



Petroleum Development Corporation

**IPAA OGIS
October 1, 2007
San Francisco**

Steve Williams, Chairman & CEO

Eric Stearns, Executive Vice President

NASDAQ GSM: PETD



Forward Looking Statements



This information contains predictions, estimates and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Important factors that could cause actual results to differ materially from those included in the forward-looking statements include the timing and extent of changes in commodity prices for oil and gas, the need to develop and replace reserves, environmental risks, drilling and operating risks, risks related to exploration and development, uncertainties about the estimates of reserves, competition, government regulation and the ability of the Company to meet its stated business goals.

Contact Information

Investor Relations

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Company Snapshot



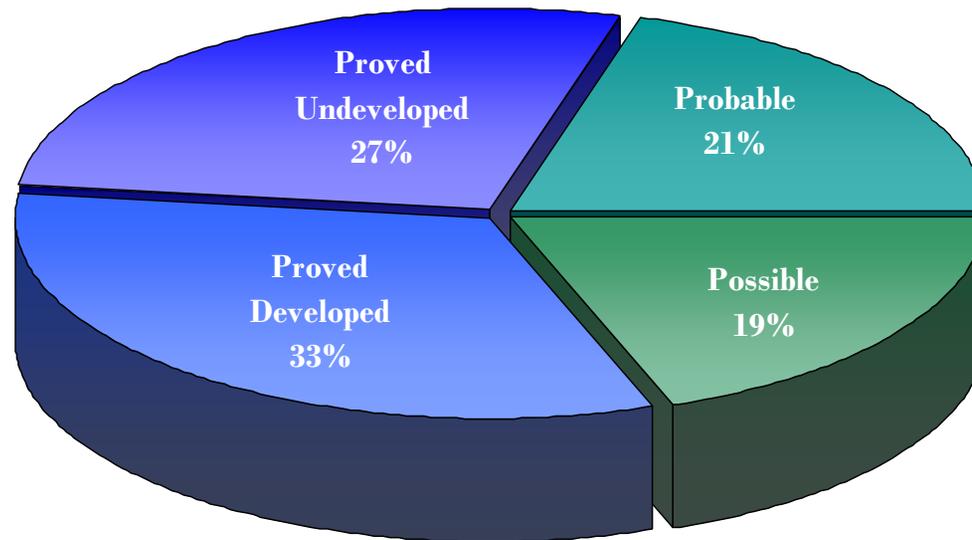
- ❖ **Market Cap (09/24/07)** → **Approx. \$660 Million**
- ❖ **Proved Reserves** → **600+ Bcfe***
- ❖ **3-P Reserves
(Proved, Probable,
and Possible)** → **1 TCFE+***
- ❖ **Production** → **28 Bcfe (2007E)**
- ❖ **Diluted Average
Shares Outstanding
(2007)** → **14,860,000**
➤ **(Down 8% from 2006)**

* Reserves are based on internal Company estimates. Reserves included in probable and possible categories do not meet the SEC definitions of proved reserves and may be subject to greater risk of recovery than reserves meeting SEC requirements.

See slide 2 regarding Forward Looking Statements.

3P Reserves*

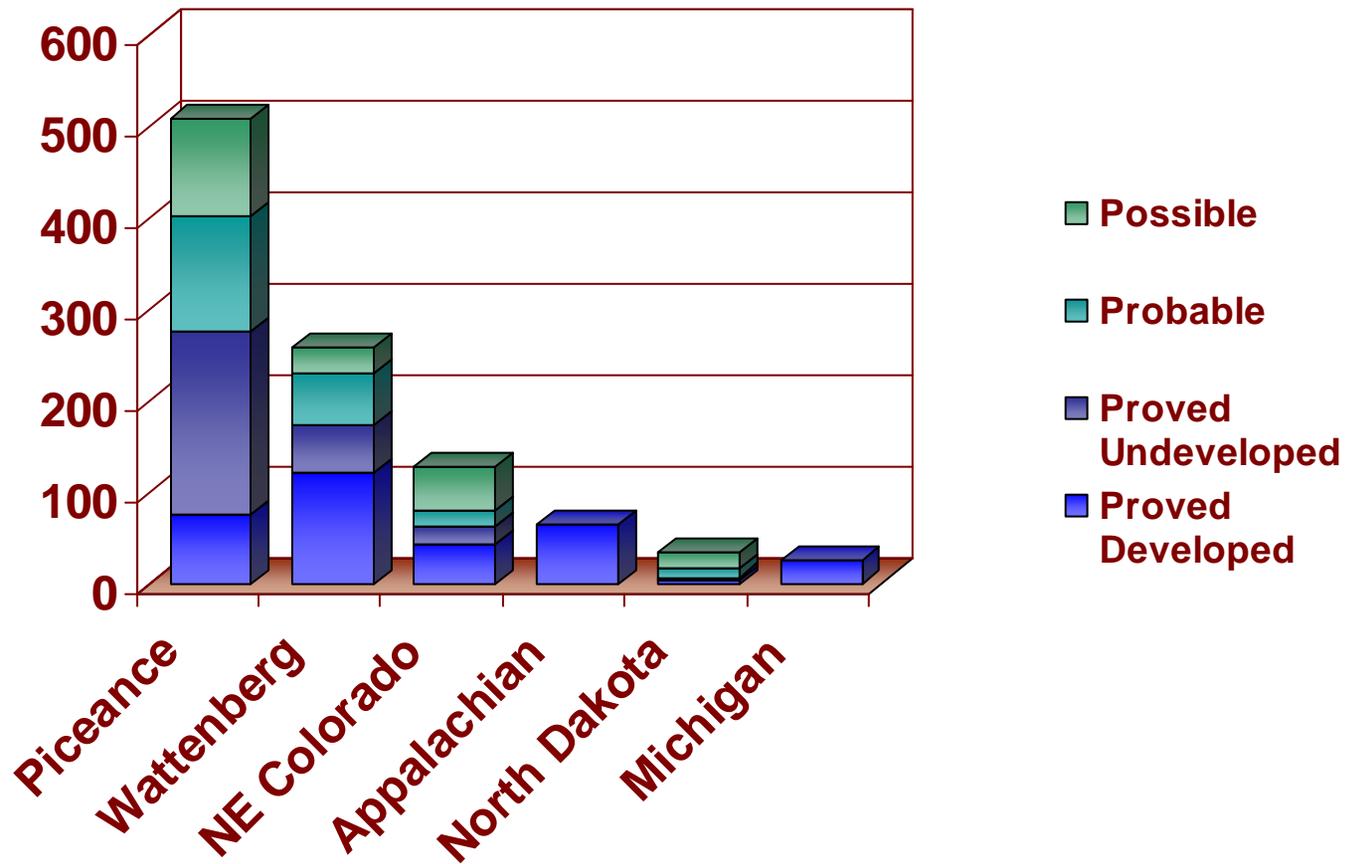
Over 1 TCFE of Unrisked 3P reserves



See slide 2 regarding Forward Looking Statements.

* See slide 3 regarding reserve estimate limitations.

Reserve* Distribution



See slide 2 regarding Forward Looking Statements.

* See slide 3 regarding reserve estimate limitations.

Probable and Possible Reserves*

- Probable and possible reserves consist primarily of:
 - Grand Valley offset locations
 - Wattenberg field locations (5th spot, rule 318A and 40 acre locations)
 - Locations identified by seismic and offsets to producing wells in NE Colorado

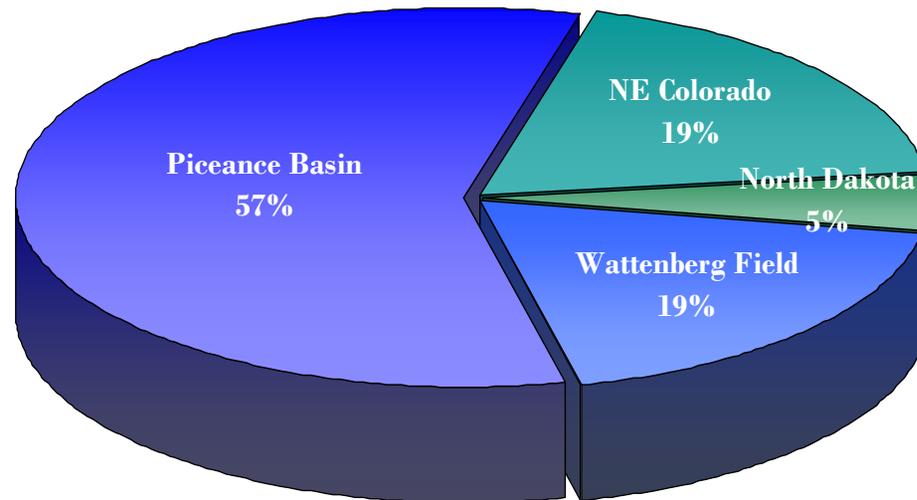


See slide 2 regarding Forward Looking Statements.

* See slide 3 regarding reserve estimate limitations.

Probable/Possible Reserves*

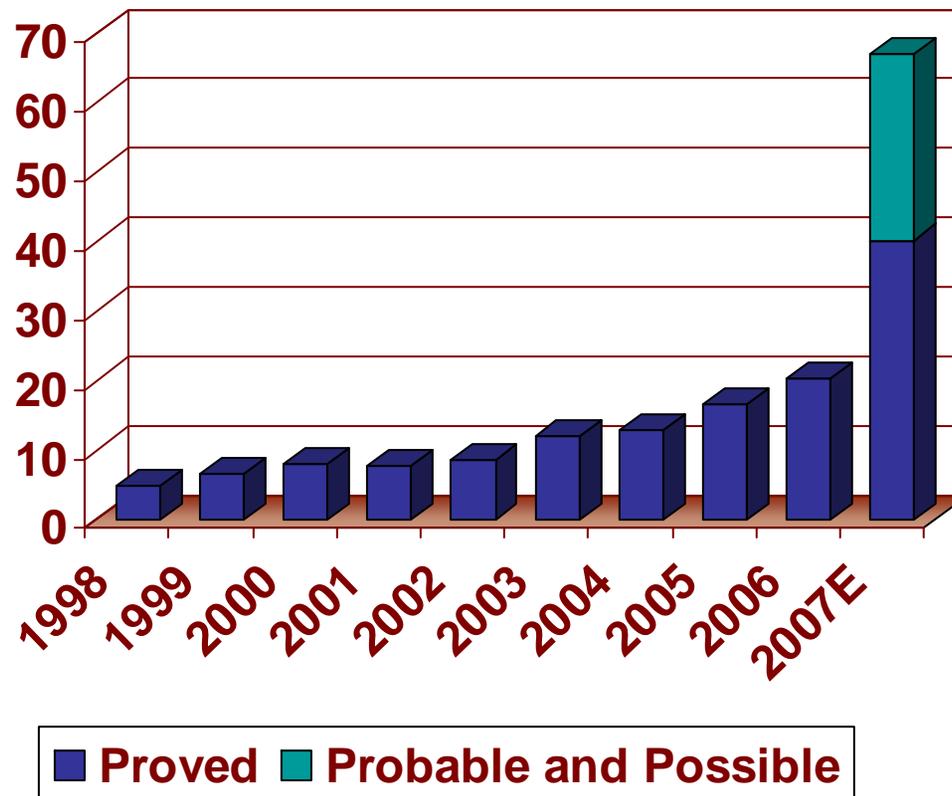
Over 400 Bcfe of Probable and Possible Reserves for Future Development



See slide 2 regarding Forward Looking Statements.

* See slide 3 regarding reserve estimate limitations.

Estimated Reserves* per Share



See slide 2 regarding Forward Looking Statements.

* See slide 3 regarding reserve estimate limitations.

2007 Acquisition Summary

- Use of proceeds from 2006 lease sale
 - \$222 Million in acquisitions (\$191 Million tax deferred)
 - 180 Bcfe (82% proved) 3P reserves
- Acquisitions primarily in existing operating areas
 - Wattenberg Field, DJ Basin Colorado
 - Appalachian and Michigan Basins



See slide 2 regarding Forward Looking Statements.

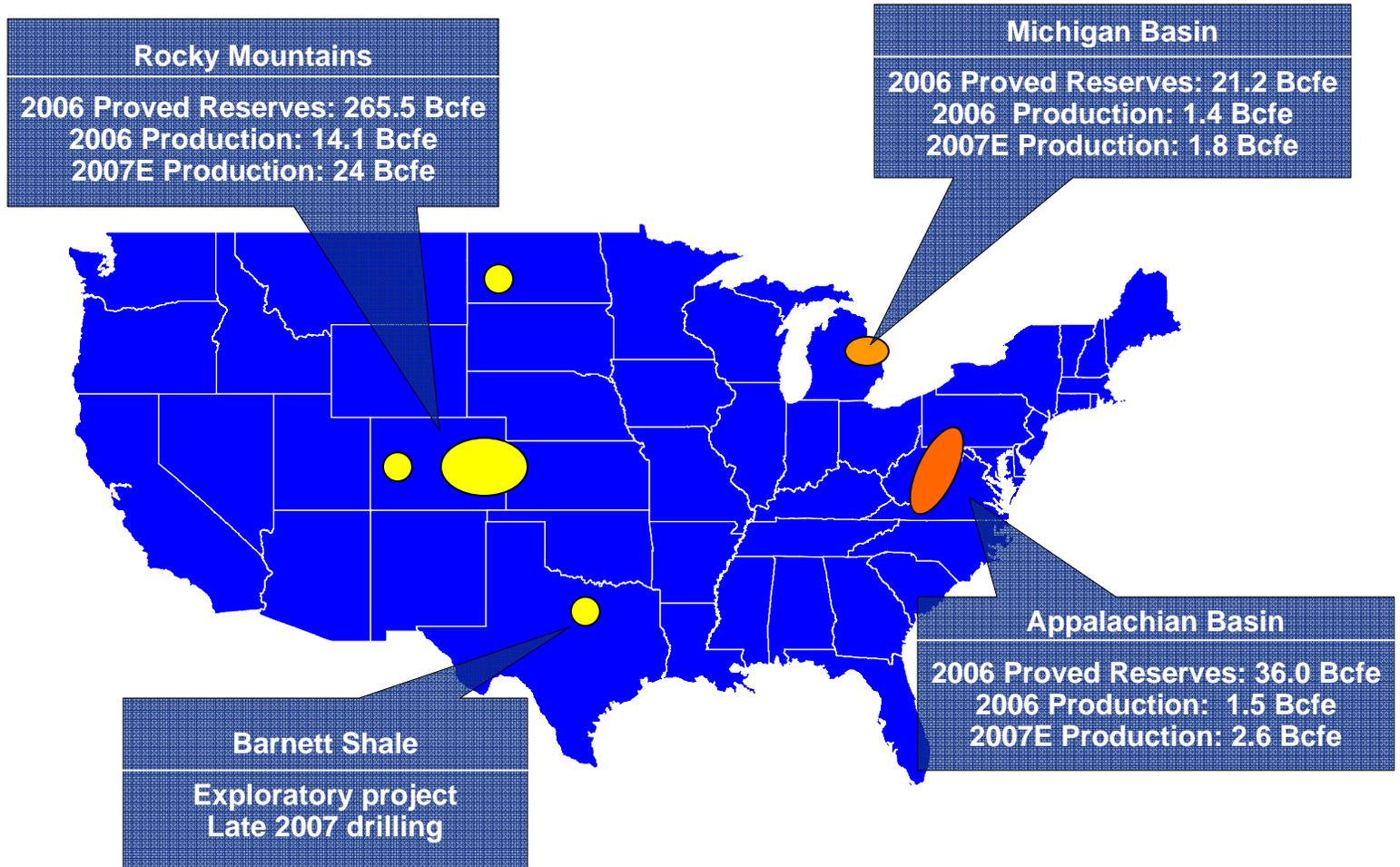
Key 2007 Activities



- Active development program
 - On existing and acquired properties
 - 375 planned wells
- Compression enhancement and mesa road completed in Piceance Basin
- Acquired acreage and preparing to commence drilling in Barnett shale in late 2007

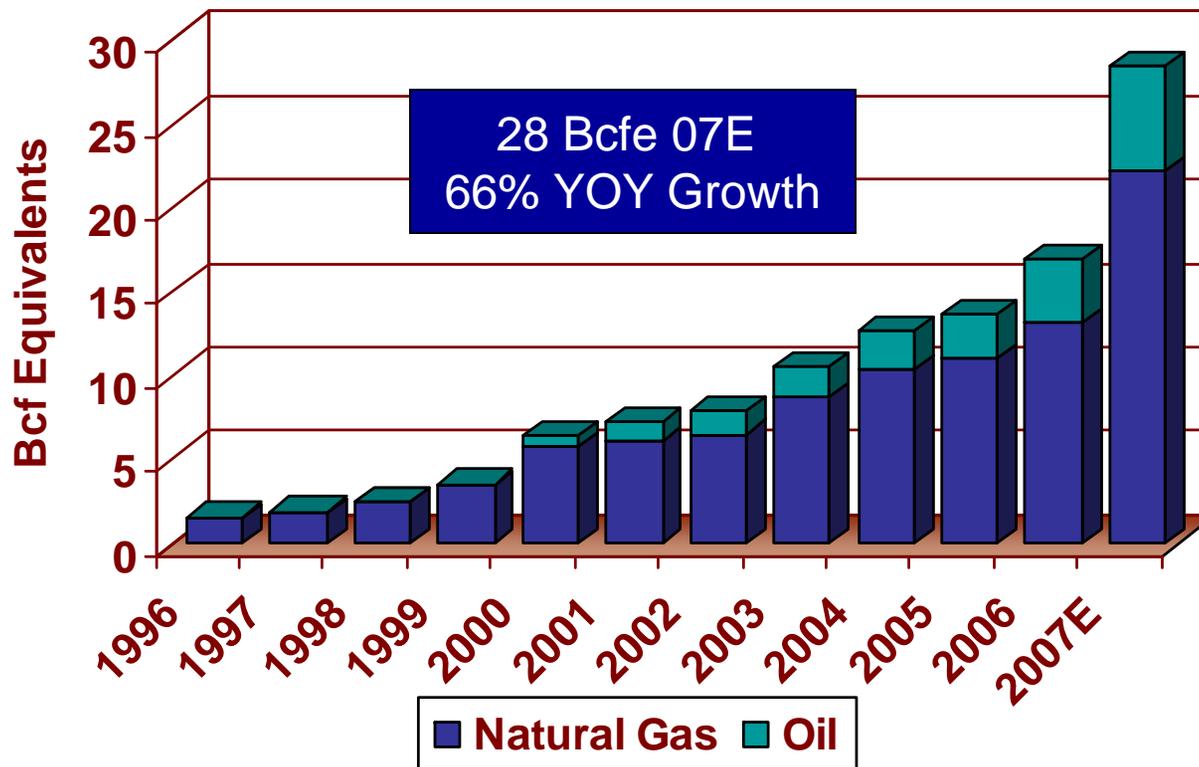
See slide 2 regarding Forward Looking Statements.

Core Operating Areas



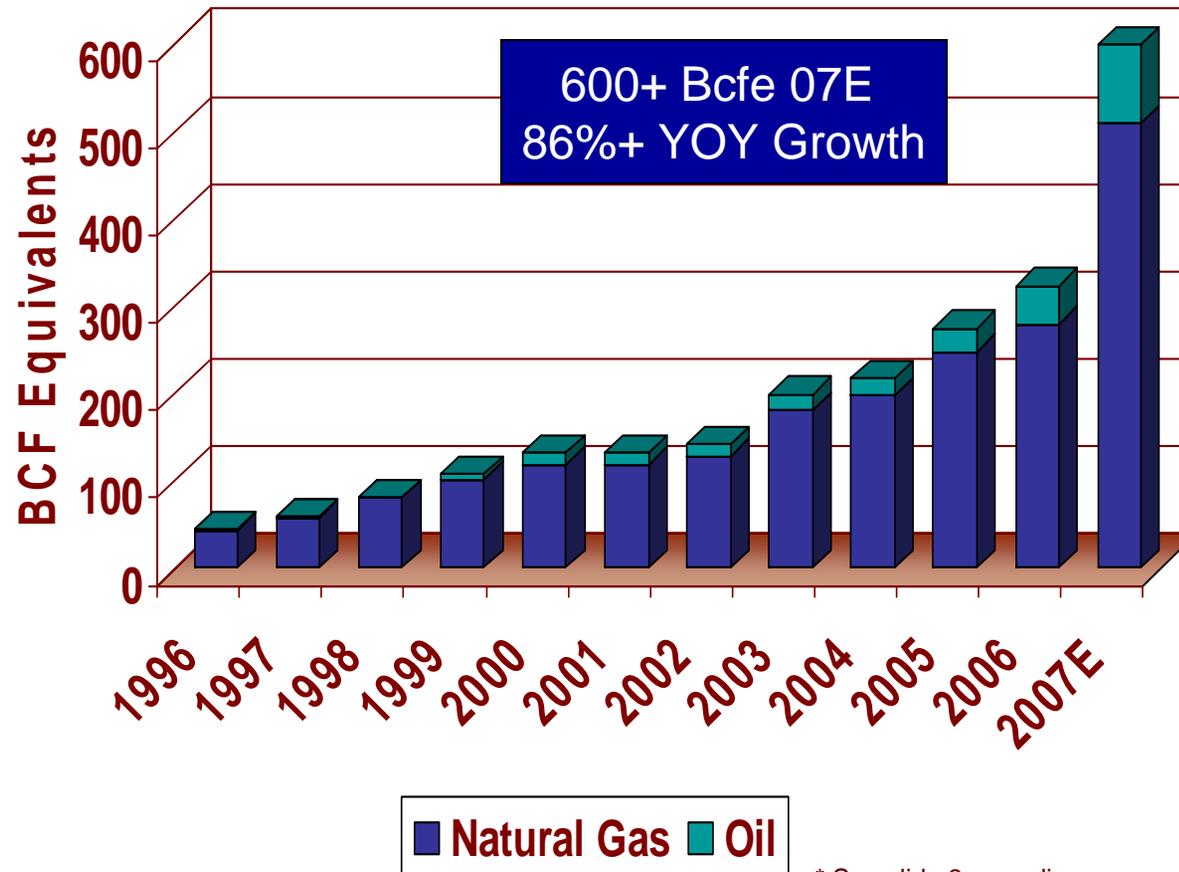
See slide 2 regarding Forward Looking Statements.

Increasing Production



See slide 2 regarding Forward Looking Statements.

Increasing Estimated Proved Reserves *



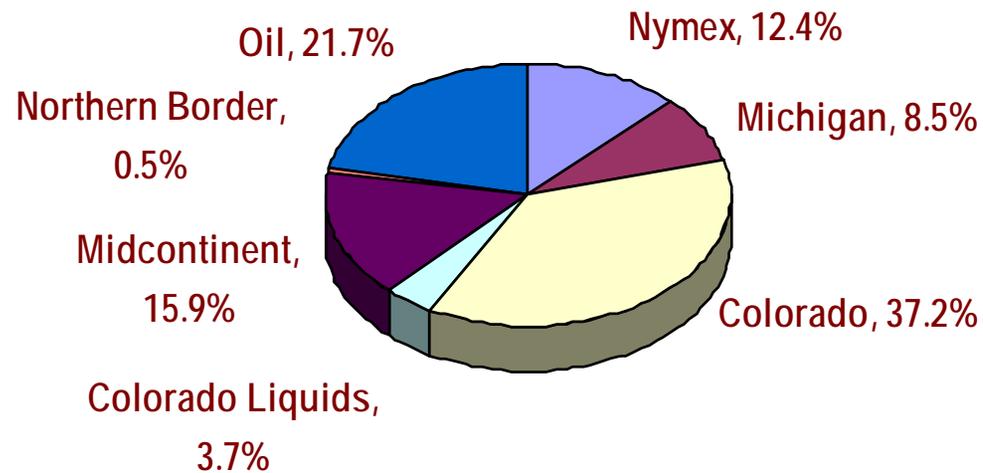
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Energy Market Exposure

Percentage of Production by Market

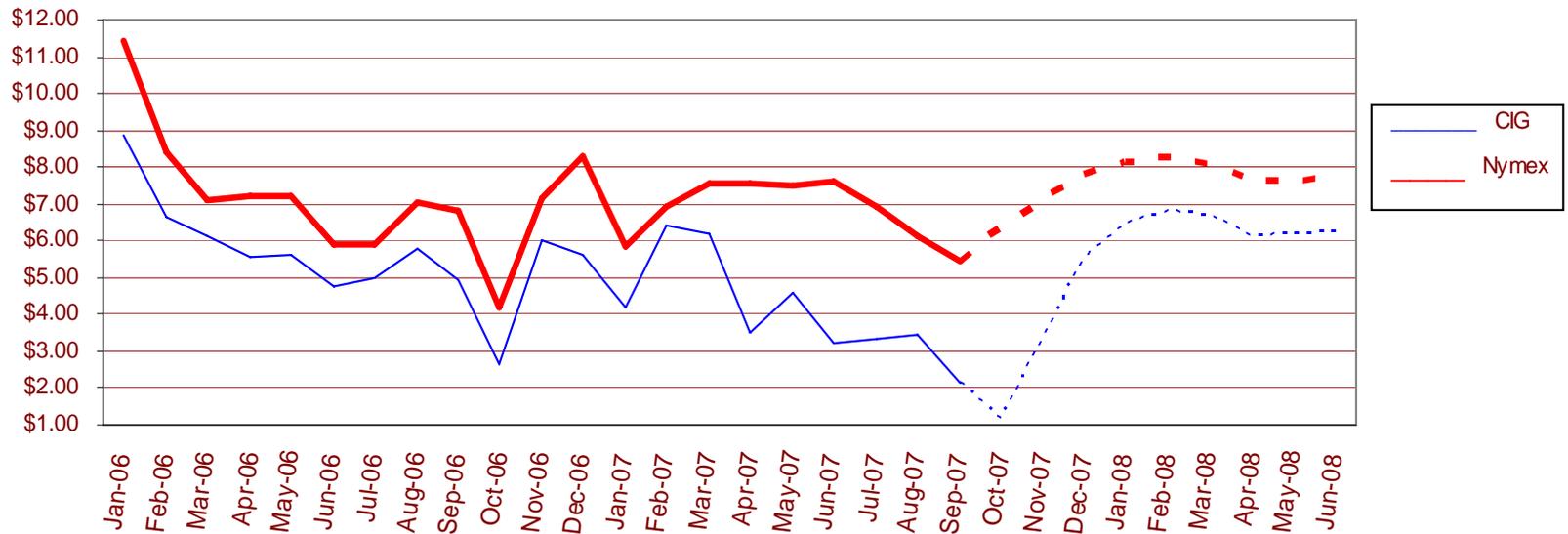
(Based on Mcfe)



See slide 2 regarding Forward Looking Statements.

CIG Basis

Nymex and CIG Rates
Actual through September 2007
Projected from October 2007 Forward as of 9/25/07
Based on published futures market data



See slide 2 regarding Forward Looking Statements.

Enhancements to 2007 Operational Plan

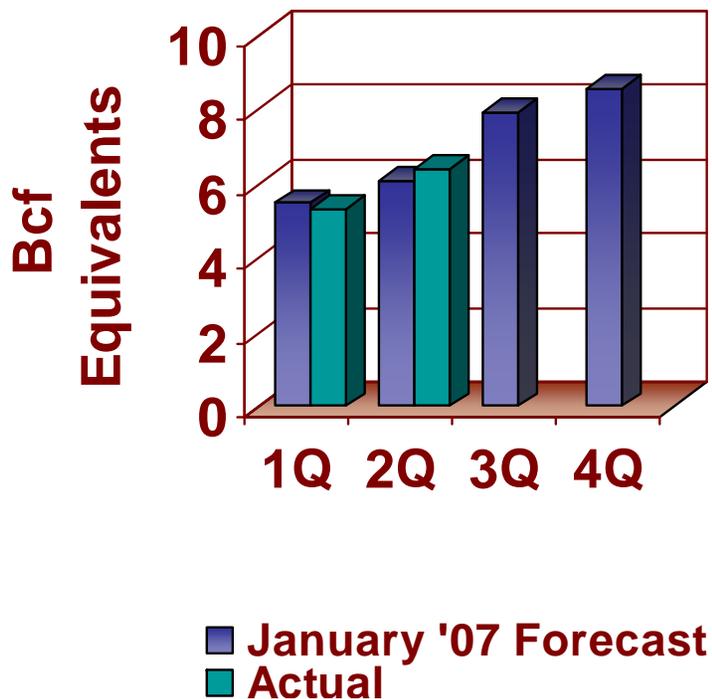


- Increased net Grand Valley wells
- Drilling fewer net Wattenberg wells
 - Originally modeled Codell only completions; actual wells are multi-zone completions (J-sand, Codell and Niobrara, as appropriate)
 - Increased CAPEX in Codell refracs and Niobrara recompletions
- Reduced activity level in ND and reallocated capital

See slide 2 regarding Forward Looking Statements.

2007 Actual vs. Production Forecast

2007 Production Forecast



- 2007 Year End Estimates
 - Production of 28 Bcfe
 - Exit Rate of 100 Mmcf/d

Mid-year production increase from:

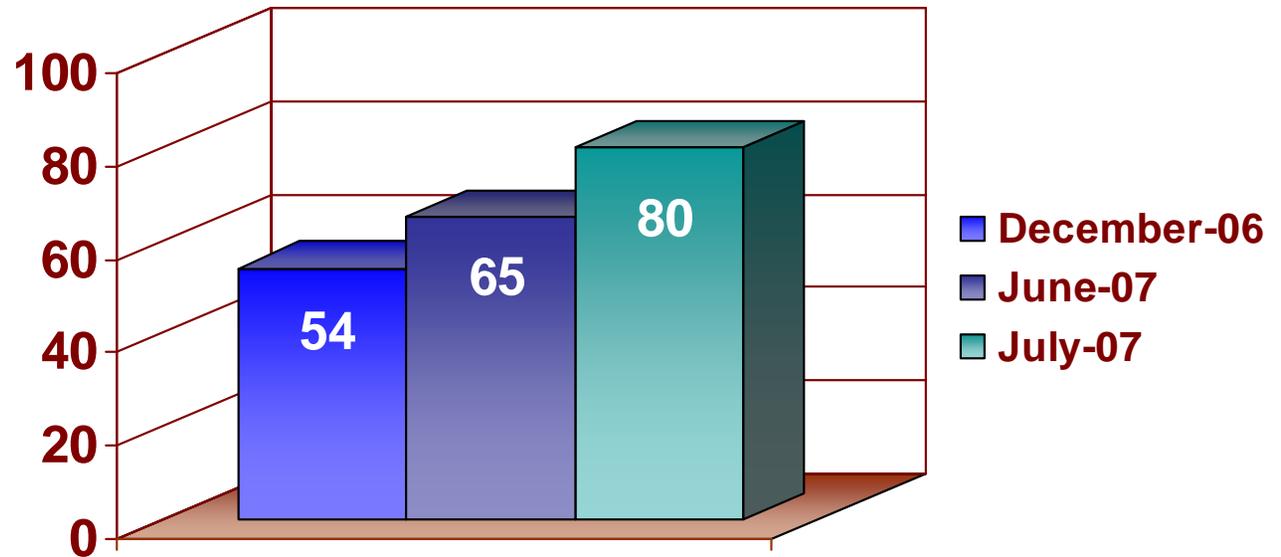
- Late 2Q2007 Garden Gulch compression facility start-up (Grand Valley)
 - Gross capacity increased from 17 to 50 Mmcf/d
 - Reduced line pressure in Grand Valley
- Addition of new wells throughout Rocky Mountain Region

See slide 2 regarding Forward Looking Statements.

Production Increase

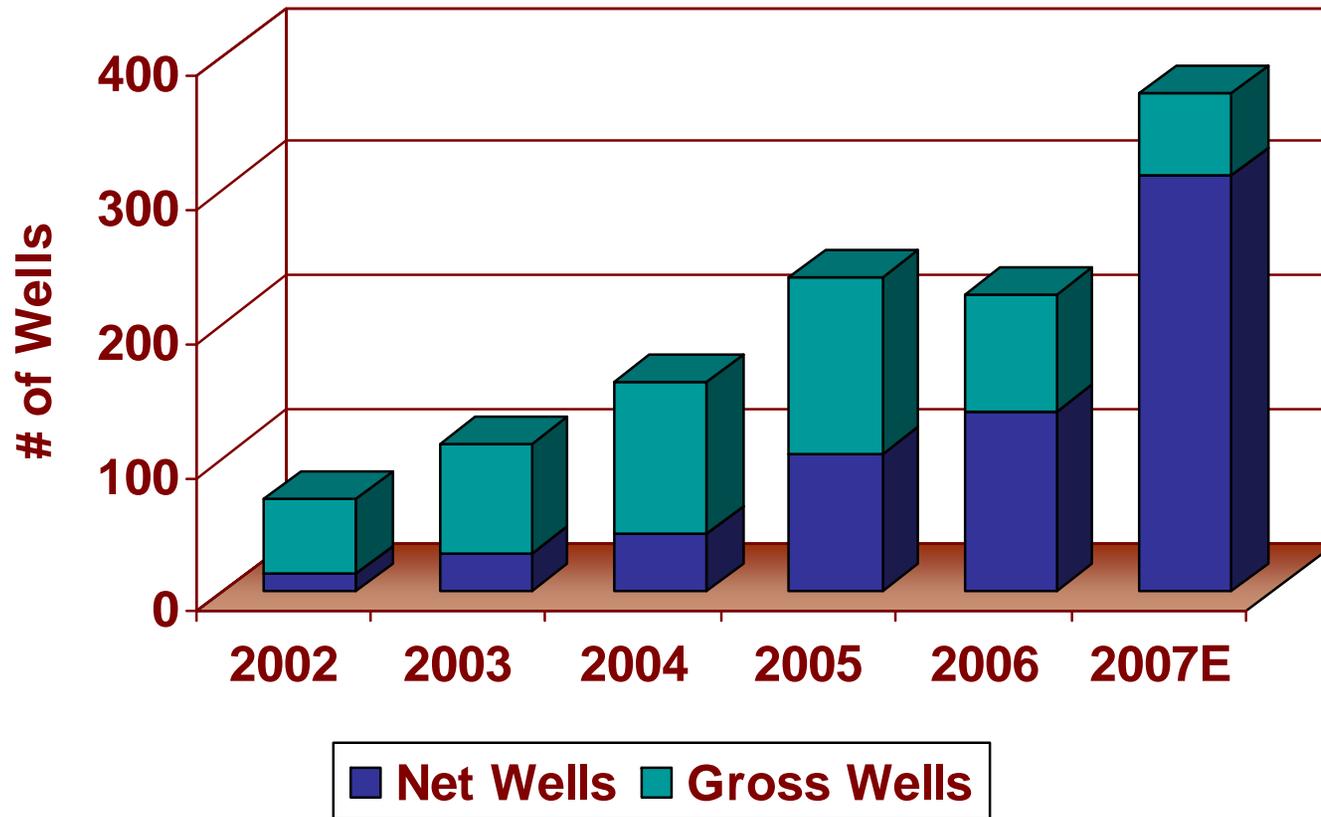


**Million Cubic
Feet per Day
Equivalent**



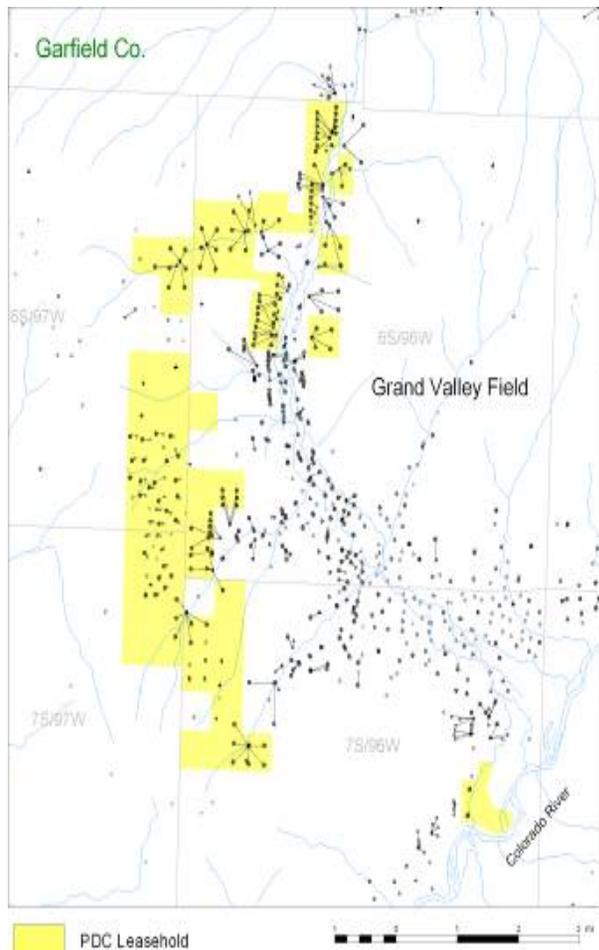
See slide 2 regarding Forward Looking Statements.

Drilling Activity



See slide 2 regarding Forward Looking Statements.

Grand Valley Field Piceance Basin, Colorado

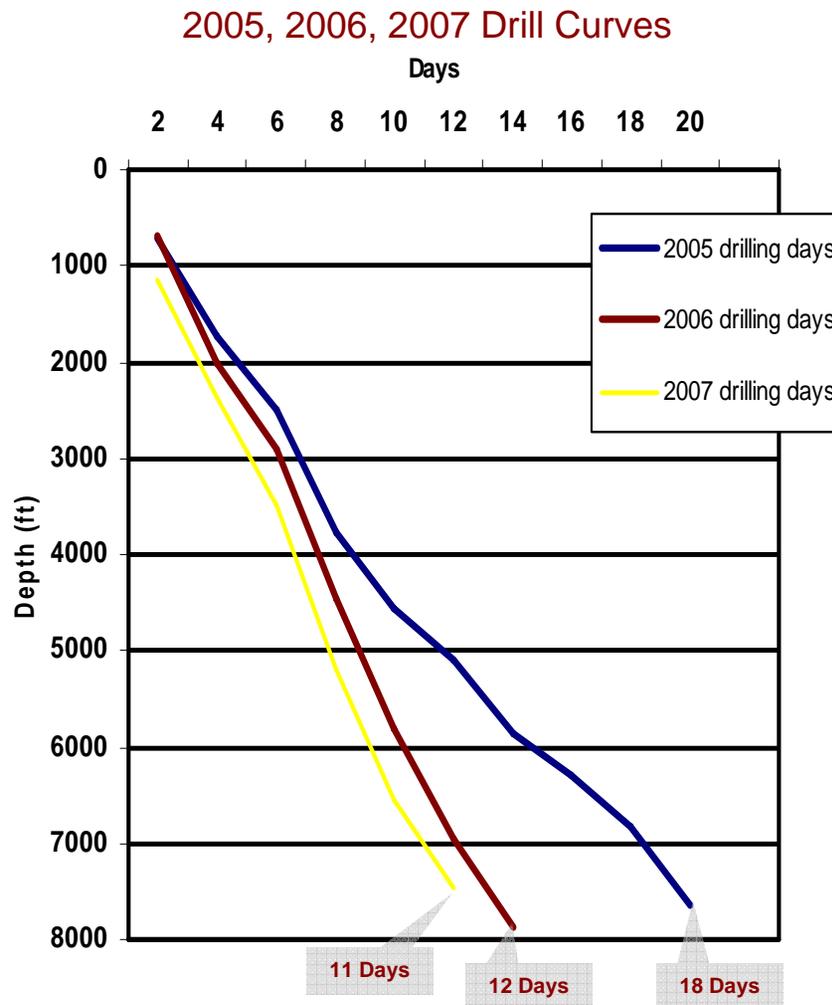


2007 Plan

- July 2007 net daily production 27 Mmcfe/d (2006 exit rate was 15.4 Mmcfe/d)
- Approximately 355 net locations on 10-acre spacing
 - 148 net PUD locations
 - 207 remaining unproved locations
- Drill 41 net wells
 - 50 Bcfe added by drilling
 - \$93 Million D&C cost

See slide 2 regarding Forward Looking Statements.

Grand Valley Achievements

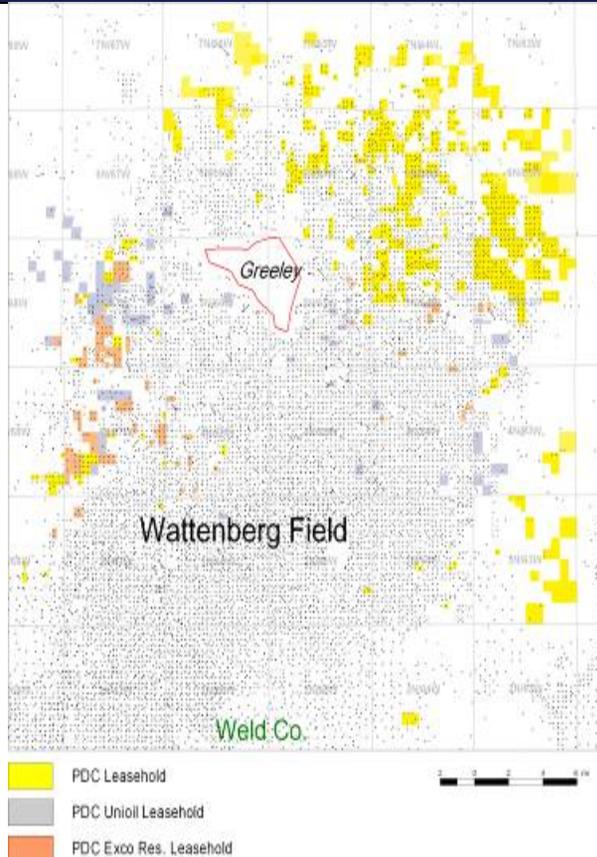


See slide 2 regarding Forward Looking Statements.

- **Reduced drilling time**
 - Valley wells drilled in 11 days (2007) vs 18 days (2005)
 - Mesa top directional wells drilled in 15 days (2007)
- **Improved Completion Design**
 - ***Slick Water Fracs*** – cleaner, non-gelled fluid results in improved EURS
 - 20% increase of per-well EURs from 1.25 to 1.5 Bcfe
 - Increase IP rate from 820 to 1,100 Mcfd

Wattenberg Field

DJ Basin, Colorado

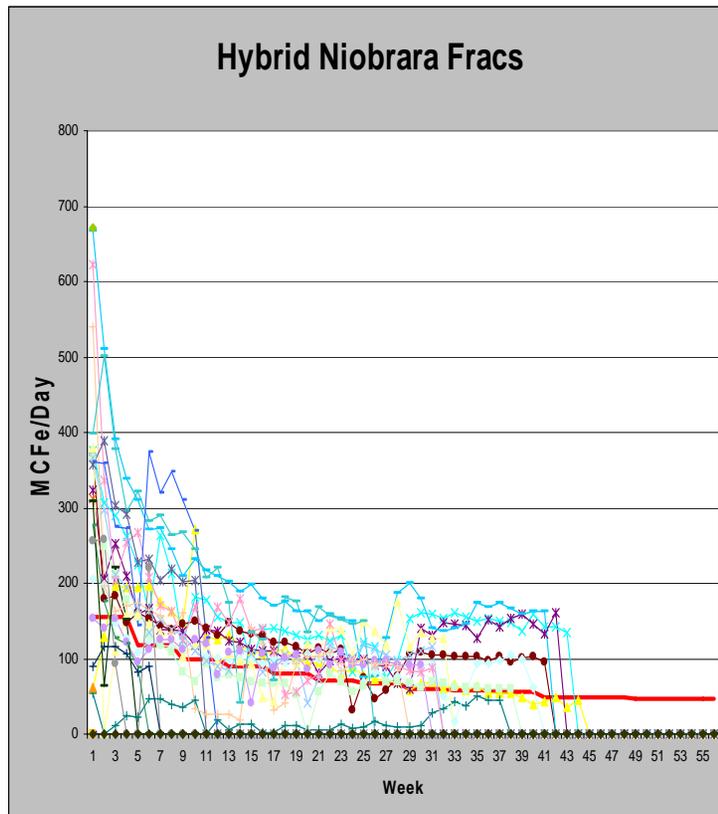


- July 2007 net daily production 28 Mmcfe/d (2006 net exit rate 18.6 Mmcfe/d)
- 3P reserves include over 900 net undeveloped locations:
 - 40 acre PUD locations
 - Rule 318A locations
 - 5th spot locations
- 800 Codell and/or Niobrara refracs

See slide 2 regarding Forward Looking Statements.

Wattenberg Field

DJ Basin, Colorado



2007 Plan

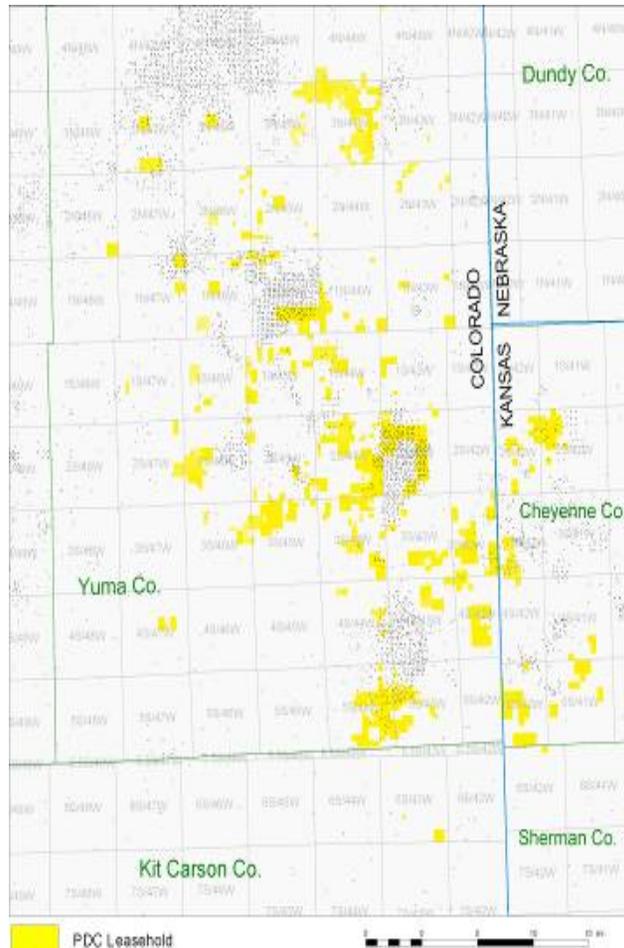
- Drill 108 net wells
 - Add estimated 34 Bcfe drilling reserves
 - Shifted focus from single zone to multi-zone completions (J-sands, Codell, & Niobrara)
- 164 re-completions and re-fracs
 - Some booked and some reserve additions
- \$86 Million D&C cost

See slide 2 regarding Forward Looking Statements.



NECO Field Area

Eastern DJ Basin, Colorado



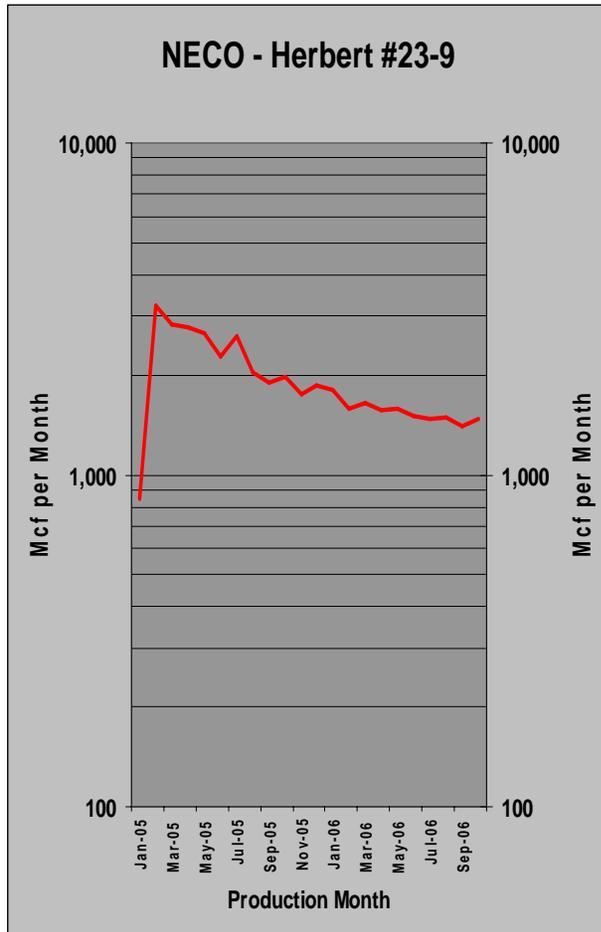
- July net daily production 11.6 Mmcfe/d (2006 net exit rate 8.5 Mmcfe/d)
- 29,160 acres available for drilling
- 8 defined structures (3D and 2D seismic)
- 100 PUD locations
- 200 potential locations

See slide 2 regarding Forward Looking Statements.



NECO Field Area

Eastern DJ Basin, Colorado



2007 Plan

- Drill 141 wells, PDC 100%WI
- 31 Bcfe added by drilling
- \$33 Million D&C cost
- Acquiring 50 square miles of additional 3D seismic
 - Potential addition of 100-200 locations

See slide 2 regarding Forward Looking Statements.

Appalachian and Michigan Operation Areas



| | Appalachian | Michigan |
|------------------------------------|-------------|-------------|
| Operated Wells | 1365 | 206 |
| 2006 YE Proved Reserves | 36.0 Bcfe | 21.2 Bcfe |
| 2007 Acquisition Proved Reserves * | 30.1 Bcfe | 4.6 Bcfe |
| % of 2006 YE Proved | 84% | 22% |
| 2007E Production* | 2.6 Bcfe | 1.8 Bcfe |
| Increase from 2006* | 86% | 20% |
| July 2007 Net Daily Production | 6.2 Mmcfe/d | 4.5 Mmcfe/d |

See slide 2 regarding Forward Looking Statements.

Continuing Our Success



- Low-risk resource plays
- Strong development inventory
 - Piceance, Wattenberg and Neco all have significant proved and unproved potential
- Proven multi-basin operator
 - Barnett shale activity planned
- Strong balance sheet
- Skilled and experienced management and technical team

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