

BANKO

PETROLEUM MANAGEMENT INC.

ELECTRONIC EMAIL SUBMISSION

Mr. Tom Kerr
Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

May 8, 2012

RE: Exception Location Request
Hilcorp Energy Company
State of Colorado 14-9-16CH
SHL: 140' FSL 690' FWL (SW/4 SW/4)
Sec. 9 T3N R62W
BHL: $\pm 600'$ FSL $\pm 600'$ FWL (SW/4 SW/4)
Sec. 16 T3N R62W
Weld County, Colorado
Surface: Fee
SHL State Mineral Lease: ST-7873.3
BHL State Mineral Lease: ST-7972.4

Dear Mr. Tom Kerr:

Hilcorp Energy Company (Hilcorp) hereby requests that the Director grant a waiver to Colorado Oil and Gas Conservation Commission (COGCC) Rule 318A(I), for the above referenced well. The surface location, pertaining to the Application for Permit to Drill (APD), does not conform to COGCC Rule 318A(I) due to topographical constraints. The preferred location was agreed upon by Hilcorp and Lost Creek Land and Cattle Company at an onsite meeting held December 14, 2011.

The wellsite was originally staked at 140' FSL 690' FWL (SW/4 SW/4) of Sec. 9 T3N R62W on November 30, 2011, by Daley Land Surveying, Inc., surveyor, on a site that was geologically and topographically acceptable. The Bottom Hole Location (BHL) is located at $\pm 600'$ FSL $\pm 500'$ FWL (SW/4 SW/4) of Sec. 16 T3N R62W.

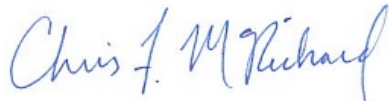
Hilcorp requests the Director approve the proposed exception location. The surface owner acknowledges and agrees with the staked surface location of the well.

Please send a copy of all correspondence to Banko Petroleum Management, Inc. at 385 Inverness Parkway, Suite 420, Englewood, CO 80112-5849. Please contact Kimberly Rodell or Chris McRickard at 303-820-4480 or at kim@banko1.com or chris@banko1.com, respectively, if you have any questions.

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Your early attention to this application is greatly appreciated. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Chris F. McRickard". The signature is written in a cursive style with a large, stylized "M" and "R".

Chris McRickard
Permit Agent for Hilcorp Energy Company

CFM:kjr

BANKO

PETROLEUM MANAGEMENT INC.

Via USPS Certified Mail

Mr. Brad Peterson
Lost Creek Land & Cattle Company
P.O. Box 85
Roggen, CO 80652

May 2, 2012

RE: Hilcorp Energy Company
State 14-9-16CH
SHL: 140' FSL 690' FWL (SW/4 SW/4)
Sec. 9 T3N R62W
BHL: ±600' FSL ±600' FWL (SW/4 SW/4)
Sec. 16 T3N R62W
Weld County, Colorado
Surface: Fee
SHL State Mineral Lease: ST-7873.3
BHL State Mineral Lease: ST-7972.4

Dear Mr. Peterson:

Hilcorp Energy Company (Hilcorp) hereby requests the Colorado Oil and Gas Conservation Commission (COGCC) Director's approval for a surface location exception waiver for the above referenced well. The well does not conform to the COGCC Rule 318A(I), pertaining to the Application for Permit to Drill (APD), for statewide spacing requirements due to topographical constraints. The preferred location was agreed upon by Hilcorp and Lost Creek Land & Cattle Company at an onsite meeting held December 14, 2011.

COGCC Rule 318A(I) concerning the Greater Wattenberg Area states that a well must be located in "*a square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section ("400' window")*". The above referenced well is located 140' from the South line of the section due to topographical constraints which violates COGCC Rule 318A(I).

The wellsite was originally staked at 140' FSL 690' FWL (SW/4 SW/4) of Sec. 9 T3N R62W on November 30, 2011, by Daley Land Surveying, Inc., surveyor, on a site that was geologically and topographically acceptable. The Bottom Hole Location (BHL) is located at ±600' FSL ±500' FWL (SW/4 SW/4) of Sec. 16 T3N R62W.

By approving this matter, we anticipate COGCC granting Hilcorp a location exception waiver to Rule 318A(I), allowing the location to be outside the COGCC Greater Wattenberg Area spacing rules.

Mr. Brad Peterson
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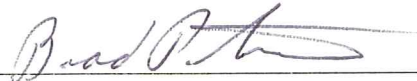
Sincerely,



Chris McRickard
Permit Agent for Hilcorp Energy Company

CFM:kjr

By signing below, you acknowledge the agreed upon surface location of the well location as staked.

Sign: _____

Date: 5-4-2012

Mr. Brad Peterson – Representative for Lost Creek Land & Cattle Company