

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, DC 20549

**FORM 8-K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES AND EXCHANGE ACT OF 1934

February 7, 2008

*Date of report (Date of earliest event reported)*



**Petroleum Development Corporation**

*Exact Name of Registrant as Specified in Charter*

<b>Nevada</b>	<b>0-7246</b>	<b>95-2636730</b>
<i>State or Other</i>	<i>Commission</i>	<i>IRS Employer</i>
<i>Jurisdiction</i>	<i>File Number</i>	<i>Identification</i>
<i>of Incorporation</i>		<i>Number</i>

**120 Genesis Boulevard, Bridgeport, WV 26330**

*Address of Principal Executive Offices*

**304-842-3597**

*Registrant's telephone number, including area code*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**No Change**

*Former Name or Former Address, if Changed Since Last Report*

**Item 7.01 Regulation FD Disclosure**

On February 7, 2008, Petroleum Development Corporation will host a conference for equity analysts and institutional investors at the St. Regis Hotel in New York. The presentation will include a 2007 review, 2008 outlook and corporate strategy, management transition, detailed discussion of Rockies, Appalachian and Michigan core operating areas, recent acquisitions, financial and risk management overview and 2008 guidance. PDC representatives will include Steve Williams, Chairman and CEO, Richard McCullough, Vice Chairman and CFO, Tom Riley, President, Eric Stearns, Executive Vice President Exploration and Production and Celesta Miracle, Vice President Investor Relations and Communications.

The slide presentation, which will be used on this webcast, is attached herewith as Exhibit 99.

**EXHIBIT INDEX****Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits.

PRESENTATION:

Petroleum Development Corporation, 2008 Analyst Day, February 7, 2008

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**PETROLEUM DEVELOPMENT CORPORATION**

Date: February 7, 2008

By: /s/ Richard W. McCullough  
Richard W. McCullough  
Vice Chairman & CFO



# Petroleum Development Corporation

2008 Analyst Day  
February 7, 2008

NASDAQ GSM: PETD



## 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.

You are cautioned not to put undue reliance on such forward-looking statements because actual results may vary materially from those expressed or implied, as more fully discussed in our safe harbor statements found in our SEC filings, including, without limitation, the discussion under the heading "Risk Factors" in the company's annual report on Form 10-K. All forward-looking statements are based on information available to Management on this date and Petroleum Development Corporation assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

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 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.

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



## Welcome



- Celesta Miracle, VP Investor Relations and Communications
- Introductions
  - Steve Williams, Chairman and CEO
  - Rick McCullough, Vice Chairman and CFO
  - Eric Stearns, Executive Vice President of Exploration and Production

See Slide 2 regarding Forward Looking Statements

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## Presentation Overview



- YE 2007 snapshot, history and elements of strategy
  - Steve Williams
- Areas of operations, opportunities and operating parameters, reserves
  - Eric Stearns
- Preliminary 2007 Results, 2008 Guidance, 2008-2010 Outlook
  - Rick McCullough

See Slide 2 regarding Forward Looking Statements

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## 2008 Analyst Day



Steve Williams  
Chairman and CEO

See Slide 2 regarding Forward Looking Statements

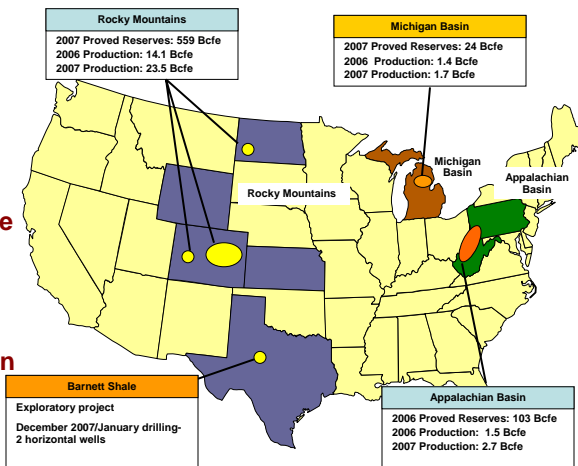
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## Company Snapshot



- ❖ **Market Cap (12/31/07)**
  - \$ 881 million
- ❖ **2007 Year-end Proved Reserves 686 Bcfe**
- ❖ **3-P Reserves @ YE2007**
  - 1.044 TCFE\*
- ❖ **Annual Production**
  - 28 Bcfe (2007)



\* See slide 27 regarding reserves included in probable and possible categories.

See Slide 2 regarding Forward Looking Statements

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## PDC Investment Theme



- PDC has
  - Large inventory of low-risk, high quality development prospects in Colorado
  - Staff and expertise to predictably execute the development plan
  - Capital to fund development at aggressive 2007 levels through 2010
- The Company is positioned for significant value creation in 2008 and beyond without any additions to its prospect inventory
- Acquisitions, exploration or exploitation success in the Barnett or Marcellus shale or other new areas will add to anticipated future reserves and production levels

See Slide 2 regarding Forward Looking Statements

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## Additional 2008 Value Enhancers



- Improving margin on production
  - Increased Rocky Mountain gas pricing with start-up of Rocky Mountain Express pipeline (December 2007)
  - G&A unit costs decreasing with increasing production rates
  - Production unit costs decreasing with increasing production rates
- Potential exploration and exploitation success in new areas
- Possible acquisitions

See Slide 2 regarding Forward Looking Statements

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## Recent Developments



- Priced \$203 million of senior notes due in 2018 at 12%
- Announced Company will not offer a 2008 drilling partnership
- Sold Bakken Shale acreage in North Dakota for \$34.7 million
- Named Rick McCullough to succeed Steve Williams as CEO later in 2008
- Considering formation of MLP
  - Monitoring market developments

See Slide 2 regarding Forward Looking Statements

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## Overview



- Pre 2007 growth was through partnerships and drilling and acquisitions
  - High growth with low financial risk
  - Began E&P transition in 2002
- \$354 million Piceance sale in July 2006 was a transformational event
  - \$ 192M in acquisitions completed in early 2007 through like-kind exchange
  - Monetized unrecognized value
  - Increased 2007 capital expenditures to ~\$270 million from \$148 Million in 2006
  - Increasing use of debt in capital structure
- E&P will underpin future growth
  - Accelerated development of high-quality prospect inventory
  - Bolt-on acquisitions
  - Limited exploration (~10% of capital budget)

See Slide 2 regarding Forward Looking Statements

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## Business Segments

- Business divided into four main segments :
  - Oil and Gas Sales
  - Drilling and Development
  - Natural Gas Marketing
  - Well Operations

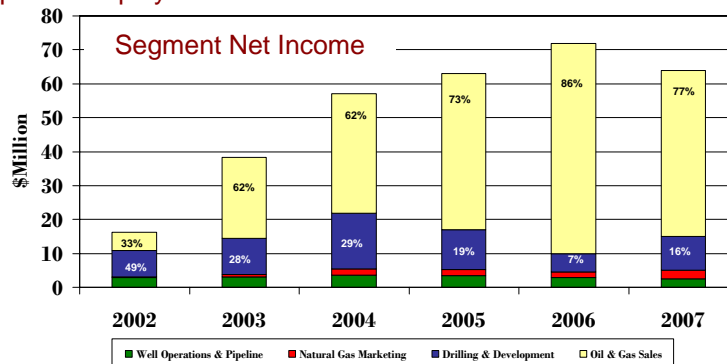


See Slide 2 regarding Forward Looking Statements

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## Business Segment Contribution

- Decreasing relative impact of Drilling and Development and increasing impact of Oil & Gas Sales reflect transition from drilling program syndicator to E&P company away from partnership syndication

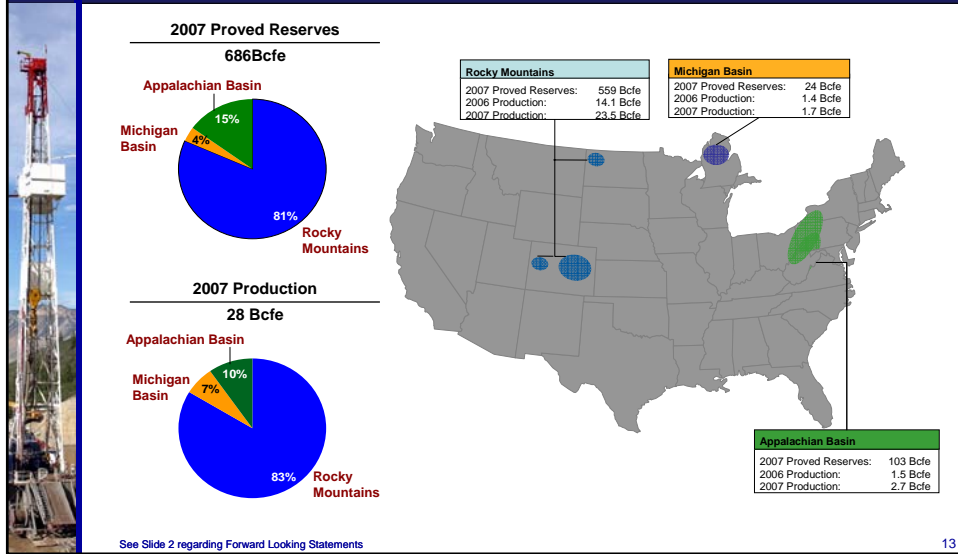


See Slide 2 regarding Forward Looking Statements

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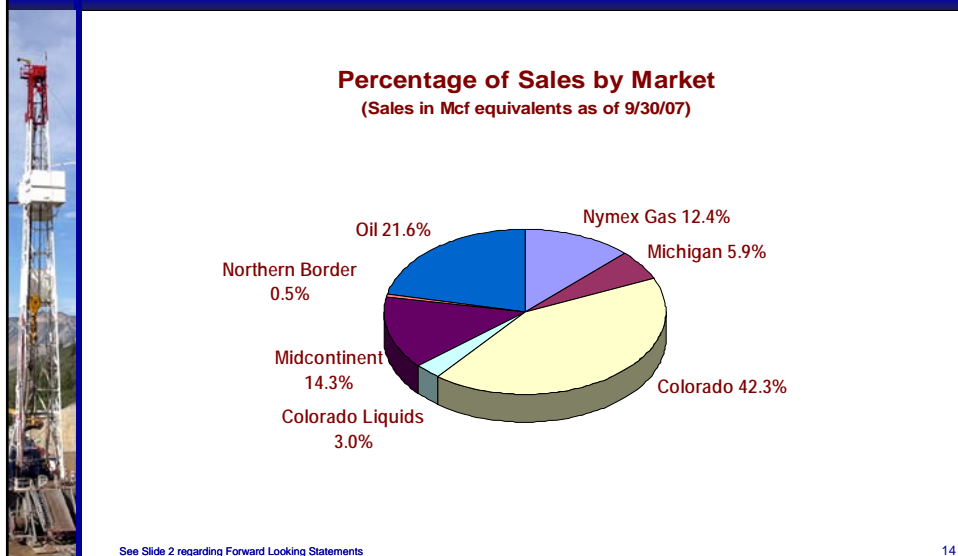


## Core Operating Regions



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## Energy Market Exposure

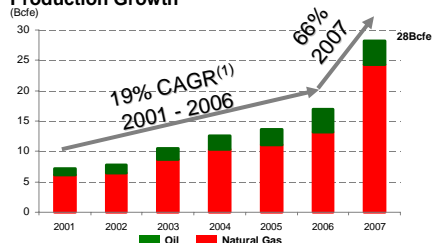


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## Consistent Growth

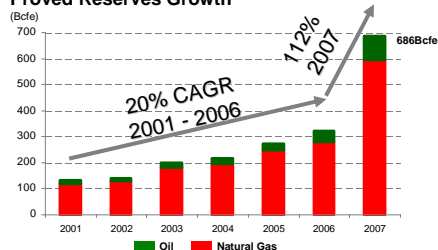


**Production Growth**



- PDC has had consistent reserve and production growth through developmental drilling, opportunistic acquisitions and focusing on core operational efficiencies

**Proved Reserves Growth**



(1) Compound annual growth rate

See Slide 2 regarding Forward Looking Statements

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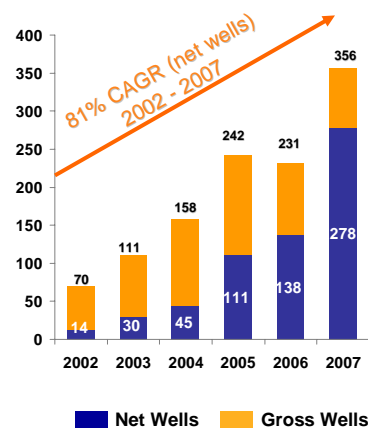
## Drilling Activity



**Low risk drilling inventory  
results in high completion rates**

Year	Total Wells			
	Total		% Productive	
	Drilled	Net	Drilled	Net
2002	70.0	13.7	100%	100%
2003	111.0	29.5	99%	97%
2004	158.0	45.0	96%	98%
2005	242.0	110.7	97%	95%
2006	231.0	137.7	97%	97%
2007	343.0	277.0	95%	96%

**Historical Drilling**



See Slide 2 regarding Forward Looking Statements

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## YE2007 Proved Reserve Summary

- Added to Reserves and Production through acquisitions and development in 2007
- 2007 acquisitions added 195 Bcfe proved reserves

### Summary Reserve Data

	Proved Reserves (Bcfe) <sup>(1)</sup>				
	2006 YE	2007 YE	% Growth	% Developed	% Natural Gas
Rockies	175.5	558.6	195%	47.0%	83.6%
Appalachia	36.0	102.7	185%	72.4%	99.8%
Michigan	21.2	24.3	15%	100%	98.6%
<b>Total</b>	<b>322.7</b>	<b>685.6</b>	<b>112%</b>	<b>53.6%</b>	<b>86.6%</b>

(1) Independent reserve engineer's estimates

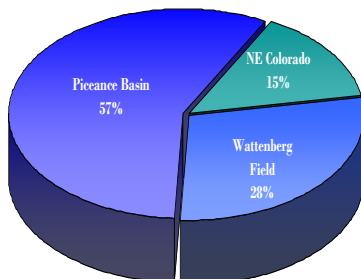
See Slide 2 regarding Forward Looking Statements

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## Unproved Potential

### Distribution of 2P and 3P Reserves



Over 358 Bcfe of Probable and Possible Reserves for Future Development

- Grand Valley offset locations
- Wattenberg field locations (5<sup>th</sup> spot, rule 318A and 40 acre locations)
- Locations identified by seismic and offsets to producing wells in NE Colorado

\* See slide 2 regarding reserve estimate limitations.

See Slide 2 regarding Forward Looking Statements

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## Key Value Drivers



### •Proven Track Record

- 5-year 940% return to shareholders through stock price appreciation (1/03- 12/07)
- 66% year-over-year production growth (2006-2007)
- 112% year-over-year reserve growth (2006-2007)

### •Visible Built-in-Growth

- More than 1 Tcfe of 3P reserves provides significant near-term growth potential
- Large multi-year, low risk drilling inventory
- Investments in new areas with substantial growth potential

### •Strong Financial Position

- Strong balance sheet
- Debt-to-cap 27% (12/31/2007)

See Slide 2 regarding Forward Looking Statements

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## Growth Strategy



- PDC's primary goal is to create economic value by continuing to grow reserves, production, net income and cash flow
- To increase these key performance measures
  - PDC maintains an active drilling program focusing on low-risk development of gas and oil reserves
  - Acquires producing properties with development potential
  - Limited exploratory drilling

See Slide 2 regarding Forward Looking Statements

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## 2008 and Beyond



- Develop operations in core areas
  - Integrate and accelerate development of legacy and acquired properties
- Identify and execute strategic acquisitions
  - Bolt-on acquisitions in core areas
  - Acquisitions with similar geologic and operational characteristics to bootstrap new areas
- Pursue select high potential exploration and exploitation opportunities
- Maintain focus on increasing long-term stakeholder value

See Slide 2 regarding Forward Looking Statements

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## 2008 Analyst Day



Eric Stearns  
EVP, Exploration & Production

See Slide 2 regarding Forward Looking Statements

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## 2007 Operations Highlights



Operations CAPEX	\$261M
Net Production	28 Bcfe
Proved Reserves	686 Bcfe
Total 3P Reserves	1.04 Tcfe
Wells Drilled	356 Gross 278 Net
Re-Completions/Fracs	165 Gross 160 Net

See Slide 2 regarding Forward Looking Statements

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## 2007 CAPEX Summary



Development Net Capital	\$224M
Exploration, Land, G&G	\$24M
Misc. Capital	\$12M
Total Net Capital	\$261M

See Slide 2 regarding Forward Looking Statements

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## 2007 Production Summary

### 2007 Forecast by Area (MMcfe)

Area	1Q Actual	1Q Forecast	2Q Actual	2Q Forecast	3Q Actual	3Q Forecast	4Q Actual	4Q Forecast	Total Actual	Total Forecast
Rocky Mtn	4,290	4,435	5,322	5,041	6,683	6,794	7,232	7,405	23,527	23,675
Appalachian	617	625	687	640	610	680	830	689	2,744	2,634
Michigan	426	415	427	424	428	456	423	459	1,704	1,754
Total	5,333	5,475	6,436	6,105	7,721	7,930	8,485	8,553	27,975	28,063

### 2007 Rocky Mountain Forecast by Area (MMcfe)

Area	1Q Actual	1Q Forecast	2Q Actual	2Q Forecast	3Q Actual	3Q Forecast	4Q Actual	4Q Forecast	Total Actual	Total Forecast
Wattenberg	2,209	2,314	2,623	2,586	2,963	3,149	3,337	3,361	11,132	11,410
Grand Valley	1,246	1,064	1,590	1,245	2,622	2,086	2,770	2,094	8,228	6,489
NECO	677	834	942	954	960	1,203	1,030	1,492	3,609	4,483
North Dakota	158	224	165	256	138	355	95	458	556	1,293
Total	4,290	4,436	5,320	5,041	6,683	6,793	7,232	7,405	23,525	23,675

See Slide 2 regarding Forward Looking Statements

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## YE2007 Proved Reserves

	MMcfe	MMcf Gas	Mbo Oil
Proved Developed	367,688	314,123	8,927
		85%	15%
Proved Undeveloped	317,904	279,440	6,411
		88%	12%
Total Proved	685,592	593,563	15,338
		87%	13%

- Net Weighted Average Oil Price \$80 / Bbl
- Net Weighted Average Gas Price \$6.75 / Mcf
- Year-end Nymex less applicable area differential

See Slide 2 regarding Forward Looking Statements

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## YE2007 3P Reserve Summary



	Proved Dev Producing			Proved Dev Non-Producing			Proved Undeveloped			Probable			Possible		
	Oil	Gas	Mmcfe	Oil	Gas	Mmcfe	Oil	Gas	Mmcfe	Oil	Gas	Mmcfe	Oil	Gas	Mmcfe
Appalachian Basin	35	59,295	59,502	0	21,060	21,060	0	22,115	22,115	0	0	0	0	0	0
Michigan	58	23,492	23,839	0	487	487	0	0	0	0	0	0	0	0	0
Wattenberg	4,633	42,762	70,558	3,840	24,465	47,507	6,210	40,729	77,988	7,102	43,354	85,965	1,446	6,953	15,629
Piceance	99	83,126	83,718	8	8,201	8,250	201	200,998	202,204	148	148,478	149,369	55	54,705	55,034
NE Colorado	0	43,330	43,330	0	7,612	7,612	0	15,598	15,598	0	27,468	27,468	0	24,860	24,860
ND Bakken Shale	138	29	854	0	0	0	0	0	0	0	0	0	0	0	0
ND Burkak-Nesson	106	263	902	0	0	0	0	0	0	0	0	0	0	0	0
Powder River Basin	5	0	29	0	0	0	0	0	0	0	0	0	0	0	0
ND Non-Operated	6	2	40	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total All Fields</b>	<b>5,079</b>	<b>252,298</b>	<b>282,771</b>	<b>3,849</b>	<b>61,825</b>	<b>84,916</b>	<b>6,411</b>	<b>279,440</b>	<b>317,904</b>	<b>7,250</b>	<b>219,299</b>	<b>262,801</b>	<b>1,501</b>	<b>86,518</b>	<b>95,521</b>

	Proved Developed			Total Proved			Total 2P			Total 3P		
	Oil	Gas	Mmcfe	Oil	Gas	Mmcfe	Oil	Gas	Mmcfe	Oil	Gas	Mmcfe
Appalachian Basin	35	80,355	80,563	35	102,470	102,678	35	102,470	102,678	35	102,470	102,678
Michigan	58	23,979	24,326	58	23,979	24,326	58	23,979	24,326	58	23,979	24,326
Wattenberg	8,473	67,227	118,065	14,683	107,956	196,052	21,784	151,310	282,017	23,231	158,263	297,646
Piceance	107	91,371	91,968	308	292,328	294,171	456	440,807	443,540	511	485,507	488,573
NE Colorado	0	50,942	50,942	0	66,540	66,540	0	94,007	94,007	0	118,867	118,867
ND Bakken Shale	138	29	854	138	29	854	138	29	854	138	29	854
ND Burkak-Nesson	106	263	902	106	263	902	106	263	902	106	263	902
Powder River Basin	5	0	29	5	0	29	5	0	29	5	0	29
ND Non-Operated	6	2	40	6	2	40	6	2	40	6	2	40
<b>Total All Fields</b>	<b>8,927</b>	<b>314,123</b>	<b>367,688</b>	<b>15,338</b>	<b>593,563</b>	<b>685,592</b>	<b>22,588</b>	<b>812,862</b>	<b>948,393</b>	<b>24,089</b>	<b>899,380</b>	<b>1,043,915</b>

See Slide 2 regarding Forward Looking Statements

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## 2007 Drilling Summary (Operated Wells)



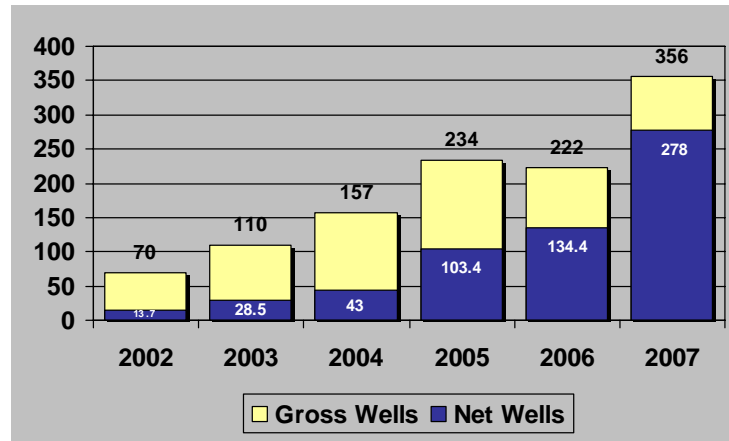
Operating Area	Gross Wells	Net Wells
Appalachia	8	8
Michigan	3	3
Wattenberg	153	110
Grand Valley	53	42
NECO	122	111
North Dakota	3	2
Texas	1	1
Non-Operated	13	1
<b>Total</b>	<b>356</b>	<b>278</b>

See Slide 2 regarding Forward Looking Statements

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## Historical Drilling Activity



See Slide 2 regarding Forward Looking Statements

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## 2007 Re-Completion Summary



Area	# Projects	# Net Projects
Appalachian	30	30
Wattenberg Codell	45	44
Wattenberg Niobrara	62	61
Wattenberg Cod / Nio	28	25
Total	165	160

See Slide 2 regarding Forward Looking Statements

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## 2006-2007 Acquisition Summary



	DJ Acquisitions	Partnership Buy-Back	Castle
Purchase Price	\$160M	\$58M	\$53M
YE2007 Proved Reserves	105 Bcfe	50e Bcfe	31 Bcfe
Total 3P Reserves	152 Bcfe	50e Bcfe	47 Bcfe
Purchased Wells	379	Interest in 718	741
Drilled wells 2007	106		
Re-Work Projects	89		
Net Acres Acquired	20,200		39,640
Developed	7,662		29,640
Undeveloped	12,538		10,000
Proved Drilling Locations	266		188
Proved Re-Works	172		
Probable Projects	394		32

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## 2008 Operations Forecast



See Slide 2 regarding Forward Looking Statements

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## 2008 CAPEX



	<u>2007</u>	<u>2008</u>	<u>%Change</u>
<b>Development Net Capital (MM\$)</b>	<b>224</b>	<b>194</b>	<b>-13%</b>
<b>Exploration, Land, G&amp;G (MM\$)</b>	<b>24</b>	<b>50</b>	<b>109%</b>
<b>Miscellaneous Capital (MM\$)</b>	<b>12</b>	<b>11</b>	<b>-8%</b>
<b>Total Net Capital (MM\$)</b>	<b>\$261</b>	<b>\$255</b>	<b>-2%</b>

See Slide 2 regarding Forward Looking Statements

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## 2008 Operation and Production Forecast



CAPEX	\$255M (\$194M Drilling & Re-Works)
Net Production	38 Bcfe
Proved Reserves	750+ Bcfe
Total 3P Reserves	1.2+ Tcfe
Wells Drilled*	360 Gross / 330 Net
Re-Completions/Fracs	130 Gross / 116 Net

\*Does not include exploitation / exploration wells

See Slide 2 regarding Forward Looking Statements

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## Operations Forecast 2008 vs 2007



	2007	2008	% Change
Total Net Production (BCFE)	28	38	36%
Net Exit Rate (MMCFE/D)	100	122	22%
Gross Exit Rate (MMCFE/D)	187	211	13%
Development Net Capital (MM\$)	\$224	\$194	-13%
Number of Drilling Projects Gross (Net)*	356 (278)	360 (330)	5% (19%)
Number of Other Projects Gross (Net)*	165 (160)	130 (116)	-21% (-28%)

\*Does not include exploitation / exploration wells

See Slide 2 regarding Forward Looking Statements

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## 2008 Estimated Production



Gas, Mmcf	1Q08	2Q08	3Q08	4Q08	Total
Castle	258	270	370	426	1,324
Appalachian	712	727	789	833	3,061
Michigan	383	382	382	378	1,526
Wattenberg	1,901	2,035	2,012	2,043	7,991
Piceance	2,817	2,782	3,443	3,723	12,765
NECO	1,077	1,370	1,583	1,735	5,765
Bakken	2	1	1	1	6
Nesson	10	17	14	21	63
Powder River	0	0	0	0	0
ND Non-Op	0	0	0	0	0
<b>Total</b>	<b>7,159</b>	<b>7,585</b>	<b>8,595</b>	<b>9,161</b>	<b>32,500</b>

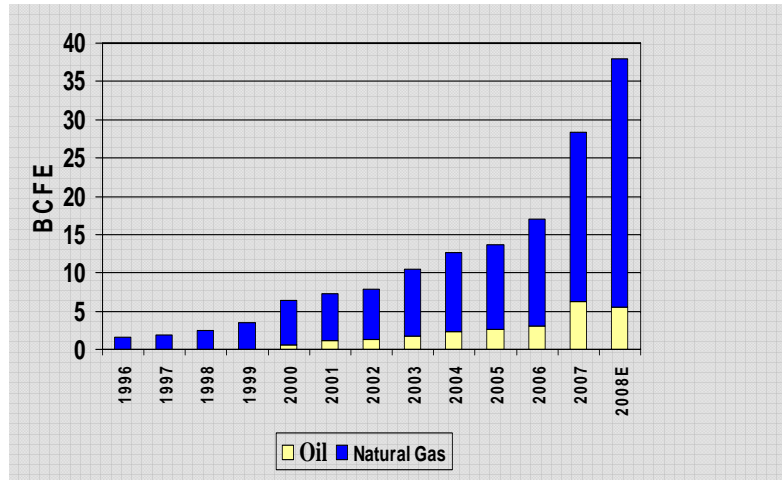
Oil, Mbbl	1Q08	2Q08	3Q08	4Q08	Total
Castle	0	0	0	0	0
Appalachian	1	1	1	1	3
Michigan	1	1	1	1	4
Wattenberg	198	218	222	234	872
Piceance	3	3	2	2	10
NECO	0	0	0	0	0
Bakken	4	3	3	3	13
Nesson	3	8	7	12	30
Powder River	0	0	0	0	1
ND Non-Op	0	0	0	0	0
<b>Total</b>	<b>209</b>	<b>234</b>	<b>237</b>	<b>252</b>	<b>932</b>

Mmcfe	1Q08	2Q08	3Q08	4Q08	Total
Castle	258	270	370	426	1,324
Appalachian	716	732	793	838	3,078
Michigan	389	388	387	383	1,547
Wattenberg	3,088	3,344	3,347	3,446	13,224
Piceance	2,833	2,797	3,457	3,736	12,824
NECO	1,077	1,370	1,583	1,735	5,765
Bakken	23	21	20	18	83
Nesson	28	66	54	91	240
Powder River	1	1	1	1	4
ND Non-Op	1	1	1	1	3
<b>Total</b>	<b>8,414</b>	<b>8,990</b>	<b>10,014</b>	<b>10,674</b>	<b>38,092</b>

See Slide 2 regarding Forward Looking Statements

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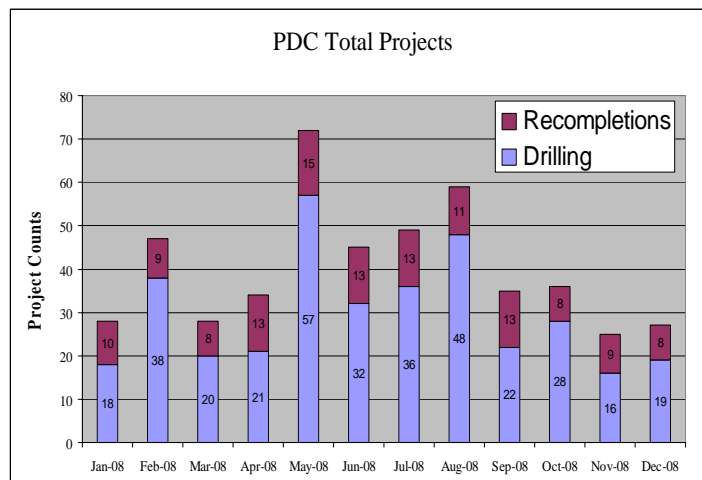
## Projected 2008 Production



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## 2008 Proposed Development Projects



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## 2008 Operations by Area



Area	Drilling* Gross (Net)	Re-Works Gross (Net)	Net Production (Bcfe)	Operated Wells YE07
Appalachian	23 (23)	30 (25)	3.1	1361
Michigan	2 (2)		1.5	209
Wattenberg	115 (92)	100 (91)	13.2	1212
Grand Valley	42 (36)		12.8	227
NECO	125 (125)		5.8	457
North Dakota	3 (2)		0.4	7
Texas Barnett				1
Castle	50 (50)		1.3	741
<b>Total</b>	<b>364 (334)</b>	<b>130 (116)</b>	<b>38.1</b>	<b>4215</b>

\*Does not include exploitation / exploration wells

See Slide 2 regarding Forward Looking Statements

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## Acreage Inventory



AREA	Lease Gross Acres	Lease Net Acres	Net Developed Acres	Net Undeveloped Acres	State
Grand Valley	7,804	7,804	2,994	4,810	Colorado
Wattenberg	64,953	63,486	47,440	13,143	Colorado
Neco	80,000	51,000	16,800	34,200	Colorado
Neco	24,539	23,000	1,880	21,120	Kansas
Michigan	8,680	8,680	8,240	440	Michigan
New York	19,500	16,575	0	16,575	New York
North Dakota	101,267	68,474	4,767	59,972	North Dakota
Appalachian Basin	54,600	54,600	54,600	0	WV / PA
Castle Gas	39,640	39,640	29,640	10,000	Pennsylvania
Wyoming	31,945	31,945	0	31,945	Wyoming
Texas Barnett	10,804	8,868	0	8,868	Texas
<b>Total</b>	<b>443,732</b>	<b>374,072</b>	<b>166,361</b>	<b>201,073</b>	
			<b>PDC TOTAL NET</b>	<b>367,434</b>	

See Slide 2 regarding Forward Looking Statements

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## 2008 Rockies Operating Areas



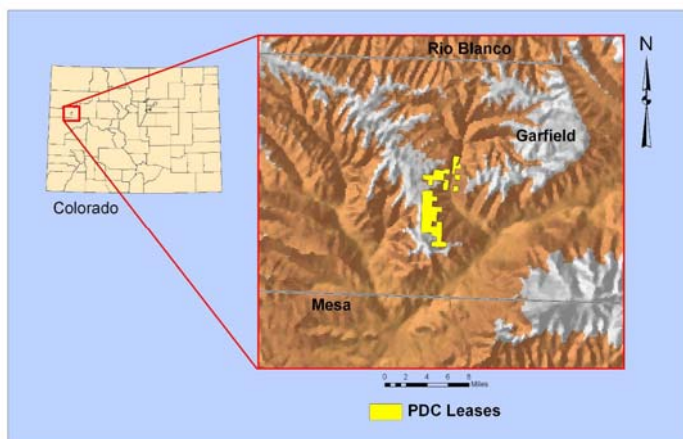
- Greater Wattenberg Field Area, DJ Basin
  - Adams, Weld County, Colorado
    - Niobrara, Codell, J Sand
- Grand Valley Field, Piceance Basin
  - Garfield County, Colorado
    - Mesaverde Section
- NECO Area, eastern DJ Basin
  - Yuma County, Colorado & Cheyenne County, KS
    - Niobrara
- North Dakota, Western Williston Basin
  - Burke County
    - Nesson, Midale, Bakken

See Slide 2 regarding Forward Looking Statements

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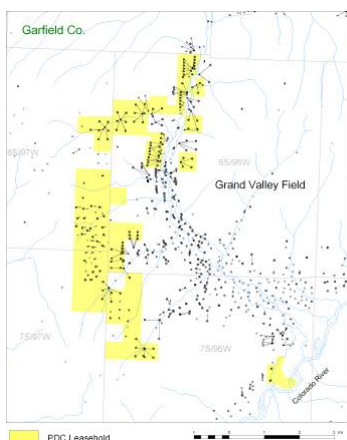
## 2008 Grand Valley Field



See Slide 2 regarding Forward Looking Statements

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## Grand Valley Field



- ❑ Operated wells year end 227
- ❑ Remaining Acreage Developable 4,810
- ❑ 481 - 10 acre locations
- ❑ 372 PDC, 109 PDC and Partners (22 net PDC) 394 total net PDC
- ❑ Number of net remaining locations
  - Net PDC PUD 200
  - Probable 144
  - Possible 50

See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Development Grand Valley Field



	<u>2007</u>	<u>2008</u>	<u>% Change</u>
Total Net Production (BCFE)	8.2	12.8	56%
Net Exit Rate (MMCFE/D)	35.4	43.0	21%
Total Net Capital (MM\$)	\$99.2	\$74.0	-25%
Drilling Projects, Gross (Net)	53 (42)	42 (36)	-21%

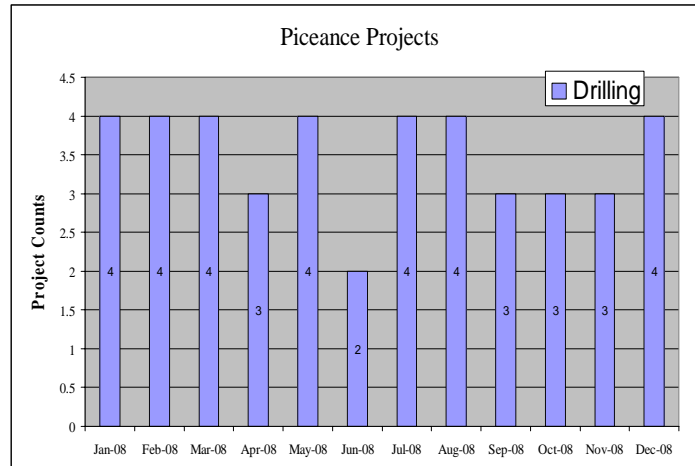
See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Development Grand Valley Projects



See Slide 2 regarding Forward Looking Statements

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## Project Profile Grand Valley Drilling

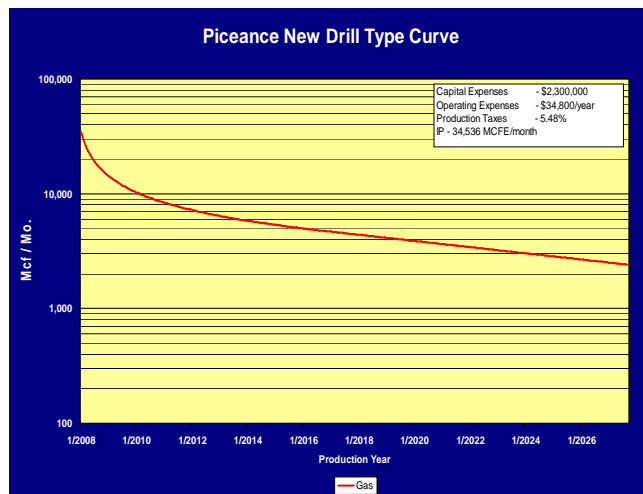


<input type="checkbox"/> IP Rate	1250 Mcfe/d
<input type="checkbox"/> Production Profile	Hyperbolic
<input type="checkbox"/> EUR	1500 Mmcfe
<input type="checkbox"/> Life of Well	24.5 years
<input type="checkbox"/> Severance Tax	2.05%
<input type="checkbox"/> Ad Valorem Tax	3.43%
<input type="checkbox"/> Production Expense	\$2900/mo & \$0.10/mcf
<input type="checkbox"/> Gas Index	80% CIG; 20% MidCon
<input type="checkbox"/> Gathering	(\$0.41)
<input type="checkbox"/> BTU Factor	1.067
<input type="checkbox"/> Fuel	3.9%
<input type="checkbox"/> Capital Cost of Well	\$2300k
<input type="checkbox"/> Net Direct F&D Cost	\$1.87/Mcfe
<input type="checkbox"/> Working Interest	100%
<input type="checkbox"/> NRI	82%

See Slide 2 regarding Forward Looking Statements

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# Grand Valley Well Type Curve

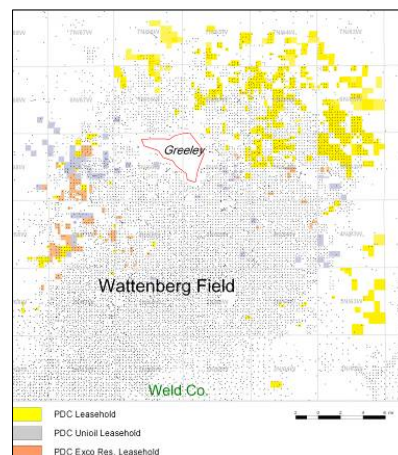
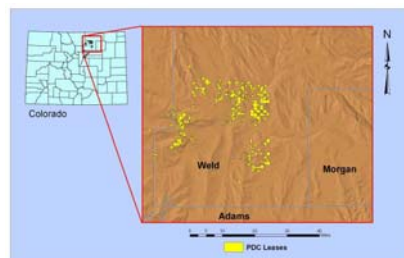


Year	Gas Mcfe
1	254,458
2	144,449
3	110,960
4	92,968
5	81,337
6	73,046
7	66,759
8	61,788
9	57,806
10	54,455
11	51,187
12	48,116
13	45,229
14	42,515
15	39,964
16	37,567
17	35,313
18	33,194
19	31,202
20	29,329

See Slide 2 regarding Forward Looking Statements

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# Wattenberg Field



See Slide 2 regarding Forward Looking Statements

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## 2008 Wattenberg Field



❑ Operated wells year end	1212
❑ Undeveloped acreage	13,143
❑ Number of remaining net locations	914
• Net PUD	325
• Net Probable	476
• Net Possible	50

See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Development Wattenberg Field Area

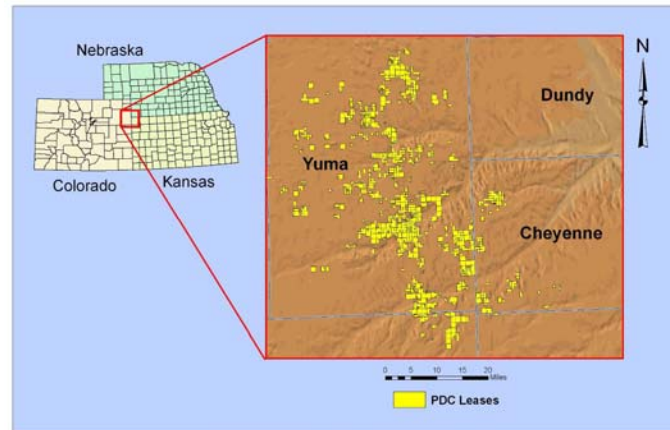


	<u>2007</u>	<u>2008</u>	<u>% Change</u>
Total Net Production (BCFE)	11.1	13.2	19%
Net Exit Rate (MMCFE/D)	36.6	40.4	10%
Total Net Capital (MM\$)	\$90.9	\$61.6	-32%
Drilling Projects, Gross (Net)	153 (110)	115 (92)	-25%
Other Projects, Gross (Net)	135 (130)	100 (91)	-26%

See Slide 2 regarding Forward Looking Statements

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## 2008 NECO Area



See Slide 2 regarding Forward Looking Statements

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## NECO Area



<input type="checkbox"/> Operated wells year end	457
<input type="checkbox"/> Undeveloped acreage	34,200
<input type="checkbox"/> Number of remaining net locations	481
<input type="checkbox"/> PUD	90
<input type="checkbox"/> Probable	173
<input type="checkbox"/> Possible	160

See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Development NECO Area



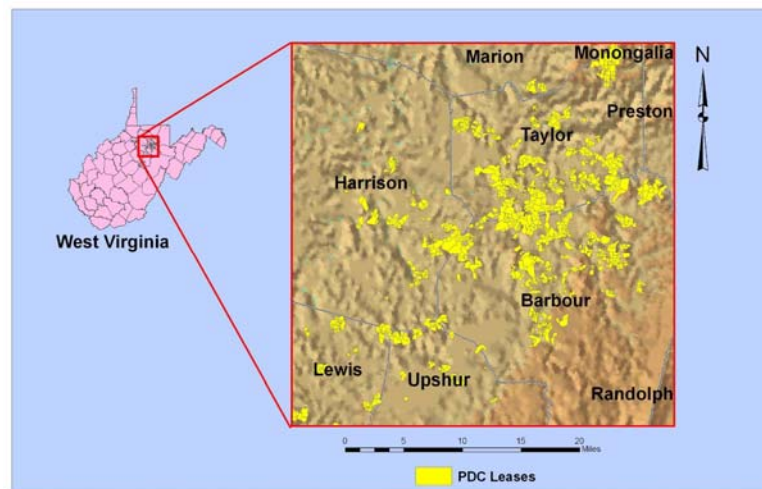
	<u>2007</u>	<u>2008</u>	<u>% Change</u>
<b>Total Net Production (BCFE)</b>	3.6	5.8	61%
<b>Net Exit Rate (MMCFE/D)</b>	12.7	19.6	54%
<b>Total Net Capital (MM\$)</b>	\$26.8	\$31.3	17%
<b>Drilling Projects, Gross (Net)</b>	122 (111)	125 (125)	2%

See Slide 2 regarding Forward Looking Statements

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## Appalachian Basin Operating Area



See Slide 2 regarding Forward Looking Statements

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## Appalachian Basin



- ❑ Operated wells year end 1361
- ❑ Evaluating Undeveloped Acreage Position
- ❑ Number of remaining locations
  - PUD 25
  - Other opportunities not fully evaluated.

See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Development Appalachian Basin



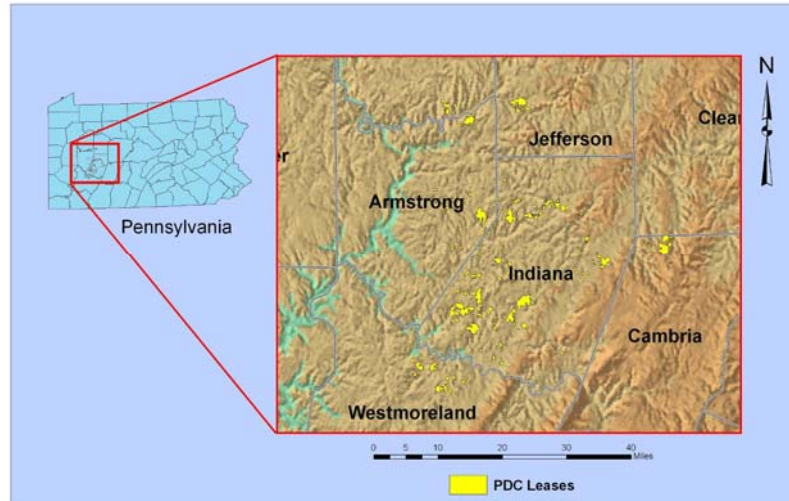
	<u>2007</u>	<u>2008</u>	<u>% Change</u>
Total Net Production (BCFE)	2.5	3.1	24%
Net Exit Rate (MMCFE/D)	7.0	9.1	30%
Total Net Capital (MM\$)	\$5.0	\$8.9	78%
Drilling Projects, Gross (Net)	8 (8)	23 (23)	130%
Other Projects, Gross (Net)	30 (30)	30 (25)	0%

See Slide 2 regarding Forward Looking Statements

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## 2008 Appalachian – Castle Operating Area



See Slide 2 regarding Forward Looking Statements

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## Appalachian Basin – Castle Area



### ***Appalachian Basin - Castle:***

- ☐ Operated wells year end 741
- ☐ Undeveloped acreage 10,000
- ☐ Number of remaining locations
  - PUD 188
  - Other opportunities not fully evaluated

See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Development Castle Area



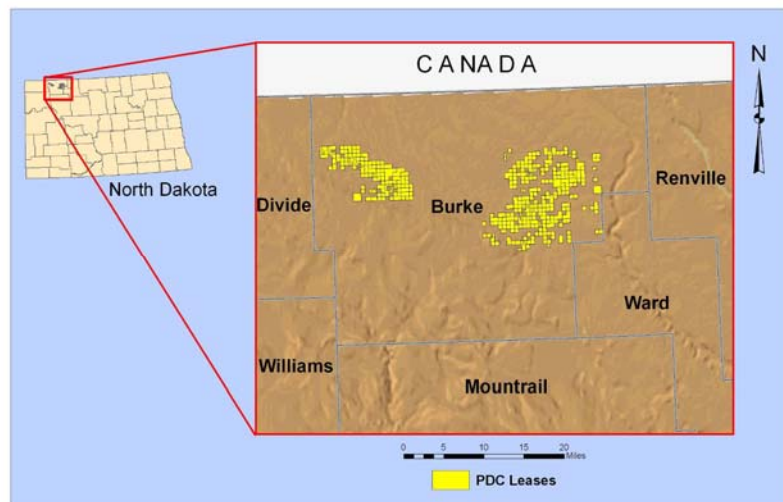
	<u>2008</u>
Total Net Production (BCFE)	1.3
Net Exit Rate (MMCFE/D)	4.4
Total Net Capital (MM\$)	\$12.7
Drilling Projects, Gross (Net)	50 (50)

See Slide 2 regarding Forward Looking Statements

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## 2008 North Dakota



See Slide 2 regarding Forward Looking Statements

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## North Dakota



	<u>2007</u>	<u>2008</u>	<u>% Change</u>
Total Net Production	0.6	0.3	-50%
Net Exit Rate (MMCFE/D)	1.2	1.3	-8%
Total Net Capital (MM\$)	2.0	4.2	110%
Drilling Projects, Gross (Net)	3 (2)	3 (2)	0%

Operated Wells year end	7
Undeveloped Acreage	59,972
Number of remaining locations	
PUD	0

See Slide 2 regarding Forward Looking Statements

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## Michigan



❑ Operated wells year end	209
❑ Undeveloped acreage	440
❑ Number of remaining locations	3
• PUD	2
• Probable	1

See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Development - Michigan Basin



	<u>2007</u>	<u>2008</u>	<u>% Change</u>
Total Net Production (BCFE)	1.7	1.5	-12%
Net Exit Rate (MMCFE/D)	4.6	4.2	-9%
Total Net Capital (MM\$)	\$1.2	\$0.8	-33%
Drilling Projects, Gross (Net)	3 (3)	2 (2)	-33%

See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Exploration / Exploitation Activity



See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Exploration / Exploitation Budget



	<u>MM\$</u>
❑ Exploration	11.4
❑ Exploitation	13.7
❑ G & G	6.1
❑ Land	<u>19.2</u>
❑ Total	\$50.4

- Budget 2X 2007 Level
- Addition of geological and geophysical professionals
- No Reserve adds modeled

See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Exploration Budget



### Exploration:

	<u>MM\$</u>
▪ North Dakota (Midale)	2.6
▪ New York (Trenton BR)	1.5
▪ Unnamed Opportunities	<u>7.3</u>

Total Exploration Capital      \$11.4

See Slide 2 regarding Forward Looking Statements

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## 2008 Proposed Exploitation Budget



### Exploitation:

	<u>MM\$</u>
<input type="checkbox"/> Barnett Shale (4 wells)	8.6
<input type="checkbox"/> Marcellus Shale (1 well)	1.5
<input type="checkbox"/> Unnamed Opportunities	<u>3.6</u>

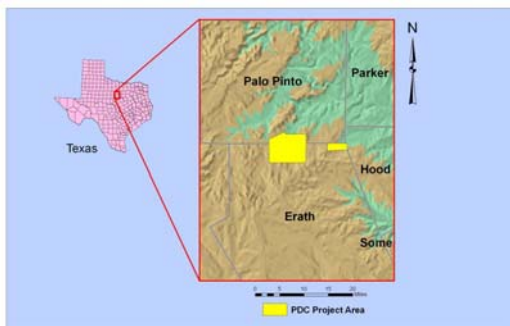
**Total Exploitation Capital** **\$13.7**

See Slide 2 regarding Forward Looking Statements

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## Barnett Shale Project



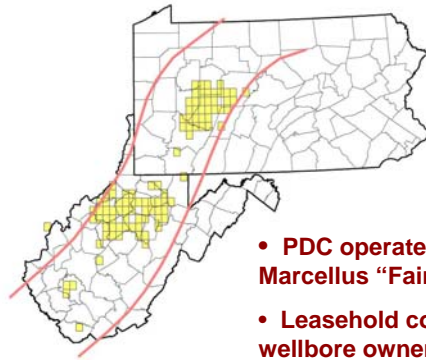
- 8,868 Acres under Lease
- 1,500 Acres seismic option
- 3D Seismic acquired under both lease blocks
- 2 drilled horizontal wells
- Completion operations expected to commence late 1Q or early 2Q as 3<sup>rd</sup> party pipeline construction complete
- No reserve value in current 3P

See Slide 2 regarding Forward Looking Statements

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## Marcellus Shale “Fairway” PDC Areas of Operation



■ 7 1/2' USGS Quad with PDC well operations / leasehold

- PDC operates over 2100 wells within the Marcellus “Fairway” area.
- Leasehold combination of lease, farmout and wellbore ownership.
- Potential of 10-40,000 acres within “Fairway”, pending full determination of leasehold rights.
- No reserve value in current 3P.

See Slide 2 regarding Forward Looking Statements

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## 2008 – 2010 Operating Estimate

See Slide 2 regarding Forward Looking Statements

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## 2008 – 2010 Operating Estimate



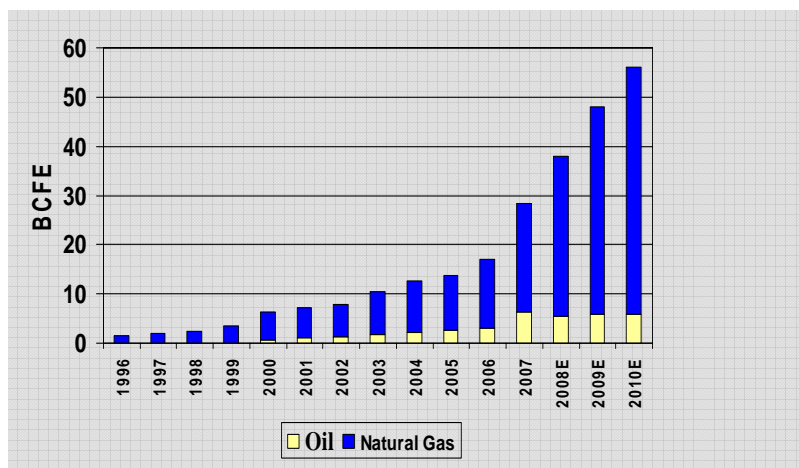
	2008	2009	2010
Total Net Capital (MM\$)	254	315	315
Net Production (BCFE)	38	48	56
% Production Growth	36%	26%	17%
Gross Drilling Projects	360	360	360
Net Drilling Projects	330	358	358

- Considered baseline outcome with no additions from Barnett, Marcellus or other exploration, exploitation activity or acquisitions
- Assumes constant drilling level & cost in 2009 & 2010 equal to 2008 level including Partnership carry-over activity
- Assumes development of identified proved and probable reserves in current areas of operations

See Slide 2 regarding Forward Looking Statements

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## Estimated 2008-2010 Production



See Slide 2 regarding Forward Looking Statements

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## 2008 Analyst Day



Rick McCullough  
Vice Chairman and CFO

See Slide 2 regarding Forward Looking Statements

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## Analysis of 2007 Forecast



	2007 Guidance (\$MM)	2007 Actual (\$MM)
Revenues	\$167 – 197	\$170 - 200
Expenses		
DD&A	58 – 65	70 – 75
G&A	14 – 16	28 – 30
Operating Income	82 – 95	63 – 75
Net Income	47 – 54	36 – 42

- Actual DD&A higher than Guidance due to acquisitions and greater development drilling
- Actual G&A higher than Guidance due to estimate not reflecting increase cost of financial statements audits, increased legal expenses and staffing up of accounting and financial infrastructure
- Non operating gain on sale of leasehold added approximately \$15 Million to net income

See Slide 2 regarding Forward Looking Statements

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## 2008 Budget Assumptions<sup>(1)</sup>



- Reserves, production and capital expenditures per the internal operational plan
- Production taxes and direct operating costs on a field-by-field basis
- SG&A of \$30.0M up from \$28M in 2007
- DD&A based on field-by-field depreciation analysis

(1) The Company has no intent to update or correct these estimates during the year.

See Slide 2 regarding Forward Looking Statements

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## 2008 Budget Assumptions



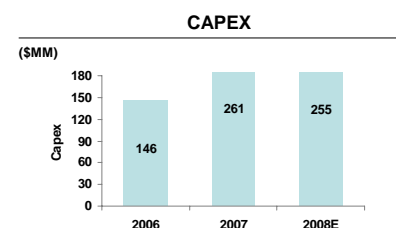
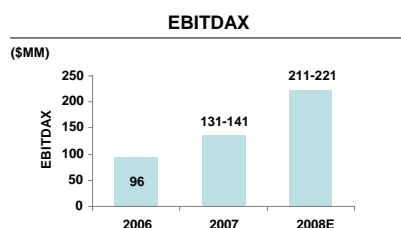
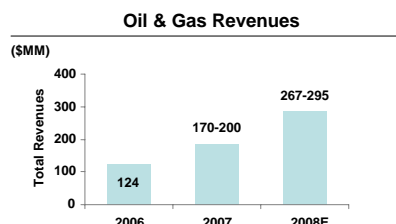
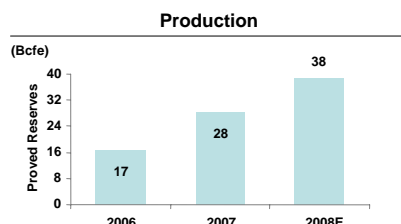
- Revolver interest rate at pricing grid plus LIBOR spread
- \$203.0MM Senior Notes issuance at 12.0%
- 2008 commodity pricing based on NYMEX strips as of 12/7/07
  - NYMEX Gas/Oil - \$7.60 / \$87.85
  - Differentials (NYMEX Gas/Oil) - 16% / 10%
- Assumed 50% of exploration expenditures expensed and no production or reserves

See Slide 2 regarding Forward Looking Statements

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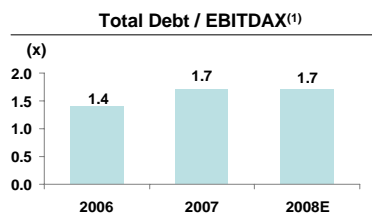
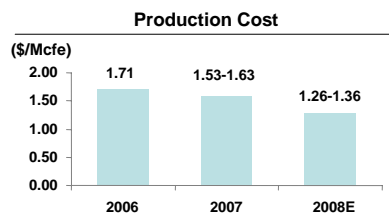
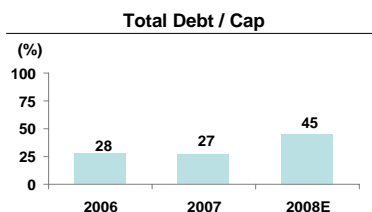
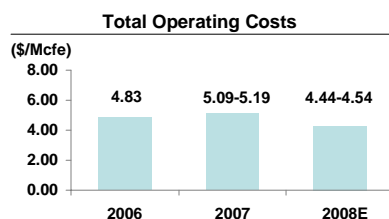
## 2006-2008E Financial Metrics



See Slide 2 regarding Forward Looking Statements

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## 2006-2008E Operating & Credit Metrics



(1) Earnings before interest, taxes, depreciation, depletion and amortization and exploration expense

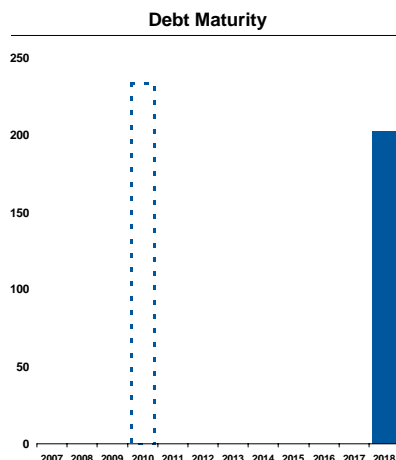
See Slide 2 regarding Forward Looking Statements

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# Debt Maturity Schedule



- \$234MM Revolver matures November 4, 2010
- Majority of \$195MM net note proceeds will pay down \$175MM drawn balance
- \$203MM 12% Senior Notes mature February 2018
- Note proceeds provide:
  - Mitigation of liquidity risk
  - Diversification of funding sources
  - Capital for aggressive organic development program
  - Capacity/Flexibility to pursue opportunistic non-organic growth opportunities



See Slide 2 regarding Forward Looking Statements

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# Hedging Program



- PDC's currently implemented hedging schedule helps to ensure stable, predictable cash flows<sup>(1)</sup>

Hedging Schedule (as of February 4, 2008)									
	Begin	End	Floors		Ceilings		Swaps (Fixed Prices)		
			Monthly Quantity MMBtu	Floor Price	Monthly Quantity MMBtu	Ceiling Price	Monthly Quantity MMBtu	Fixed Price	
Colorado Interstate Gas (CIG) Based Derivatives (Piceance Basin)									
Nov-07	Mar-08	100,000	\$5.25						
Nov-07	Mar-08	100,000	\$5.25		100,000	\$9.80			
Apr-08	Oct-08	197,250	\$5.50		197,250	\$10.35			
Apr-08	Oct-08						294,000	\$6.54	
Nov-08	Mar-09	272,600	\$6.50		272,600	\$10.15			
Apr-09	Oct-09	272,600	\$5.75		272,600	\$8.75			
NYMEX Based Derivatives (Appalachian and Michigan Basins)									
Nov-07	Mar-08	144,500	\$7.00						
Nov-07	Mar-08	144,500	\$7.00		144,500	\$13.70			
Apr-08	Oct-08	144,500	\$6.50		144,500	\$10.80			
Apr-08	Oct-08	120,000	\$7.00		120,000	\$13.00			
Nov-08	Mar-09	123,000	\$7.50		123,000	\$14.20			
Apr-09	Oct-09	123,000	\$6.75		123,000	\$12.45			
Pinehandle Based Derivatives (NECO)									
Nov-07	Mar-08	70,000	\$5.75						
Nov-07	Mar-08	90,000	\$6.00		90,000	\$11.25			
Apr-08	Oct-08	90,000	\$5.50		90,000	\$9.85			
Apr-08	Oct-08	90,000	\$6.00		90,000	\$11.25			
Nov-08	Mar-09	110,000	\$6.75		110,000	\$10.05			
Apr-09	Oct-09	110,000	\$6.00		110,000	\$9.70			
Colorado Interstate Gas (CIG) Based Derivatives (Wattenberg Basin)									
Nov-07	Mar-08	120,000	\$5.25		120,000	\$9.80			
Apr-08	Oct-08	306,000	\$5.50		306,000	\$10.35			
Apr-08	Oct-08						206,000	\$6.54	
Nov-08	Mar-09	199,800	\$6.50		199,800	\$10.15			
Apr-09	Oct-09	199,800	\$5.75		199,800	\$8.75			
Oil - NYMEX Based (Wattenberg Basin)									
							Bbls		
Jan-08	Dec-08						29,070	\$84.20	
Jan-09	Dec-09						18,700	\$84.80	
Jan-09	Dec-09						18,700	\$85.40	
Jan-10	Dec-10	18,700	\$70.00		18,700	\$102.25			
Jan-10	Dec-10	18,700	\$70.00		18,700	\$103.00			

Note:

Current hedges in place cover 29.2 Bcfe of total future production from January 1, 2008 forward

See Slide 2 regarding Forward Looking Statements

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## 2009 – 2010 Assumptions

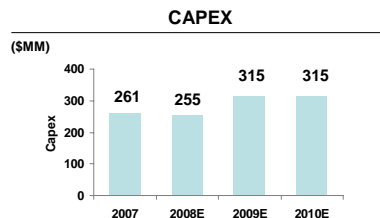
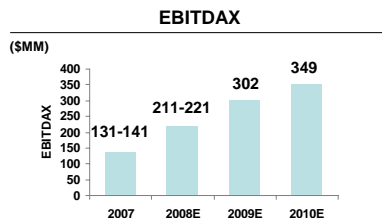
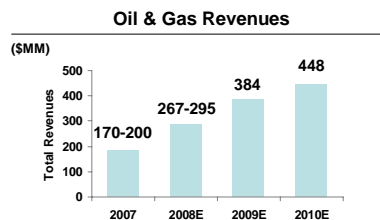
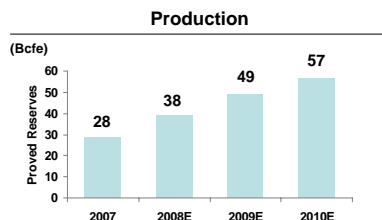


- **Not Company Forecast**; simply illustration of growth associated with replication of 2008 drilling program
- Operating and finance teams extended their 2008 projections through 2010 utilizing consistent methodologies
- 2008-2010 commodity prices based on NYMEX strip prices as of 12/7/07 adjusted for historical differentials by area
- 2009 and 2010 CAPEX and production increased to reflect impact of elimination of interests assigned to the drilling program partnership in 2008 drilling programs

See Slide 2 regarding Forward Looking Statements

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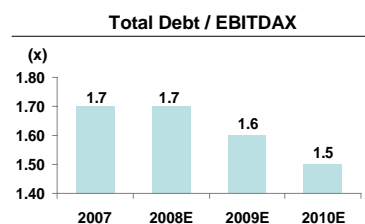
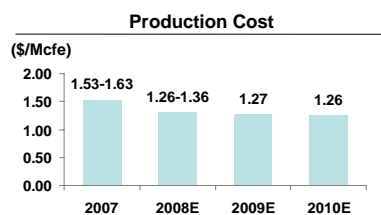
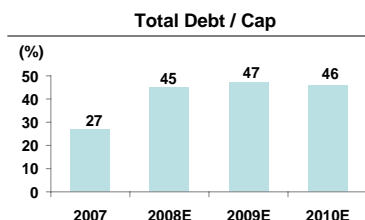
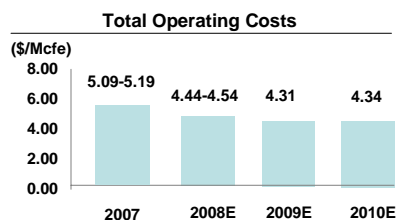
## 2007-2010 Financial Metrics



See Slide 2 regarding Forward Looking Statements

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## 2007-2010 Operating & Credit Metrics



See Slide 2 regarding Forward Looking Statements

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## 2008-2010 Forecast Qualitative Comments



- Strong financial position
  - Healthy balance sheet
  - Consistently low debt metrics support opportunistic growth strategy
- Reserve base provides significant growth potential
  - Predictable low-risk production profile
- Realized prices will have greatest impact on execution results

See Slide 2 regarding Forward Looking Statements

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## PDC Investment Theme



- PDC has:
  - Large inventory of low-risk, high quality development prospects in Colorado
  - Staff and expertise to predictably execute the development plan
  - Capital to fund development at aggressive 2007 levels through 2010
- The Company is positioned for significant value creation in 2008 and beyond without any additions to its prospect inventory
- Acquisitions, exploration or exploitation success in the Barnett or Marcellus shale or other new areas will add to anticipated future reserves and production levels

See Slide 2 regarding Forward Looking Statements

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## Operations Appendix



### Additional Prospect Area Information

See Slide 2 regarding Forward Looking Statements

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## Project Profile – Wattenberg Drilling



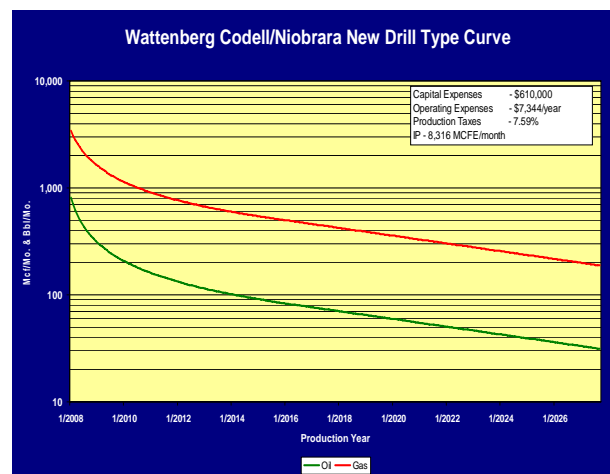
	<b>Codell / Niobrara:</b>	<b>Codell:</b>
<input type="checkbox"/> IP Rate	295 Mcfe/d	195 Mcfe/d
<input type="checkbox"/> Production Profile	Hyperbolic	Hyperbolic
<input type="checkbox"/> EUR	300 Mmcfe	200 Mmcfe
<input type="checkbox"/> Life of Well	23.5 years	9.5 years
<input type="checkbox"/> Severance Tax	2.05%	2.05%
<input type="checkbox"/> Ad Valorem Tax	5.54%	5.54%
<input type="checkbox"/> Production Expense	\$612 / month	\$612 / month
<input type="checkbox"/> Gas Index	CIG	CIG
<input type="checkbox"/> Gathering	\$0.00	\$0.00
<input type="checkbox"/> BTU Factor	1.000	1.000
<input type="checkbox"/> Fuel	0.0%	0.0%
<input type="checkbox"/> Capital Cost of Well	\$610k	\$510k
<input type="checkbox"/> Working Interest	100%	100%
<input type="checkbox"/> NRI	80%	80%
<input type="checkbox"/> Net F&D Cost	\$2.54 / Mcfe	\$3.19 / Mcfe

See Slide 2 regarding Forward Looking Statements

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## Wattenberg Well Type Curve



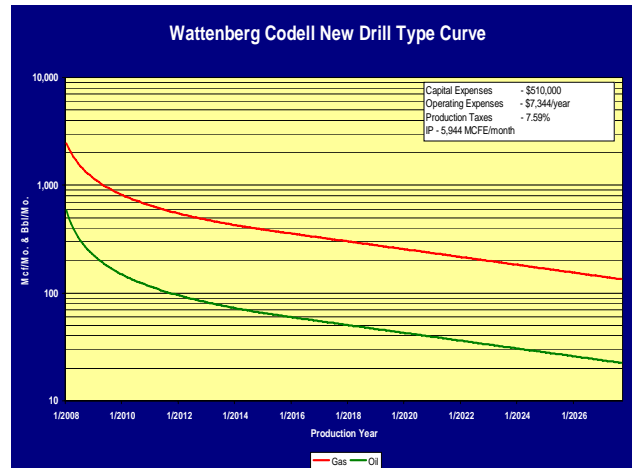
Year	Oil BO	Gas Mcf
1	5,859	27,652
2	3,028	16,216
3	2,187	12,191
4	1,753	10,000
5	1,481	8,589
6	1,293	7,590
7	1,154	6,839
8	1,046	6,249
9	958	5,747
10	882	5,287
11	811	4,864
12	746	4,475
13	687	4,117
14	632	3,788
15	581	3,485
16	535	3,206
17	492	2,950
18	453	2,714
19	416	2,496
20	290	1,740

See Slide 2 regarding Forward Looking Statements

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## Wattenberg Codell Well Type Curve



Year	Oil BO	Gas MCF
1	4,190	19,746
2	2,165	11,580
3	1,564	8,705
4	1,253	7,141
5	1,059	6,133
6	925	5,420
7	825	4,883
8	748	4,462
9	685	4,104
10	631	3,776
11	580	3,474
12	534	3,196
13	491	2,940
14	452	2,705
15	416	2,488
16	382	2,289
17	352	2,106
18	324	1,938
19	298	1,783
20	208	1,243

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## Project Profile Wattenberg Codell Re-Frac

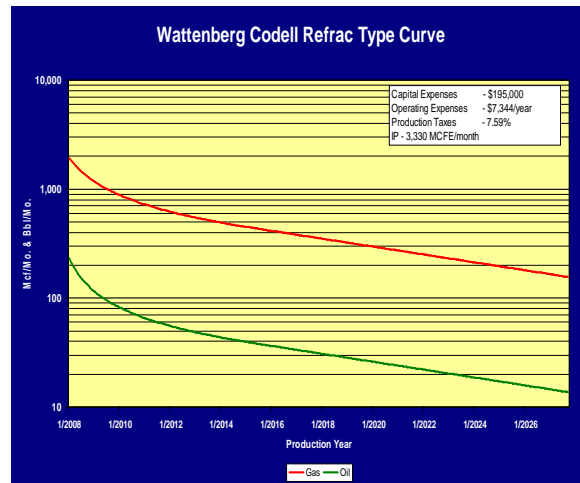


❑ IP Rate	109 Mcfe/d
❑ Production Profile	Hyperbolic
❑ EUR	185 Mmcfe
❑ Life of Well	27 years
❑ Severance Tax	2.05%
❑ Ad Valorem Tax	5.54%
❑ Production Expense	\$612 / month
❑ Gas Index	CIG
❑ Gathering	\$0.00
❑ BTU Factor	1.000
❑ Fuel	0.0%
❑ Capital Cost of Well	\$195k
❑ Working Interest	100%
❑ NRI	80%
❑ Net F&D Cost	\$1.32 / Mcfe

See Slide 2 regarding Forward Looking Statements

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# Wattenberg Codell Re-Frac Type Curve

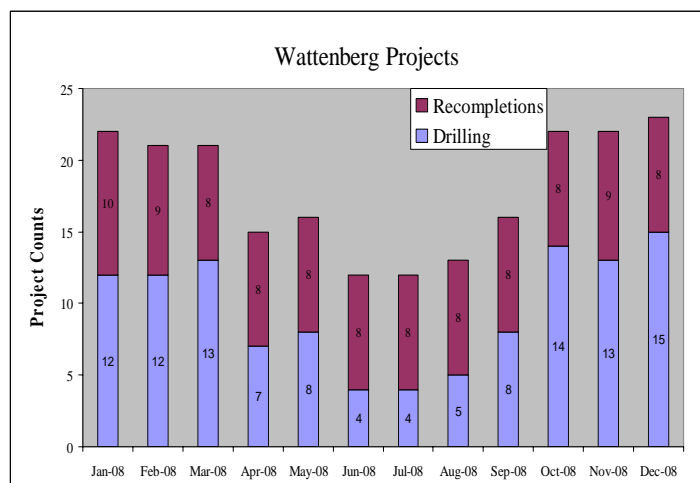


Year	Oil BO	Gas MCF
1	1,936	18,068
2	1,165	12,230
3	882	9,605
4	726	8,052
5	624	7,007
6	552	6,246
7	498	5,664
8	456	5,195
9	419	4,780
10	385	4,397
11	355	4,046
12	326	3,722
13	300	3,424
14	276	3,150
15	254	2,898
16	234	2,666
17	215	2,453
18	198	2,257
19	182	2,076
20	127	1,447

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## 2008 Proposed Development – Wattenberg Projects



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## Project Profile – NECO Area Drilling



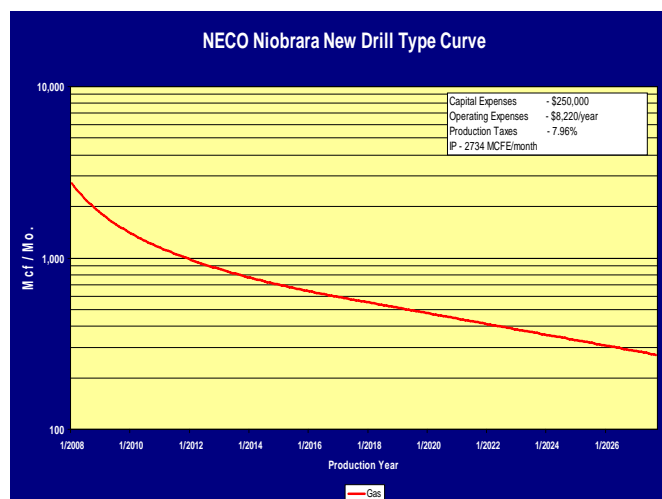
❑ IP Rate	92 Mcf/d
❑ Production Profile	Hyperbolic
❑ EUR	192 MMcf
❑ Life of Well	27.92 years
❑ Severance Tax	2.05%
❑ Ad Valorem Tax	5.91%
❑ Production Expense	\$685 / month
❑ Gas Index	20% MidCon; 80% CIG
❑ Gathering	(\$0.45)
❑ BTU Factor	1.000
❑ Fuel	4.8%
❑ Capital Cost of Well	\$250k
❑ Working Interest	100%
❑ NRI	80%
❑ Net F&D Cost	\$1.62 / Mcfe

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## NECO Type Well

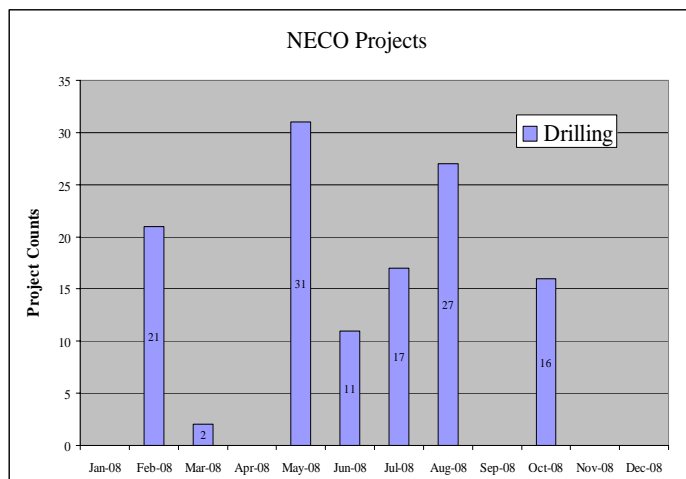


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## 2008 Proposed Development NECO Projects



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## Project Profile – Appalachian Basin Drilling

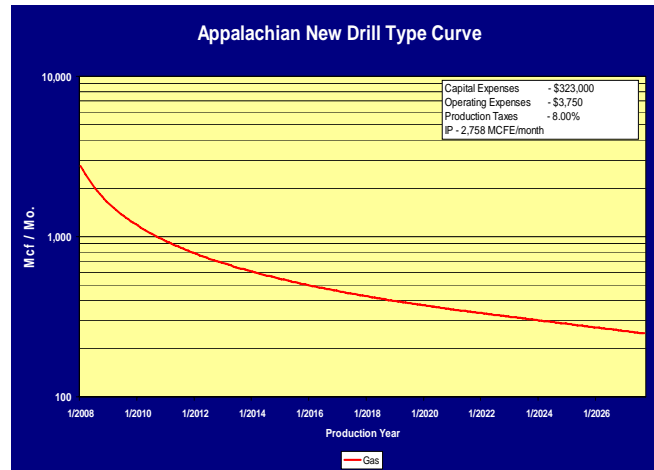


<input type="checkbox"/> IP Rate	59 Mcf/d
<input type="checkbox"/> Production Profile	Hyperbolic
<input type="checkbox"/> EUR	177 MMcf
<input type="checkbox"/> Life of Well	59.1 years
<input type="checkbox"/> Severance Tax	5.0% and \$0.047/mcf
<input type="checkbox"/> Ad Valorem Tax	3.0%
<input type="checkbox"/> Production Expense	\$552 / month
<input type="checkbox"/> Gas Index	DTI Appal. Index
<input type="checkbox"/> Gathering	\$0.00
<input type="checkbox"/> BTU Factor	1.07
<input type="checkbox"/> Fuel	12%
<input type="checkbox"/> Capital Cost of Well	\$330k
<input type="checkbox"/> Working Interest	100%
<input type="checkbox"/> NRI	87.50%
<input type="checkbox"/> Net F&D Cost	\$2.33 / Mcfe

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# Appalachian Type Well



Year	Gas Mcfe
1	25,359
2	16,552
3	12,617
4	10,326
5	8,808
6	7,719
7	6,895
8	6,249
9	5,725
10	5,292
11	4,927
12	4,615
13	4,345
14	4,108
15	3,898
16	3,703
17	3,517
18	3,341
19	3,174
20	2,276

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## Project Profile – Appalachian Re-Completions



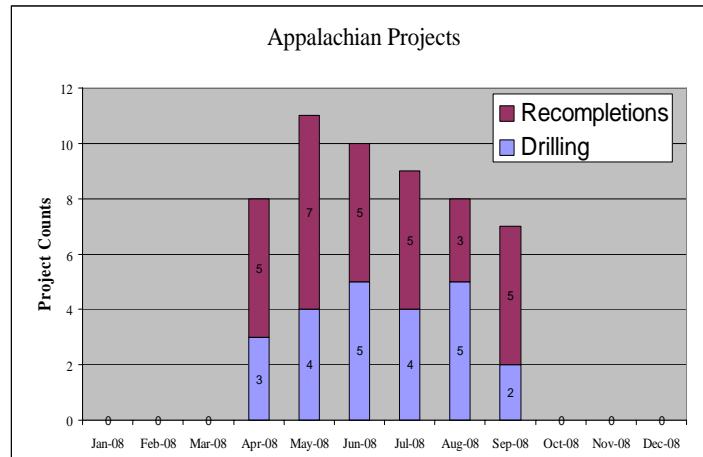
❑ IP Rate	44 Mcf/d
❑ Production Profile	Hyperbolic
❑ EUR	75 MMcf
❑ Life of Well	30.6 years
❑ Severance Tax	5.0% and \$0.047/mcf
❑ Ad Valorem Tax	3.0%
❑ Production Expense	\$544 / month
❑ Gas Index	DTI Appal. Index
❑ Gathering	\$0.00
❑ BTU Factor	1.07
❑ Fuel	12.0%
❑ Capital Cost of Well	\$75k
❑ Working Interest	100%
❑ NRI	87.50%
❑ Net F&D Cost	\$1.00 / Mcfe

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## 2008 Proposed Development – Appalachian Projects



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## Project Profile – Castle Drilling

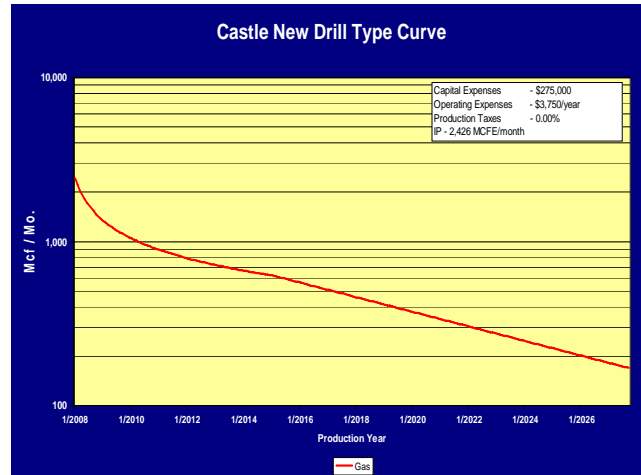


<input type="checkbox"/> IP Rate	72 Mcf/d
<input type="checkbox"/> Production Profile	Hyperbolic
<input type="checkbox"/> EUR	189 MMcf
<input type="checkbox"/> Life of Well	40.1 years
<input type="checkbox"/> Severance Tax	0.0%
<input type="checkbox"/> Ad Valorem Tax	0.0%
<input type="checkbox"/> Production Expense	\$250 / month
<input type="checkbox"/> Gas Index	DTI Appal. Index
<input type="checkbox"/> Gathering	\$0.00
<input type="checkbox"/> BTU Factor	1.07
<input type="checkbox"/> Fuel	0.0%
<input type="checkbox"/> Capital Cost of Well	\$253k
<input type="checkbox"/> Working Interest	100%
<input type="checkbox"/> NRI	81.25%
<input type="checkbox"/> Net F&D Cost	\$1.67 / Mcfe

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# Castle Area Type Curve

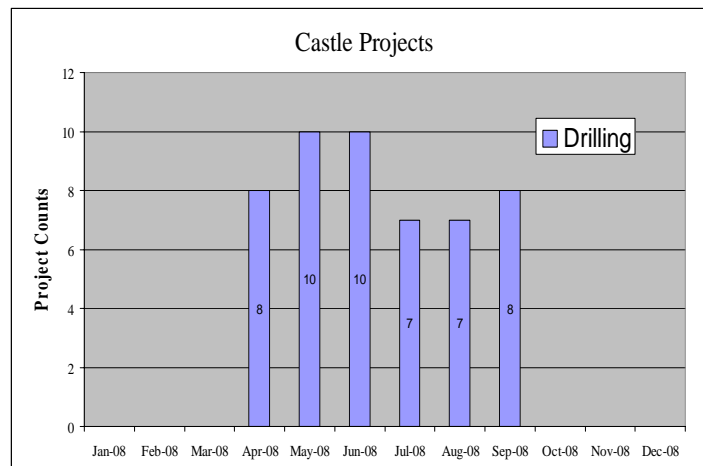


Year	Gas Mcfe
1	21,171
2	14,218
3	11,591
4	10,076
5	9,054
6	8,303
7	7,721
8	7,122
9	6,427
10	5,799
11	5,233
12	4,721
13	4,260
14	3,844
15	3,468
16	3,130
17	2,824
18	2,548
19	2,299
20	1,576

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# 2008 Proposed Development Castle Projects

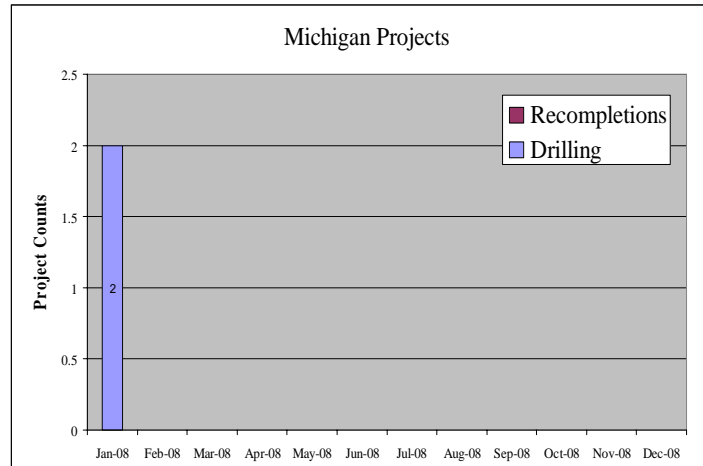


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## 2008 Proposed Development – Michigan Projects



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