

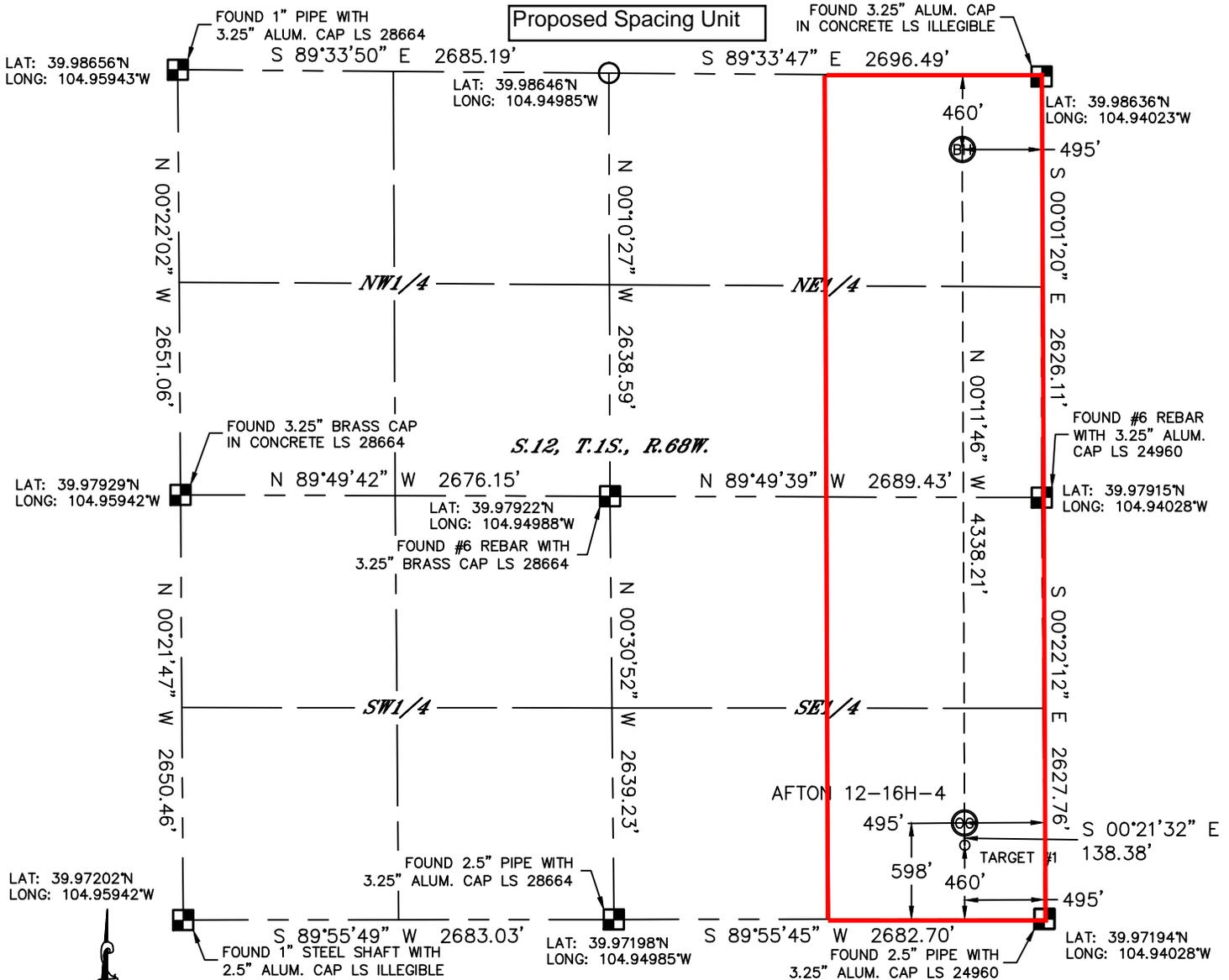


Lat40°, Inc. 1635 Foxtrail Drive, Suite 325 Loveland, CO 970-776-3321

WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY

SECTION: 12
TOWNSHIP: 1S
RANGE: 68W



In accordance with a request from Clay Duke with PICO HOLDINGS, INC. Lat40°, Inc. has determined the surface location of the AFTON 12-16H-4 to be 598' from the SOUTH line and 495' from the EAST line and the bottom hole to be 460' from the NORTH line and 495' from the EAST line as measured at right angles from the section lines of Section 12, Township 1 South, Range 68 West of the Sixth Principal Meridian, County of Adams, State of Colorado.

I hereby state that this Well Location Certificate was prepared by me, or under my direct supervision, that the fieldwork was completed on 7/1/2013, for and on behalf of PICO HOLDINGS, INC. That this is not a Land Survey Plat or an Improvement Survey Plat, and that it is not to be relied upon for establishment of fence, building, or other future improvement lines.

NOTE:

- 1) Bearings shown are Grid Bearings of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2007. The lineal dimensions as contained herein are based upon the "U.S. Survey Foot."
- 2) Ground elevations are based on an observed GPS elevation (NAVD 1988 DATUM).
- 3) IMPROVEMENTS: See LOCATION DRAWING for all visible improvements within 400' of disturbed area.
- 4) SURFACE USE: PASTURE
- 5) INSTRUMENT OPERATOR: ADAM KELLY

SURFACE LOCATION

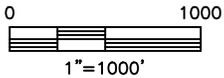
LAT: 39.97359N
LONG: 104.94205W
PDOP: 1.9
ELEV: 5153'
1/4,1/4: SE1/4SE1/4
NEAREST PROPERTY LINE: 133' SOUTH

BOTTOM HOLE

LAT: 39.98512N
LONG: 104.94200W

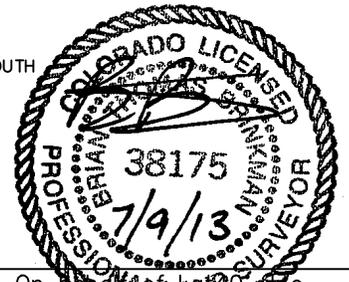
TARGET #1

LAT: 39.97321N
LONG: 104.94205W



LEGEND

- = ALIQUOT MONUMENT AS DESCRIBED
- = CALCULATED POSITION



NOTE
According to Colorado law, you must commence any legal action based upon any defect in this W.L.C. within three years after you discover such defect. In no event, may any action based upon any defect in this survey be commenced more than ten years after the date of the certificate shown hereon. (13-80-105 C.R.S.)

Brian T. Brinkman—On behalf of Lat40°, Inc.
Colorado Licensed Professional Surveyor No. 38175
Date: 7/9/2013
Land Surveyor No. 38175
PROJECT#: 2013026



07/30/13

VIA ELECTRONIC TRANSMITTAL

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

RE: Proposed Spacing Unit Ownership

Afton #12-16H-3 Well: 598' FSL, 511' FEL, Sec. 12-T1S-R68W, Adams County, Colorado
Afton #12-16H-4 Well: 598' FSL, 495' FEL, Sec. 12-T1S-R68W, Adams County, Colorado

Dear Mr. Lepore,

PICO Niobrara LLC (PICO) hereby certifies that they are the only owner as defined in C.R.S. §34-60-103(7) within the proposed spacing unit and waives notification and 30-day Rule 318A.e(6). PICO respectfully requests that the Rule 318A.a.(4)D Horizontal wells and proposed spacing unit be approved.

Should you have any questions or concerns please contact the undersigned at 303-216-0703.

Clayton L. Doke
Senior Engineer
Peterson Energy, a Division of IPT
Consultants to PICO Niobrara LLC