



## Petroleum Development Corporation

August 21, 2009

Binder Family Farms LLC  
9783 WCR 46 1/2  
Milliken, CO 80543

**HAND DELIVERED**

**Notice of Drilling Operations**

Well Name: Binder well nos. 10-OU, 10-SDU, 32-10DU, 22-10DU, 10CDU, 10-NDU, 12-10U,  
10ADU, 11-10DU, and 10-KU

Township 4 North, Range 67 West, 6<sup>th</sup> P. M.

Section 10: N/2

(See Map Attached for Locations)

Weld County, Colorado

Dear Binder Family:

Pursuant to Rule 305.e. Landowner Notice, of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"), Unioil, a wholly owned subsidiary of Petroleum Development Corporation, Inc., ("PDC"), as Operator, hereby gives notice to you that it intends to commence operations for the drilling of a well or wells for oil/and or gas on the referenced lands. As surface owner you have the responsibility for notifying any affected tenant of the proposed operations.

These well locations have been staked (surveyed) and we had our Consultation meeting on February 12, 2009, as well as multiple other meetings, concerning these locations.

I have enclosed Directional Drilling Waivers, Greater Wattenberg Area, for some of the captioned well locations. It is requested that you sign these and return it to the undersigned. These waivers are needed for permitting purposes with the State. Also enclosed are three (3) page diagrams showing the proposed locations of the wells, associated access and production facilities. These map diagrams are the same as Exhibits A-1, A-2, and A-3 taken from the signed Surface Use Agreement With Directional Drilling signed by both parties.

At this time, PDC expects that the expected date of commencement of operations with heavy equipment will be in early November of 2010. Should you have any questions regarding our operations, please feel free to contact me at (303) 517-3010.

Sincerely,

PETROLEUM DEVELOPMENT CORPORATION

Mac Neumann, Agent

cc: Carrie Eggleston  
Sarah Garrett

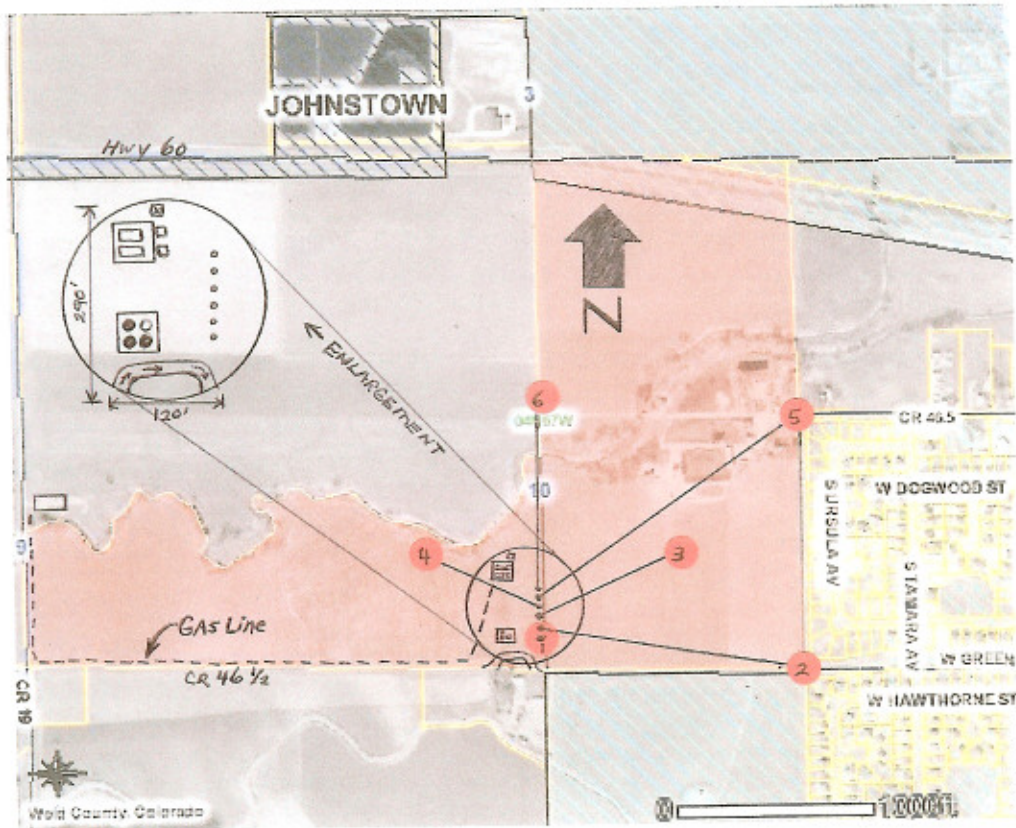
**RECEIVED VIA HAND DELIVERY this**

21 day of Aug, 2009.

By: Dean Binder

## Exhibit A-1

**Attached to Surface Use Agreement With Directional Drilling by and between the Binder Family Farms LLC ("Owner"), and Unioil, a wholly owned subsidiary of Petroleum Development Corporation ("Company"), executed on the \_\_\_\_\_ day of \_\_\_\_\_, 2009.**

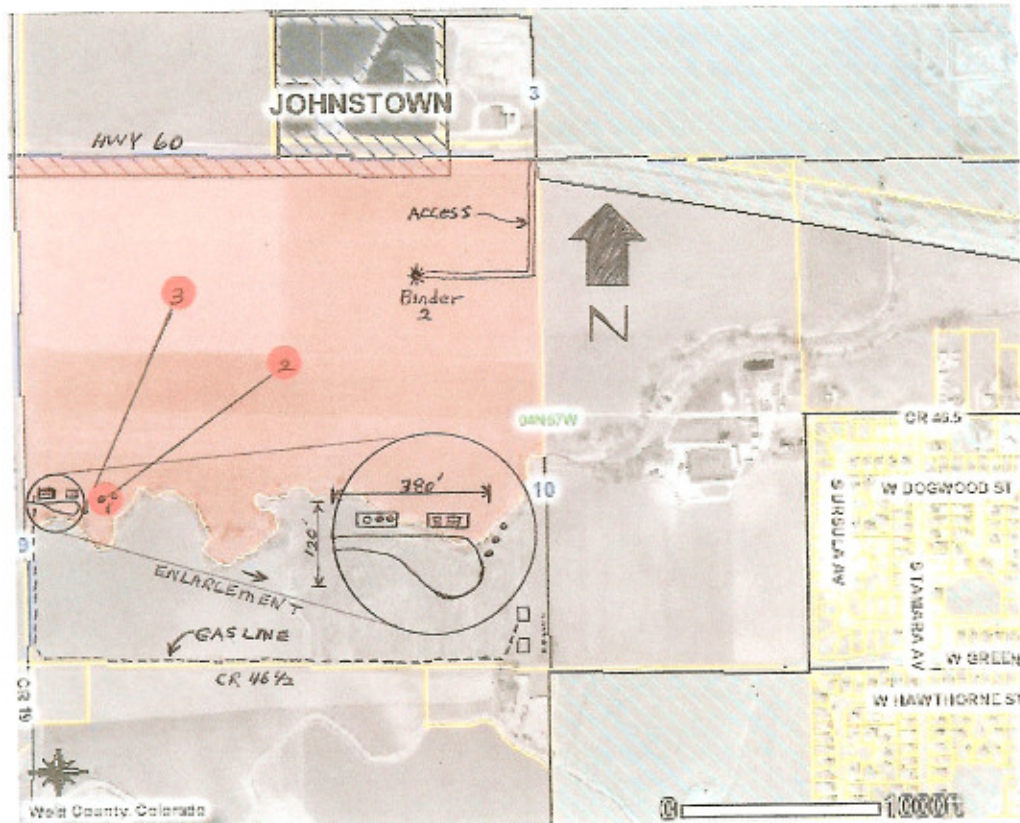


1. **Binder 10-OU:** (Approx. Ctr Sec 10-4-67). Vertical drill. Southernmost wellhead on East pad. Located approximately 160' North of WCR 46 1/2.
  2. **Binder 10-SDU:** (Approx. Ctr E/2-10-4-67). Directional drill from East pad.
  3. **Binder 32-10DU:** (Approx. Ctr SWNE-10-4-67). Directional drill from East pad.
  4. **Binder 22-10DU:** (Approx. Ctr SENW-10-4-67). Directional drill from East pad.
  5. **Binder 10CDU:** (Approx. Ctr NE-10-4-67). Directional drill from East pad.
  6. **Binder 10-NDU:** (Approx. Ctr N/2-10-4-67). Directional drill from East pad.
- Item numbers shown above correspond to numbered red dots on map, which indicate bottom hole locations. As described above, all of these East pad wells are drilled directionally except for the Binder 10-OU.
  - Approximate distance between wellheads will be no more than 22 feet.
  - Tank battery depiction shown above represents approximate design and dimensions and is not to scale. Battery will be constructed in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission (COGCC) to include two (2) DCP meters, two (2) standard VHLF separators (3 wells into 1, and 4 wells into the other), three (3) oil tanks (400 barrel capacity each), and one (1) to two (2) water pits (up to 175 barrel capacity). The closest oil tank must be 200' setback from Spaur garage (defined as a "normally occupied building").
  - Oil Tanker traffic will access battery off CR 46 1/2 in approximate manner shown in drawing such that will not be required to back on or off this County Road.
  - Tank battery depicted above will also serve the Binder 10-KU well as described in Exhibit A-3 to this Agreement.
  - The "drilling well pad" dimensions will be approximately 480' N/S x 250' E/W.
  - Gas line to be located within 30' of edge of county roads (close as practicable) extending from battery shown above to existing battery. See approximate route.



## Exhibit A-2

**Attached to Surface Use Agreement With Directional Drilling by and between the Binder Family Farms LLC ("Owner"), and Unioil, a wholly owned subsidiary of Petroleum Development Corporation ("Company"), executed on the \_\_\_\_\_ day of \_\_\_\_\_, 2009.**

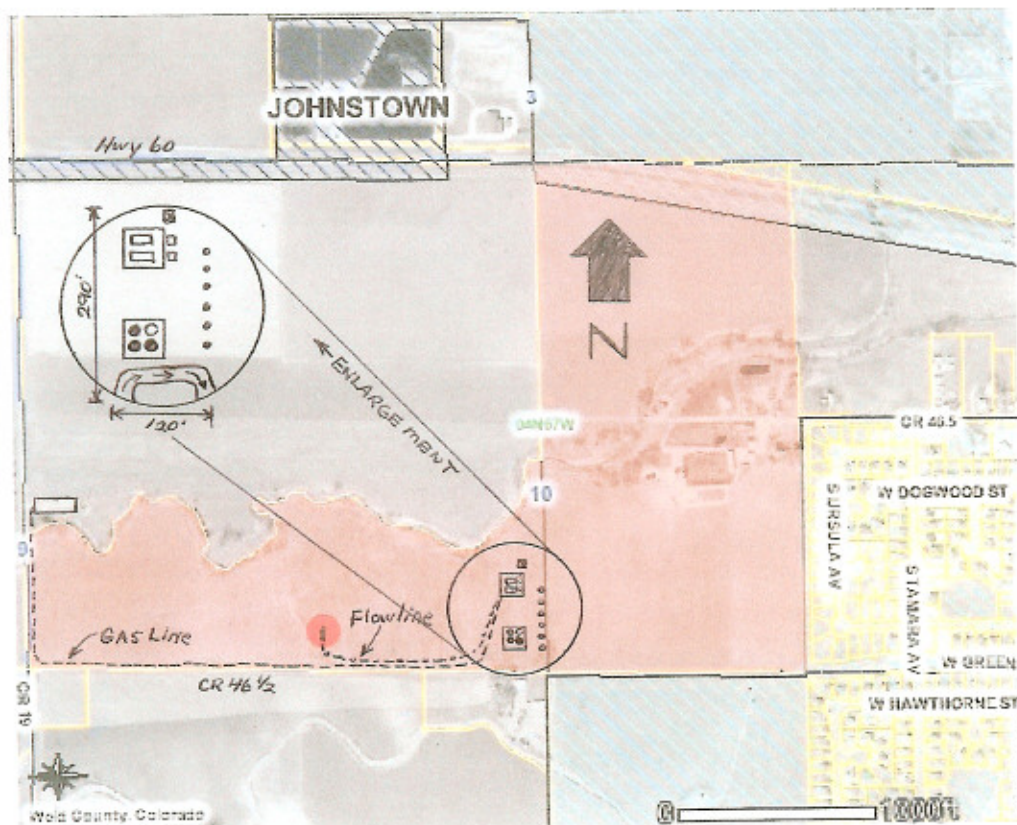


1. **Binder 12-10U:** (As close as possible to NW corner of legal drill window from Ctr of SWNW-10-4-67). Vertical drill. Proposed easternmost wellhead on West pad.
2. **Binder 10ADU:** (Approx. Ctr NW-10-4-67). Directional drill from West pad.
3. **Binder 11-10DU:** (Approx. Ctr NWNW-10-4-67). Directional drill from West pad.

- Item numbers shown above correspond to numbered red dots on map, which indicate bottom hole locations. As described above, all of these West pad wells are drilled directionally except for the Binder 12-10U, which will be the only vertical drill well on the pad.
- Approximate distance between wellheads will be no more than 22 feet.
- The 12-10U well will be a "replacement drilled well" to replace the Binder 1 well located in close proximity to this proposed location. The Binder 1 well was plugged early in 2008 due to a production casing collapse. The 12-10U well and other wells will be drilled as close as practicable to the former wellbore of the Binder 1 as reasonably determined by PDC Engineering.
- Tank battery depiction shown above represents approximate design and dimensions and is not to scale. Battery will be constructed in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission (COGCC). The proposed battery site is also the existing battery site for the former Binder 1, as well as for the existing Binder 2 well (wellhead located in NENW-10-4-67).
- Existing Binder 2 well, access, and approximate flowline route are depicted above.
- The "drilling pad" dimensions will be approximately 320' NE/SW x 200' NW/SE.
- Gas line to be located within 30' of edge of county roads (close as practicable) extending from East pad and battery to battery shown above.

### Exhibit A-3

**Attached to Surface Use Agreement With Directional Drilling by and between the Binder Family Farms LLC ("Owner"), and Unioil, a wholly owned subsidiary of Petroleum Development Corporation ("Company"), executed on the \_\_\_\_\_ day of \_\_\_\_\_, 2009.**



1. **Binder 10-KU:** (Approx. Ctr W/2-10-4-67). Vertical drill. Will be located approximately 160' North of WCR 46 1/2 and 15 feet east of existing N/S farm field road in SW corner of portion of bottom of flood irrigated hay field.

- Item number shown above corresponds to numbered red dot on map. Location described above will allow for a horizontal separation from nearest well bottom hole location of 800', or less, if approved by PDC engineering.
- Tank battery depiction shown above represents approximate design and dimensions and is not to scale. Battery will be constructed in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission (COGCC) as described in Exhibit A-1 to this Agreement.
- This well will be battered with tank battery depicted above. Flowline will be installed extending south from the wellhead, then running east to battery area. Line will be installed on North side of WCR 46 1/2 as close to the road as practicable.
- Access to this well will be directly from the south off WCR 46 1/2 extending north along the above described N/S field road, to the wellhead.
- As described above, this will be a single, vertical drill well. The "drilling well pad" dimensions will be approximately 300' x 300' for drilling and completion, and reduced in size to the wellhead and steel wellhead guard placed around the wellhead (approx. 10' x 10' area) after well is completed as producing well.
- Gas line to be located within 30' of edge of county roads (close as practicable) extending from battery shown above to existing battery. See approximate route