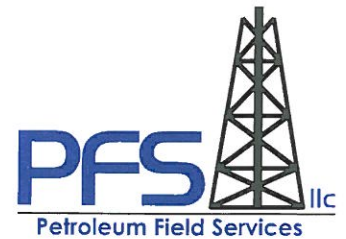


November 21, 2011



Mr. David Neslin, Director
Colorado Oil & Gas Commission
1120 Lincoln St. Suite 801
Denver, CO 80203

1801 W. 13th Ave
Denver, CO 80204
Ph: 303.928.7128
Rifle Ph: 970.625.4740
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RE: SWSW, Sec. 23 T7N-R67W
Weld County, Colorado
Well Name: Schlotthauer 3-26 – 85' NE from Property Line
Schlotthauer 13-23 – 85' NE from Property line
Schlotthauer 14-23 – 85' NE from Property Line
Schlotthauer 4-26 - 85' NE from Property Line
Schlotthauer Facility- 10' NE from Property line

Dear Mr. Neslin,

Bayswater Exploration & Production, LLC is planning to drill the above mentioned wells at:

- Schlotthauer 3-26 – 85' FSL & 871' FWL, SWSW, Sec. 23 T7N-R67W
- Schlotthauer 13-23 – 85' FSL & 841' FWL, SWSW, Sec. 23 T7N-R67W
- Schlotthauer 14-23 – 85' FSL & 886' FWL, SWSW, Sec. 23 T7N-R67W
- Schlotthauer 4-26 -85' FSL & 856' FWL, SWSW, Sec. 23 T7N-R67W
- Schlotthauer Facility, SWSW, Sec. 23 T7N-R67W

The closest proposed well location has been staked at 85' NE of the off-set property owner's property line. The location is being permitted as an exception location. Bayswater Exploration & Production, LLC has obtained written permission contained in a waiver from the surface owner for an exception to COGCC Rule 603.a.(2).

As well, the surface locations of Bayswater Exploration & Production, LLC's proposed wells (SHL) have been staked outside of the 318A.a drilling window. The locations are being permitted as exception locations due to surface use being crop land and surface owner request.

Bayswater Exploration & Production, LLC requests that the COGCC review the enclosed information and approve the requested exception location request and Application for Permit to Drill for the above captioned well. Thank you for your attention to the enclosed.

Very Respectfully,

Kallasandra M. Moran
Regulatory Technician, Petroleum Field Services
Agent for Bayswater Exploration & Production, LLC

We are what we repeatedly do. Excellence, then, is not an act, but a habit.

-Aristotle