



1888 Sherman Street, Suite 200
Denver, CO 80203
O: 303-825-2324

June 24, 2014
Bayswater Exploration & Production, LLC
730 17th St, Denver CO 80202

RE: COGCC Rule 318A.m. Minimum Intrawell Distance
Nelson Farm #4 Well: NW ¼ Sec 28-T7N-R67W, Weld County, Colorado

Extraction Oil & Gas, LCC ("Extraction") is applying to the Colorado Oil and Gas Conservation Commission ("COGCC") to drill the above referenced well at the described locations. As currently planned the above mentioned well is within 150 feet of the below mentioned.

- 1. Lake #4-27 (API: 05-123-35687)**
- 2. Lake #3-27, (API: 05-123-35686)**

COGCC rule 318A.m stipulates that no lateral shall encroach within 150 feet from an existing wellbore, unless the operator of the existing wellbore waives this requirement.

Per COGCC rule 318A.m Extraction is requesting operator approval for waiver of said rule for the existing Lake #4-27 and Lake #3-27 wellbores. Should you find this acceptable please indicate by executing this waiver and returning to my attention. Please contact the undersigned at 720-382-2696, or jtonello@extractionog.com with any questions.

Sincerely,

John Tonello

Engineering Manager, Extraction Oil & Gas, LLC

I, Mark E. Brown, acting as self, officer, agent or employee of Bayswater Exploration and Production LLC, operator of the above described existing wellbores, with full power to execute the following, do hereby grant Extraction Oil & Gas LLC a waiver of COGCC Rule 318A.m granting that these wells may be drilled as planned

Signed [Signature] this 24th day of JUNE, 2014