



Marcellus Shale Panel

IOGA WV Winter Meeting

Denny Mills, Senior Engineer
January 27, 2010





Disclaimer

The following information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on Management's current expectations and beliefs, as well as a number of assumptions concerning future events.

These statements are based on certain assumptions and analyses made by Management in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with Management's expectations and predictions is subject to a number of risks and uncertainties, general economic, market or business conditions; the opportunities (or lack thereof) that may be presented to and pursued by Petroleum Development Corporation; actions by competitors; changes in laws or regulations; and other factors, many of which are beyond the control of Petroleum Development Corporation.

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The SEC permits oil and gas companies to disclose in their filings with the SEC only proved reserves, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. The Company uses in this presentation the terms "probable" and "possible" reserves, which SEC guidelines prohibit in filings of U.S. registrants. Probable reserves are unproved reserves that are more likely than not to be recoverable. Possible reserves are unproved reserves that are less likely to be recoverable than probable reserves. Estimates of probable and possible reserves which may potentially be recoverable through additional drilling or recovery techniques are by nature more uncertain than estimates of proved reserves and accordingly are subject to substantially greater risk of not actually being realized by the Company. In addition, the Company's reserves and production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity which may be affected by significant commodity price declines or drilling cost increases

2 activity, increases.
This material also contains certain non-GAAP financial measures as defined under the Securities and Exchange Commission rules.



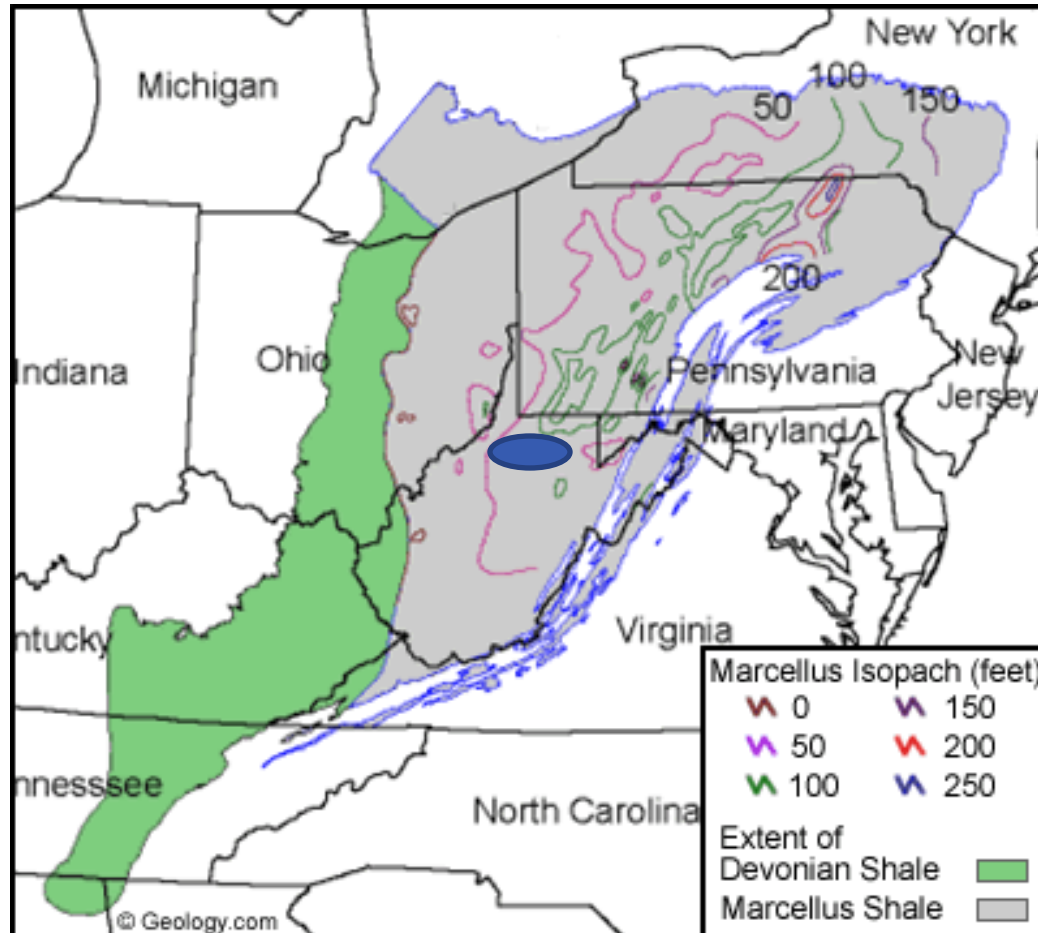


Company Overview

- PDC operations began in 1969 with headquarters in Bridgeport, WV, now headquartered in Denver, CO with eastern operations office in Bridgeport
- Completed Appalachian Joint Venture with Lime Rock Partners, Q4 of 2009
- We are now moving forward with development of our Marcellus acreage in Pennsylvania and West Virginia



Marcellus Shale



www.geology.com





Marcellus Update

- 58,000 net acres spread throughout PA and WV
- Eight vertical wells drilled 2009
- Completed ten square mile 3D seismic shoot in West Virginia and currently working on another
- Engineering is nearly complete on 1st horizontal Marcellus well scheduled Q1 2010





Marcellus Shorts

- Design the Drilling and Completion with a complete understanding of the geology
 - 3D Seismic for location selection, geological hazards
 - Logging suite for material, structure, rock mechanics
- Prior design of the stimulation with consideration of all elements
 - Control with new technologies
- Execution of Job
- Evaluation and Learning





Water

- 20,000 to 100,000 barrels needed to stimulate a well
- Planning is a must, and not just 2 weeks prior
- Advancement of water transfer
 - From trucking to pumping





Stimulation

- Carefully engineered and monitored
 - Great strides since the Martin Decker on the tailgate of a pick-up
 - Simulators, Logs, gauges, research and HISTORY have all played a part in today's design



Flow-back Water Then

1961 - World didn't end and West Virginia is still "Wild and Wonderful"



Courtesy of Virginia Monroe





Flow-back Water Today

- Controlled through chokes into tanks
 - 15 to 50 percent of stimulation volume is expected to be recaptured
 - Reuse is goal for development
 - Regulations have been in effect for many years
 - Enforce what we have, stimulations have not changed that much over the industry
- 2010
KEEP the industry “Open for Business”





Marcellus Take Away

- Existing infrastructure
 - Upgrades to system
- New infrastructure
 - Parallel existing system
 - New avenues to market





Mountains and Logistics

- Do not go hand in hand...
- Lease roads are “engineered” to handle the new type of trucks
- Pad Drilling
 - Take advantage of horizontal technology
- Service Availability
 - Jobs
 - Labor Pool





2010 Outlook

- Exciting 2010
 - PDC Mountaineer and industry is making strides to keep economies moving forward
 - This year is just a beginning





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