



08/28/12

VIA ELECTRONIC TRANSMITTAL

Colorado Oil and Gas Conservation Commission
Attn: Matthew Lepore
1120 Lincoln Street, Suite 801
Denver, CO 80203

RE: Rule 318A(l).a and 318A(l).c Exception Location Request

Hoshiko #1-1-36HZ Well: 806' FSL, 2353' FEL, SWSE Sec. 25-T5N-64W, Weld County, Colorado
Hoshiko #34-25 Well: 871' FSL, 2322' FEL, SWSE Sec. 25-5N-64W, Weld County Colorado

Dear Mr. Lepore,

Peterson Energy Operating, Inc. (POPCO) respectfully requests that the Director grant an exception to Rule 318A(l).a for the above wells. These wells are spotted as above in accordance with the wishes of the surface owner in order to maximize future land use possibilities and minimize surface disturbance. Per COGCC Rule 318A(l).a, a GWA well surface location must be within a 400' by 400' drilling window centered at the center of each quarter-quarter section, or inside a 800' by 800' drilling window centered at the center of each quarter section, or per rule 318A(l).c shall not be less than 50' from an existing well. These well surface locations fall outside of the prescribed 400' by 400' drilling window centered at the center of each quarter-quarter section, or outside the 800' by 800' drilling window centered at the center of each quarter section and are not located within 50' of an existing well.

The surface owner has consented to the location of multiple wells outside of said GWA windows in the attached surface use agreement in item 18 ¶ #7.

Sincerely,

Clayton L. Doke
Petroleum Engineer
Peterson Energy Operating, Inc
Consultants to Pico Niobrara, LLC