

January 23, 2012

Mr. Dennis Schulte  
114 37<sup>th</sup> Street  
Evans, Colorado 80620

1801 W. 13<sup>th</sup> Ave.  
Denver, CO 80204  
Ph: 303.928.7128  
www.petro-fs.com

RE: Exception Location Consent

Dear Mr. Dennis Schulte,

Petroleum Field Services, as agent for Bayswater Exploration & Production, LLC respectfully requests your consent to drill the COALBANK CREEK 10-20 and COALBANK CREEK 9-20 well(s) within 150' of your property line. The well is to be located on Mr. Wood's adjacent property.

According to COGCC Rule 603.a.(2). Any well located within 150' of a property line will be considered an exception location and an off-set owner waiver must be obtained. The proposed surface locations are located at:

- COALBANK CREEK 10-20 – 1722' FSL & 216' FEL – 98' S of property line
- COALBANK CREEK 9-20 – 1722' FSL & 196' FEL – 98' S of property line

Bayswater Exploration & Production, LLC is requesting your consent to drill these wells as permitted, within 150' of your property line. Enclosed you will find a waiver and 1 plat for the location. If you have any questions please feel free to contact me at the number or email listed on my card. A return envelope has been provided, or you may fax or email the signed letter to me.

Thank you in advance for your attention to this manner.

Signed

(Landowner Name)

Printed

DENNIS SCHULTE


(Landowner Name)

Date

1/26/2012

Very Respectfully,

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

|                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reference Location</b><br>** All Measurements are Made from<br>Reference Well COALBANK CREEK 10-20**<br>Lat: 40.557851° Long: -104.793389° (NAD83)<br>Elevation: 4944 Feet |
| Surface Use: Irrigated Crop                                                                                                                                                   |
| Prepared for:<br> BAYSWATER<br>EXPLORATION AND PRODUCTION, LLC                             |

Enclosures

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