

NOMINATING AND GOVERNANCE COMMITTEE CHARTER

Adopted on March 24, 2007

- 1. Purpose.** The Board of Directors (the “Board”) of Petroleum Development Corporation (the “Company”) has duly established the Nominating and Governance Committee (the “Committee”). The Committee is appointed by the Board of Directors to help assure that the Board fulfills its responsibilities to the Shareholders effectively by 1) helping the Board to create and maintain an appropriate Committee structure, 2) by assessing the skills, experience, and backgrounds necessary to effectively staff the Board and its Committees, 3) by overseeing the development and updating of governance and ethics policies for the Company, 4) by leading the Board in periodic assessments of the operation of the Board and its committees and the contributions of the members, and 5) by overseeing the development of and monitoring of the implementation of corporate governance policies.
- 2. Responsibilities of the Committee.**

 - 2.1. Board Member Selection Criteria and Procedures.** Develop and maintain criteria and procedures for the identification and recruitment of candidates for election to serve as directors of the Company, and shall establish qualifications criteria for director candidates.
 - 2.2. Board Nominees.** Identify and recommend to the Board individuals qualified to become Board members, including consideration of the performance of incumbent directors in determining whether to nominate them for re-election. The Committee shall also recommend to the Board director nominees where a vacancy is created due to death, resignation, retirement or removal of a Director, or any other such reason.
 - 2.3. Board Retirement Policy.** Make recommendations on the retirement policy of Board members.
 - 2.4. Board Committee Structure.** Periodically review and recommend appropriate changes to the Committee structure of the Board.
 - 2.5. Board Effectiveness and Composition.** Study and review with the Board the overall effectiveness of the organization of the Board and conduct of its business, and make appropriate recommendations to the Board with regard thereto on an annual basis. The review shall include the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole, including members’ independence under applicable statutes and rules, as well as consideration of age, diversity, experience, and skills in the context of the needs of the Board.
 - 2.6. Committee Appointments.** Review and recommend to the Board annually the directors to be selected for membership on the various Board committees, and the responsibilities, organization and membership of existing and creation of new Board committees, excluding special purpose committees established by the Board of Directors.
 - 2.7. Board Meeting Frequency.** Consider the adequacy of the number of Board meetings per year.
 - 2.8. Board Leadership.** The Committee is responsible for overseeing that Board leadership is in place. Regarding Board leadership, the Board has no policy with respect to the separation of the offices of Chair and Chief Executive Officer (CEO). The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make such a determination when it annually elects its Chair or when circumstances arise that may require such action. The Board does formally designate a Presiding Independent Director from among its independent directors; such leadership evolves naturally and may also vary depending on the issue under consideration or the circumstances that may arise.

2.9. Policies and Procedures. Review and recommend to the Board for its approval a set of corporate governance principles. The Committee shall review and assess the adequacy of the corporate governance guidelines of the Company and recommend any proposed changes to the Board for approval. The Committee shall update as required the Sarbanes-Oxley Act-mandated code of ethics and the appropriate code of business conduct for the Chief Executive Officer, the Chief Financial Officer and the Company's employees and Directors

2.10. Sarbanes-Oxley Act Section 307. Adopt and administer the procedures for confidential reporting, retention and consideration of Sarbanes-Oxley Act § 307 Reports, which set forth written procedures for the confidential receipt, retention, and consideration of any report by attorneys of credible evidence of a material violation under § 307 of the Sarbanes-Oxley Act of 2002 and the rules of the Securities and Exchange Commission ("SEC") thereunder.

2.10.1. Establish Procedures. Establish written procedures for the confidential receipt, retention, and consideration of § 307 Reports.

2.10.2. Notification of Reports. Inform the Company's General Counsel ("GC") and Chief Executive Officer ("CEO") of any § 307 Report, except when the Committee reasonably believes that doing so would be futile.

2.10.3. Evaluation; Investigation. Upon receipt of a Section 307 Report, decide whether an investigation is necessary to determine whether the alleged violation or breach described in the report has occurred, is occurring, or is about to occur, and, if the Committee determines that such an investigation is necessary or appropriate:

2.10.3.1. notify the Company's Audit Committee or the Board of the investigation;

2.10.3.2. initiate an investigation and determine whether the GC or outside attorneys or other designated persons will be engaged to conduct the investigation;

2.10.3.3. if the Committee determines that it is advisable for outside attorneys to conduct the investigation, evaluate, select, and engage appropriate outside counsel to conduct such investigation;

2.10.3.4. if the Committee determines that it is advisable for additional expert personnel to participate in the investigation, evaluate, select, and engage such experts; and

2.10.3.5. determine an appropriate schedule for and monitor and review reports of the progress of the investigation.

2.10.4. Recommendations and Responses. Upon conclusion of any investigation pursuant to Section 2.10.3.3 above:

2.10.4.1. evaluate the results of the investigation and, if determined to be necessary or appropriate, recommend that the Company implement an appropriate response (or alternative appropriate responses), including remedial measures, such as steps or sanctions to stop any material violations that are ongoing, to prevent any material violation that has already occurred and to minimize the likelihood of its recurrence; and/or

2.10.4.2. if the attorney retained to conduct the investigation has advised the Committee that the attorney, consistent with such attorney's professional obligations, may assert a colorable defense in any investigation or judicial or administrative proceeding relating to the reported evidence of the material violation, consider the advisability of relying on a colorable defense;

2.10.4.3. inform the GC, CEO and the Board of the results of the investigation and the Committee's recommendations as to the appropriate response, including remedial measures, if any, the Company should adopt or has adopted; and

2.10.4.4. monitor implementation of the Company's decision regarding the appropriate response.

2.10.5. Additional Authority. The Committee shall have the authority and responsibility to take all other appropriate action, including the authority (if determined by the Committee to be appropriate) to:

2.10.5.1. notify the SEC if the Company fails in any material respect to implement an appropriate response to a § 307 Report that the Committee has recommended;

2.10.5.2. require and evaluate reports from or concerning any attorney who withdraws or is threatening to withdraw for professional reasons; and

2.10.5.3. perform any other activities consistent with this Charter, the Company's By-Laws and governing law, as the Committee deems necessary or appropriate or as may be required by law or the NASDAQ Marketplace Rules.

2.11. Emergency Succession Plan Development. Review and update annually the Board & Executive Leadership Emergency Succession Plan of the Company.

2.12. Emergency Succession Plan Implementation. In the event of an emergency that triggers the Board & Executive Leadership Emergency Succession Plan monitor and provide Board oversight of the implementation of the plan in conjunction with the Board Chair and Presiding Independent Director.

2.13. Annual Board Review. Lead the annual review process for the Board, Committees and Directors.

2.14. Other Duties. Perform such other duties and responsibilities as may be assigned to the Committee by the Board from time to time.

3. Membership.

3.1. Composition of the Committee. The Committee shall consist of no fewer than three members of the Board. The members of the Committee shall meet the independence requirements of the NASDAQ Stock Exchange and such other rules and regulations as may be appropriate.

3.2. Selection of Members. The members of the Committee shall be appointed annually by the Board on the recommendation of the Nominating and Governance Committee.

3.3. Selection of the Chair. The Chair of the Committee shall be appointed annually by the Board on the recommendation of the Nominating and Governance Committee.

3.4. Vacancies. Vacancies on the Committee or in the Chair shall be filled by the Board upon recommendation of the Nominating and Governance Committee at the next meeting of the Board following the occurrence of the vacancy.

3.5. Removal or Replacement of Members. Members of the committee may be removed or replaced, with or without cause, by a majority vote of the Board.

4. Meetings, Minutes, and Voting.

4.1. Meeting Schedule. The Committee will meet as often as necessary to carry out its responsibilities. The Chair, in consultation with the other members of the Committee, shall set the time, frequency and length of each meeting.

- 4.2. Agendas.** The Chair, in consultation with the other members of the Committee, shall establish the Agenda of items to be addressed at each upcoming meeting of the Committee.
- 4.3. Quorum.** A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.
- 4.4. Procedures.** The Chair will preside at each meeting of the Committee. The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as to each other director in advance of the meeting. The Chair, subject to the approval of a majority of the members of the Committee, shall have the authority to change the agenda to respond to any matters that warrant attention.
- 4.5. Voting.** The Committee shall make decisions and take other actions by majority vote.
- 4.6. Minutes.** The Committee shall keep minutes of each meeting and file those minutes with the Corporate Secretary in a timely fashion.
- 5. Reports.** Reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board approved by the Committee.
- 6. Advisors and Counsel; Cooperation and Reliance.** The Committee shall have the resources and authority to discharge its responsibilities; and the Board shall provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board.
- 6.1 Retention of Advisors and Counsel.** The Committee shall have the authority, in its sole discretion, to obtain advice and assistance from, and to retain at the Company's expense, such independent or outside legal counsel, accounting or other advisors and experts as the Committee determines necessary or appropriate to carry out its duties, and in connection therewith to receive appropriate funding, as determined by the Committee, from the Company.
- 6.2 Determine Administrative Expenses.** The Committee shall have the authority to determine the level and cost of separate administrative support necessary or appropriate in carrying out its duties, with the Company bearing such costs.
- 6.3 Required Participation of Employees.** The Committee shall have unrestricted access to the Company's employees, independent auditors, and outside counsel and may require any employee of the Company or representative of the Company's independent auditors or outside counsel to attend meetings of the Committee or to meet with any members of the Committee or representative of the Committee's counsel, advisors, or experts.
- 6.4 Reliance Permitted.** The Committee may act in reliance upon other committees of the Board, management and other employees, the Company's independent auditors, internal auditors, advisors and experts, as it deems necessary or appropriate.
- 7. Evaluation of the Committee.** The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate:
- 7.1. Scope of Charter.** Whether this Charter appropriately addresses the matters that are or should be within its scope.
- 7.2. Quality of Committee Work.** The adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board.

- 7.3. Participation of Members and Quality of Decision Process.** The manner in which issues were discussed or debated, whether all members actively participated and contributed to the work of the Committee.
- 7.4. Length and Number of Meetings.** Whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.
- 7.5. Other Appropriate Factors.** Such other factors as the Committee deems relevant to the completion of its responsibilities under this Charter.
- 8. Rules and Procedures.** Except as expressly set forth in this Charter or the Company's By-Laws or Corporate Governance Guidelines, or as otherwise required by law or the rules of the NASDAQ, the Committee shall establish its own rules and procedures that are consistent with this Charter.
- 9. Limitation on Responsibility.** Nothing in this Charter or in a member's service on the Committee shall increase or be deemed to increase the liability of any member of the Board under applicable state law.
- 10. Annual Review of Charter.** The Committee shall review this Charter at least annually and recommend to the Board for its consideration and action revisions to this Charter, as the Committee shall deem necessary or appropriate.

PETROLEUM DEVELOPMENT CORPORATION
PROCEDURES FOR CONFIDENTIAL REPORTING, RETENTION AND
CONSIDERATION OF SARBANES-OXLEY ACT § 307 REPORTS TO THE NOMINATING
AND GOVERNANCE COMMITTEE

Adopted March 24, 2007

Background and Introduction

Pursuant to its duly authorized charter, the Company's Nominating and Governance Committee ("Committee") has adopted the following internal rules and procedures on March 24, 2007. These rules and procedures have been adopted expressly to fulfill the Committee's duty to adopt "written procedures for the confidential receipt, retention, and consideration of any report of credible evidence of a material violation" under Section 307 of the Sarbanes-Oxley Act of 2002 ("SOX") and the rules of the Securities and Exchange Commission ("SEC") thereunder ("§ 307 Report") by attorneys. The Committee recognizes that § 307 of SOX and the regulations promulgated thereunder contemplate the reporting of any ongoing, or imminent, or certain past, material violation of state or federal securities laws or fiduciary duties, or other similar material violations of state or federal law, by the Company or by any of its officers, directors, employees or agents. References to "a § 307 Report" within these procedures are intended to encompass reports within those parameters. These rules and procedures also are intended to augment the Company's other corporate governance mechanisms and enhance its compliance environment, by monitoring reports of, and encouraging effective and timely responses to, possible material violations of applicable laws or regulations.

1. Receipt of Reports of Credible Evidence of Material Violations

The Committee and the Company discourage the use of channels other than those designated below to communicate a § 307 Report to the Committee.

(a) Preferable Modes of Communication to the Committee

Attorneys employed or retained by the Company may report credible evidence of a material violation to the Committee or to the General Counsel (the "GC"). Those choosing to report to the Committee are urged to do so in accordance with one of the following methods of communication. The Committee may require any attorney of the Company who has made a § 307 Report other than in person, or has indicated an intention to do so, to attend a meeting of the Committee and present and discuss the Report.

(1) A direct dial 24-hour "Whistleblower Hot Line" [(866) 886-1354]

This telephonic system will allow attorneys to leave confidential recorded messages, accessible solely to the Committee or its designee. Callers are encouraged to seek a call-back from a Committee member. All requests for a call-back will be returned by a Committee member. Anonymity of such reports cannot be assured.

(2) Direct communication to the Committee during a meeting of the full committee.

The Chair of the Committee shall convene a meeting as often as deemed necessary or appropriate, including promptly following a receipt of a § 307 Report or of written notice, delivered to the secretary of the QLCC, of an attorney's intention to make a § 307 Report. Sessions of the QLCC wherein § 307 Reports are received shall be attended only by QLCC members, the Committee's counsel, the attorney(s) wishing to present a § 307 Report and their respective counsel.

(3) By mail.

The Committee will also accept § 307 Reports via mail directed to the person listed below, and will consider such written communications expeditiously and appropriately.

Kimberly Luff Wakim, Esq.
Nominating and Governance Committee
c/o Thorp Reed & Armstrong, LLP
One Oxford Centre, 301 Grant Street, 14th Floor
Pittsburgh, PA 15219-1425

(b) Acknowledgment

The Committee shall send a written acknowledgment of receipt of each oral or written § 307 Report to the reporting attorney.

2. Confidentiality of Reports and Related Information Generally

Confidentiality is a priority, and all § 307 Reports will be treated confidentially to the fullest extent possible. The Committee will treat all § 307 Reports and any correspondence relating to such reports, to the extent feasible and consistent with performing a full and fair investigation, as CONFIDENTIAL, ATTORNEY-CLIENT PRIVILEGED, and/or ATTORNEY WORK PRODUCT, as applicable. The Committee will determine the extent to which facts and circumstances regarding a § 307 Report or the § 307 Report itself are divulged to others within or outside the Company, and will do so consistent with applicable law and only on a "need to know" basis with a view toward appropriately protecting the Company's legal privileges.

3. Consideration of § 307 Reports of Credible Evidence of Material Violations

The Chair of the Committee or a designee shall promptly reviewed each submitted § 307 Report and report the § 307 Report to the full Committee and provide a copy of the § 307 Report to each member of the Committee, with the Chair's assessment of the § 307 Report and, to the extent relevant, recommended course of action.

(a) Report to the CEO and GC

Upon receipt of a § 307 Report, the Committee or its designee shall inform the CEO and GC of the receipt of the report, unless the circumstances of the specified report make such a report futile or improper.

(b) Report and Consultation with Counsel

The Committee may select internal counsel or engage outside counsel or other experts, consultants or professionals for the matter to assist in the analysis and assessment of the report, any related investigation, the response thereto and the Committee's applicable duties, as it deems necessary or appropriate.

(c) Determination of Whether an Investigation is Necessary

Within a reasonable time after receipt of a § 307 Report, but not more than 30 days after initial receipt, the Committee, with the assistance of such internal or outside resources, shall evaluate whether the report warrants or necessitates an investigation in order to assess the appropriate response.

Promptly following completion of its evaluation, the Committee shall notify the Company's Audit Committee or the full Board of Directors of its decision to initiate an internal investigation.

(d) Conducting an Investigation

If the Committee determines that an investigation is necessary or appropriate, the Committee shall manage and direct the appropriate resources to effect a thorough and timely examination of both the relevant law and facts relating to a specific report.

(e) Reporting Results of an Internal Investigation

At the conclusion of its internal investigation, the Committee shall inform the CEO, the GC and the Company's Board of Directors of the results, including its recommendations for an appropriate response, if necessary – as detailed below.

(f) Determining and Recommending an Appropriate Response

The Committee shall determine an appropriate response or a range of appropriate responses, including remedial measures if any, reasonably designed to rectify, stop or prevent any material violation or suspected material violation at issue; and shall promptly communicate its recommendation to the CEO, the GC and the Company's Board of Directors.

In assessing the appropriateness of potential responses and without limiting its authority to rely on others, the Committee may rely in good faith on the representations of witnesses and advice of legal and other experts, including those it has employed or retained to conduct an investigation.

(g) Tracking and Responding to the Company's Failure to Implement Committee Recommendations

The Committee shall monitor the Company's implementation of its recommendations. If the Company fails in any material respect to implement an appropriate response that the Committee has recommended the Company take, the Committee shall take any and all authorized additional actions it deems appropriate. The Committee shall communicate directly to the Company's Board of Directors regarding the Company's failure to implement an appropriate response as recommended prior to exercising its discretionary authority to communicate that failure to the SEC.

4. Retention of Reports of Credible Evidence of Material Violations

The Committee, and/or its appropriate agents or designees, shall retain in a confidential file written documentation as to the instance and disposition of each § 307 Report sufficient to describe the origin, subject and nature of each report received and the Committee's actions, determinations and recommendations. Access to the confidential file shall be restricted to members of the Committee and the designees of the Committee. Such documentation shall be retained consistent with the Company's retention policy applicable to the proceedings of the Board of Directors and its Committees and any specific requirements under law.

5. Other Reports of Committee to the Board of Directors

To assist the Company in fulfilling its obligations under SOX § 301(a) and § 404 with respect to evaluation of internal controls or reports of accounting or auditing matters, and subject to the confidentiality standard set forth in Section 2 above, the Committee may issue reports to the Company's Audit Committee or the Board of Directors that verify that no § 307 Reports (or reports that implicated the accuracy of financial reporting) were received by the Committee during a specified period, or explain why the Committee cannot or will not so verify.

6. Modifications to These Rules and Procedures

The Committee at all times shall comply with the provisions of Section 307 of SOX, any subsequent applicable federal legislation, and the rules and regulations of the SEC hereunder, as all of which may be amended from time to time. At any time deemed appropriate, the Committee may modify these rules and procedures, consistent with applicable law and Company policies. These rules and procedures shall be interpreted in a manner that is consistent with SEC interpretations of the underlying rules pursuant to which the Committee has been organized, and, to the extent inconsistent with such interpretation, shall be deemed deleted. The GC shall provide the Committee with prompt notice of any such SEC interpretations or rule changes that may require such modification.

7. Communications

The Secretary and the GC of the Company shall make these rules and procedures available in a manner easily accessible to all in-house and outside counsel employed by the Company, including new-hires. The Company shall post these rules and procedures on its website and shall periodically include a summary of these rules and procedures in its filings with the SEC.

All in-house and outside securities counsel to the Company and its subsidiaries shall be notified of these rules and procedures in writing (which may include e-mail).

Approved March 24, 2007

Effective March 24, 2007

Nominating and Governance Committee Charter and Responsibilities Calendar Table

Ref #	<i>Responsibility or Specific Task</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>As Req</i>
	Board Membership					▪
1	Determine, in conjunction with the full Board, the desired qualifications and criteria for Board members, including skills, experience, qualities, desired diversity and the like					▪
2	Oversee the selection of board nominees for election to the Board through the annual proxy process	▪				▪
3	Conduct performance review of incumbent directors to determine whether to nominate for reelection	▪				
4	Oversee the recruitment process and recommend candidates to the Board when a vacancy occurs or a new Board position is created					▪
5	Lead the annual review process for the Board, Committees and Directors	▪				
	Emergency Succession Plan					
6	Review and update annually the Board & Executive Leadership Emergency Succession Plan of the Company				▪	
7	Monitor and provide Board oversight of the implementation of the Emergency Succession Plan (ESP) plan					▪
	Board Governance					
8	Consider the adequacy of the number of Board meetings each year		▪			
9	Recommend to the Board any changes (required or desired) to the corporate governance principles including independence standards				▪	▪
10	Ensure appropriate and effective Board leadership is in place including recommending the slate for the Chair position		▪			
11	Monitor and update the Board definitions of "independence" and "conflicts of interest" for Board members, as well as guidance on time commitments and other directorships		▪			
12	Maintain minutes or other records of meetings and activities of the Committee	▪	▪	▪	▪	
	Section 307 Reports					
13	Update as required the Sarbanes-Oxley Act-mandated code of ethics and the appropriate code of business conduct for the Chief Executive Officer, the Chief Financial Officer and the Company's employees and Directors				▪	
14	Adopt and administer the procedures for confidential reporting, retention and consideration of Sarbanes-Oxley Act § 307 reports				▪	
15	Establish written procedures for the confidential receipt, retention, and consideration of § 307 Reports				▪	
16	Handle to some resolutions or conclusion all Section 307 reports that are submitted					▪
17	Prepare and mail annually a letter to outside counsel of the Company detailing the Company's § 307 report process				▪	
	Board Organization/Development					
18	Review and recommend appropriate changes to the committee & organizational structure of the Board		▪			
19	Review with the Board the overall effectiveness of the organization of the Board and conduct of its business		▪			
20	Review and recommend to the Board annually the directors to be selected for membership on the various Board committees		▪			
21	Make recommendations to the Board for the creation of additional committees or the elimination of Board committees.		▪			

<i>Ref #</i>	<i>Responsibility or Specific Task</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>As Req</i>
	Board Learning					
22	Ensure that all Board members participate in the Board's Training Policy to foster continued education and learning occurs among all Board members.	▪	▪	▪	▪	
23	Ensure all new directors have a formal orientation program and initial training plan based on individual assessment of each new director.					▪