



August 11, 2014

Schneider Energy Services Inc.
PO Box 297
14400 Hwy 34
Fort Morgan, CO 80701

RE: Rule 318A.m Minimum Intrawell Distance Exception

Well	SHL	Top of Producing Zone Location	BHL
Alicia 12-15H-1	SWSE Sec. 12-T1S-R68W	SWSE Sec. 12-T1S-R68W	SWSE Sec 1-T1S-R68W
Alicia 12-15H-2			SWSE Sec 1-T1S-R68W
Alicia 12-15H-3			SWSE Sec 1-T1S-R68W
Alicia 12-15H-4			NWNE Sec 12-1S-68W
Alicia 12-15H-5			SWSE Sec 1-T1S-R68W
Alicia 12-15H-6			NWNE Sec 12-1S-68W

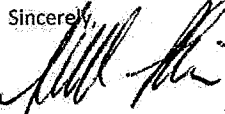
Mr. Jeff Schneider,

Mendell Finisterre II LLC is applying to the Colorado Oil and Gas Conservation Commission (COGCC) to drill the above referenced wells at the described surface and bottom hole locations. Per COGCC Rule 318A.m, no horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore unless waived in writing by the operator of the encroached upon well. As currently planned, the horizontal wellbore lateral of the above well will lie within 150 feet of the wellbore of the captioned wells:


Ruby 1, API #: 05-123-09358, Operated by Schneider Energy Services, Inc. Status: XX
Ruby 2, API #: 05-123-09529, Operated by Schneider Energy Services, Inc. Status: PR
Tudex Reinholt NC4: API #: 05-123-09365, Operated by Schneider Energy Services, Inc. Status: PR

Per COGCC Rules Mendell Finisterre II LLC is required to get the offset well operator's approval in writing and a waiver of said Rule 318A.m. These wells are planned as above to maximize mineral recovery.

Should you find this acceptable please indicate so by signing the below section and returning the signed letter either via email to jeanell.ries@iptenergyservices.com or by fax. Please contact the undersigned at 720-420-5800 with any questions.

Sincerely,

Jeanell Ries
Drilling Engineer
Integrated Petroleum Technologies

I, Jeff Schneider, officer, agent, or employee of Schneider Energy Services Inc, operator of the affected well, with full power to execute the following, do hereby approve of the Mendell Finisterre II LLC Alicia 12-15H-1, -2, -3, -4, -5, and -6 wells as listed above in Section 12, T1S-R68W and grant a waiver COGCC Rule 318A.m granting that this well may drilled as planned.

Signed  this 19 day of August, 2013