



June 26, 2015

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
Hester Farms K-36HC: SWNW Section 31, Township 7 North, Range 66 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:

S½N½, N½S½ of Section 36, Township 7 North, Range 67 West
Containing 320.00 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.(6). 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 Bayswater 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 Hester Farms K-36HC 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

460' BUFFER

PROPOSED WELLBORE SPACING UNIT

HESTER FARMS K-36HC

HESTER FARMS L-36HN

Section 36: NENE SEC. 36, T.7N., R.67W.; NWNW SEC. 36, T.7N., R.67W.; NENW SEC. 36, T.7N., R.67W.; NWNE SEC. 36, T.7N., R.67W.; SENE SEC. 36, T.7N., R.67W.; SENW SEC. 36, T.7N., R.67W.; SWNE SEC. 36, T.7N., R.67W.; SWNW SEC. 36, T.7N., R.67W.; NESE SEC. 36, T.7N., R.67W.; NESW SEC. 36, T.7N., R.67W.; NWSW SEC. 36, T.7N., R.67W.; NENE SEC. 36, T.7N., R.67W.; SESE SEC. 36, T.7N., R.67W.; SWSE SEC. 36, T.7N., R.67W.; SWSW SEC. 36, T.7N., R.67W.

Section 35: NENE SEC. 35, T.7N., R.67W.; SENE SEC. 35, T.7N., R.67W.; NESE SEC. 35, T.7N., R.67W.; SESE SEC. 35, T.7N., R.67W.

Section 31: No. 1 SEC. 31, T.7N., R.66W.; No. 2 SEC. 31, T.7N., R.66W.; No. 3 SEC. 31, T.7N., R.66W.; No. 4 SEC. 31, T.7N., R.66W.

Section 36: S 89°14'28" W 4318.77' HESTER FARMS K-36HC; S 89°14'27" W 4319.18' HESTER FARMS L-36HN

Section 35: BHL

Section 36: LP

Section 31: LP

Section 36: 35 36 31

LEGEND

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PREPARED BY:

BY:
SMF

CHECKED BY:
TJN

SURFACE LOCATION:
LOT 2 NW 1/4, SEC. 31, T7N, R66W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR:

