



VIA CERTIFIED/RETURN RECEIPT MAIL: 7012 3050 0001 9881 2690

March 22, 2013

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

South Western Energy
2350 North Sam Houston Parkway E
Suite 125
Houston, Texas 77032

**RE: Waiver Letter
Badger Creek 22-32, Badger Creek 22-33 Wells
E/2 Section 22, T2S-R57W
Badger Creek Field
Adams County, Colorado**

Ladies and Gentlemen:

Bayswater Exploration & Production, LLC plans to drill the above referenced wells, specifically described as:

Badger Creek 22-32	1730' FNL, 2262' FEL
Badger Creek 22-33	1777' FSL, 2312' FEL

The wells are being proposed at a depth of 2,500 feet or greater, as described in COGCC Rule 318.a., which requires that a well "...shall be located not less than six hundred (600) feet from any lease line...". The subject wells are both approximately 302 feet from the lease line to your mineral lease in the W/2 Section 22, T2S-R57W.

Bayswater Exploration & Production, LLC respectfully requests South Western Energy's acceptance of waiver to COGCC Rule 318.a. in order to drill the subject wells. Please sign and return one copy of this letter in the self-addressed stamped envelope provided herein.

Should you have any questions or require additional information, please do not hesitate contacting me at the phone number above. Many thanks for your attention to this matter.

Respectfully,

Ann L. Stephens
Regulatory Manager
Agent for Bayswater Exploration & Production, LLC

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Enclosures

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

-Aristotle



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South Western Energy hereby accepts the waiver of COGCC Rule 318.a. as it applies to the Badger Creek 22-32 and Badger Creek 22-33 wells.

SOUTH WESTERN ENERGY

Signed by: V.P. LAND - New Ventures

Name: James H. Perkins

Date: MAY 28, 2013

JHP

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-Aristotle