

PEAKVIEW OPERATING COMPANY



216 16th Street
Suite 1450
Denver, CO 80202
720.402.3080

December 20, 2013

COGCC

Mr. Matt Lepore – Director
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: Exception Location Rule 318.a
Grassy Creek #13-26
NWSW, Section 26-T6N-R87W
Surface Footages: 2009' FSL & 998' FWL
Bottom Hole Footages: 1947' FSL & 717' FWL
Routt County, Colorado

Mr. Matt Lepore:

Peakview Operating Company, LLC (Peakview) is the Lessee and Operator of the proposed above-mentioned Grassy Creek #13-26 well. The bottom hole location for the above-mentioned well is 1133' from Peakview's existing Grassy Creek #3 vertical well - SWNW, Section 26-T6N-R87W, 2309' FNL & 1111' FWL – API #05-107-06078. These two wells do not meet COGCC's Rule 318.a 1200' distance requirement; therefore requires an Exception Location. See the attached map showing the referenced bottom hole distances between wells. In order for the above-mentioned well to have met the 1200' requirement, this would have also resulted in an Exception Location to Rule 318.a 600' from a lease line as it would encroach upon the lease line to the south and to the west.

As Peakview is both the Lessee and Operator of these two wells, see their attached executed waiver letter.

Peakview respectfully requests that this Exception Location to Rule 318.a be granted.

If you have any questions or concerns, please do not hesitate to call.

Sincerely,

ROCKY MOUNTAIN PERMITTING, LLC

A handwritten signature in black ink that reads "Terry L. Hoffman". The signature is written in a cursive, flowing style.

Terry L. Hoffman
Permit Agent for Peakview

Attachment: Peakview Waiver Letter

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Routt County, Colorado

Mr. Matt Lepore:

Peakview Operating Company, LLC is the Lessee and Operator of the existing Grassy Creek #3 (SWNW, Section 26-T6N-R87W – API #05-107-06078) well and the proposed Grassy Creek #13-26 well. The Grassy Creek #13-26 will require an Exception Location to Rule 318.a because of its proximity to the Grassy Creek #3 being less than the required 1200'.

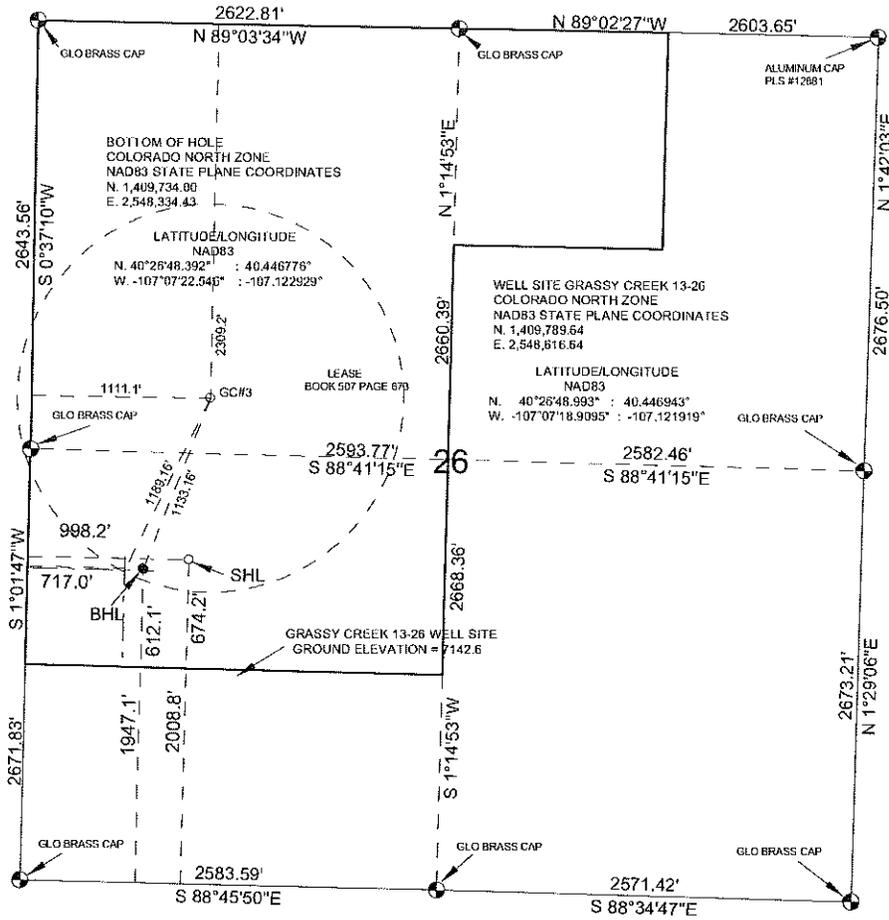
As Operator of both wells, Lessee to 100% of the royalty owners, Peakview Operating Company, LLC is asking for and agreeing to the drilling and completion of the Grassy Creek #13-26 at a location less than 1200' from the Grassy Creek #3 well.

Very truly yours,

PEAKVIEW OPERATING COMPANY, LLC

A handwritten signature in cursive script that reads "Lyell A. Coe".

Lyell A. Coe
President

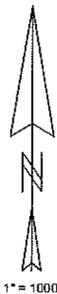


SURVEYORS STATEMENT
 I, Gordon R. Dowling, a duly registered Professional Land Surveyor in the State of Colorado do hereby Certify that the survey represented by this drawing was done by me or under my direct supervision and is in accordance with the applicable standards of practice and is accurate based upon my knowledge, information, and belief and correctly show the location of GRASSY CREEK 13-26.

Gordon R. Dowling, Colorado P.L.S. No. 30090
 Dated this ___ day of _____, 2013

- NOTES:**
1. NAD 83 ELEVATIONS
 2. OBSERVED PDDP OF 1.8. OBSERVATIONS ARE IN COMPLIANCE WITH RULE NO. 215. (G.R. DOWLING, PLS, OBSERVER) DATE SURVEYED - 10/23/12
 3. SITE IS SCRUB OAK AND SAGE. NO VISIBLE IMPROVEMENTS WITHIN 200' OF SURFACE HOLE.

NOTICE: According to Colorado Law, you must commence any legal action based on any defect in this survey within three years after you first discover such defect, in no event may any action be commenced more than ten years from the date of certification shown hereon.



- LEGEND**
- DENOTES MONUMENT FOUND
 - DENOTES WELL LOCATION
 - DENOTES LEASE LINE

Peakview Operating Company, LLC.				GRASSY CREEK 13-26		DOWLING LAND SURVEYORS, LLC P.O. BOX 954 HAYDEN, COLORADO 81639 (970) 276-3613 dowling@plotz.biz	
				NW1/4 SW1/4 SECTION 26, T6N R87W, 6th P.M. ROUETT COUNTY, COLORADO			
SCALE	DRG	DATE	FILE	SHL 2008.8' FSL 998.2' FWL			
1" = 1000'	GRD	2/26/13	PV13 26C	BHL 1947.1' FSL 717.0' FWL			