, and an 800'x800' box in the center of the quarter section.

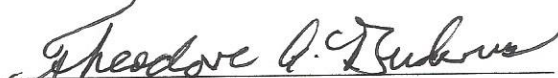
Rule 318A.c. Surface locations

COGCC Rule 318A.c. also states that certain well locations must be "twinned" (located within fifty (50) feet of an existing well).

A complete copy of the COGCC rules and policies is available at the following website: <http://cogcc.state.co.us/>.

As the Surface Property Owner(s), I understand that the aforementioned well location(s) fall outside of those drilling areas and are greater than fifty (50) feet from an existing well, and consent to the location(s) as planned. I hereby waive any requirements to comply with COGCC Rule 318A.a. and 318A.c. for the aforementioned well(s).

Lower Latham Reservoir Company


Theodore A. Buderus, President

12/10/8
Date