



December 2, 2014

Mr. Matt Lepore, Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

7535 Hilltop Circle
Denver, CO 80221
www.petro-fs.com

**RE: COGCC Rule 318A.e.: Proposed Spacing Unit
Arellano K-10-9HN Well: NESE, Section 10, Township 5 North, Range 65 West
Weld County, Colorado**

Dear Mr. Lepore:

Bayswater Exploration & Production, LLC (Bayswater) is planning to drill the above referenced well in accordance with the provisions set out in Colorado Oil and Gas Conservation Commission (COGCC) Rule 318A.e. Bayswater's Proposed Spacing Unit consists of:

S½NE¼ and N½SE¼ of Section 9, Township 5 North, Range 65 West
S½N½ and N½S½ of Section 10, Township 5 North, Range 65 West
Containing 480 acres more or less

Bayswater is not the only owner within the Proposed Spacing Unit and has provided notice to the remaining owners, as required by COGCC Rule 318A.e.(5). Copies of the required notification letters are on file at Bayswater's office. The required thirty (30) day notice period has elapsed absent the receipt by Extraction of any objection to their proposal by the owners within the Proposed Spacing Unit for the subject well.

Enclosed is the Proposed Spacing Unit Exhibit to assist in your review and approval of Bayswater's proposed Application for Permit to Drill for the Arellano K-10-9HN Well. Many thanks for your attention to this matter.

Respectfully,

Jeff Annable
Regulatory Technician
Agent for Bayswater Exploration & Production, LLC

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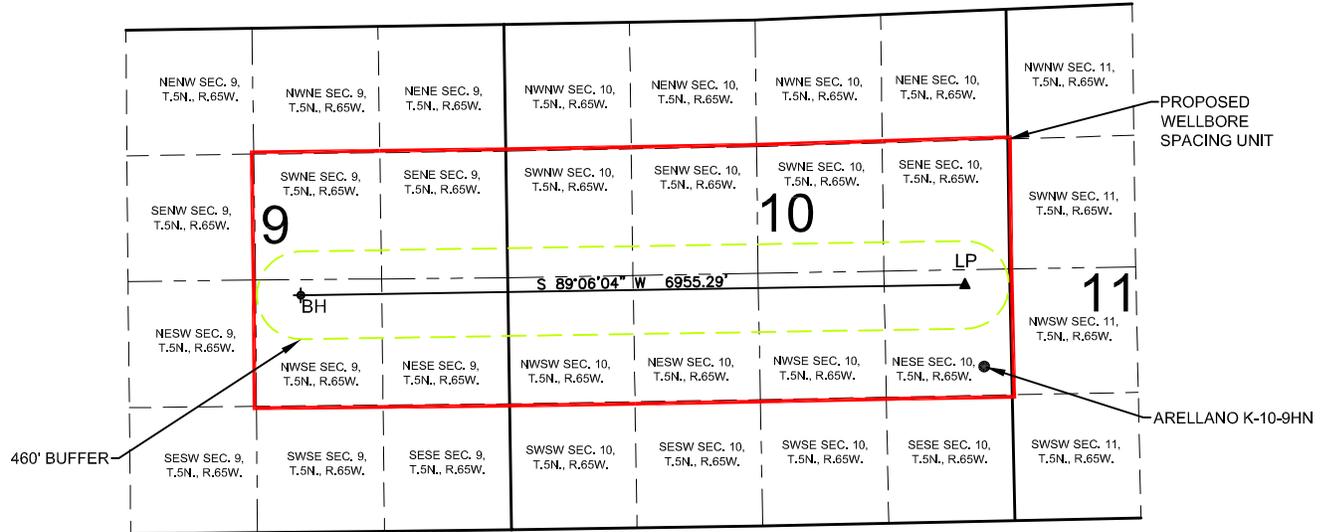
Enclosure: Proposed Spacing Unit Exhibit

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

-Aristotle

PROPOSED 318A.e. SPACING UNIT

SECTION 9 & 10, TOWNSHIP 5 NORTH, RANGE 65 WEST, 6TH P.M.



WELL **ARELLANO K-10-9HN** TO BE LOCATED 1621' FSL AND 287' FEL, SEC. 10, T5N, R65W

SURFACE LOCATION

NAD83
 LATITUDE= 40.411044°
 LONGITUDE= 104.641058°

LANDING POINT LOCATION

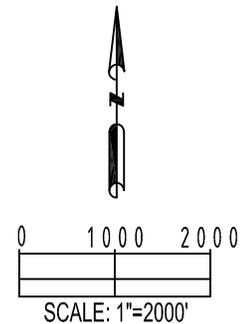
NAD83
 LATITUDE= 40.413397°
 LONGITUDE= 104.641750°

BOTTOM HOLE LOCATION

NAD83
 LATITUDE= 40.413279°
 LONGITUDE= 104.666727°

LEGEND

- = PROPOSED WELL LP = LANDING POINT
- ▲ = LANDING POINT BH = BOTTOM HOLE
- ◆ = BOTTOM HOLE



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|--|---------------------------|-------------------------------------|
| PREPARED BY: Petroleum Field Services, LLC 7535 Hilltop Circle Denver, CO 80221 | FIELD DATE: 06-25-14 | SURFACE LOCATION: NE 1/4 SE 1/4, |
| | DRAWING DATE: 08-22-14 | SEC. 10, T5N, R65W, 6TH P.M. |
| BY: TJR | CHECKED: WDW | WELD COUNTY, COLORADO |