

CERTIFIED/RETURN RECEIPT
7014 1200 0001 4154 2343



May 15, 2018

PDC Energy Inc.
1775 Sherman Street Suite 3000
Denver, Colorado 80203

**RE: COGCC Rule 317.s. Statewide Fracture Stimulation Setback
KTC Farms 35-A Pad: NWNW Section 35, Township 7 North, Range 66 West
Weld County, Colorado**

Ladies and Gentlemen:

Bayswater Exploration & Production, LLC (Bayswater) is applying to the Colorado Oil and Gas Conservation Commission (COGCC) to drill wells on the above referenced pad. COGCC Rule 317.s. stipulates that no portion of a proposed wellbore's treated interval shall be located within 150 feet from an existing (producing, shut-in, or temporarily abandoned) or permitted oil and gas wellbore's treated interval without the signed written consent from the operator of the encroached upon wellbore. As currently planned, the following well has treated intervals within 150 feet of the proposed horizontal well treated intervals:

Wilson 1-35 (API: 05-123-11540), 31' foot offset from KTC Farms B-35-36HC

Pursuant to Rule 317.s. the signed written consent shall be attached to the Application for Permit to Drill (APD) Form 2 for the proposed wellbore. The distance between wellbores measurement shall be based upon the directional survey for drilled wellbores and the deviated drilling plan for permitted wellbores, or as otherwise reflected in the COGCC well records. The distance shall be measured from the perforation or mechanical isolation device.

Per COGCC Rule 317.s., Bayswater is requesting operator consent of the encroached upon setback for the existing wells referenced above. Should you find this acceptable, please so indicate by executing this consent and returning to my attention or directly to Bayswater. If you should have any questions or require additional information, please do not hesitate contacting me at 303.928.7128 or via email at regulatory@ascentgeomatics.com. Thank you for your consideration of this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Justin Garrett", is written over a light blue circular stamp.

Justin Garrett
Regulatory Analyst
Agent for Bayswater Exploration & Production, LLC

:jg

Enclosures: Stimulation Setback Consent
Self-addressed stamped envelope
KTC Farms 35-A Pad Multi-Well Plan



PDC ENERGY INC

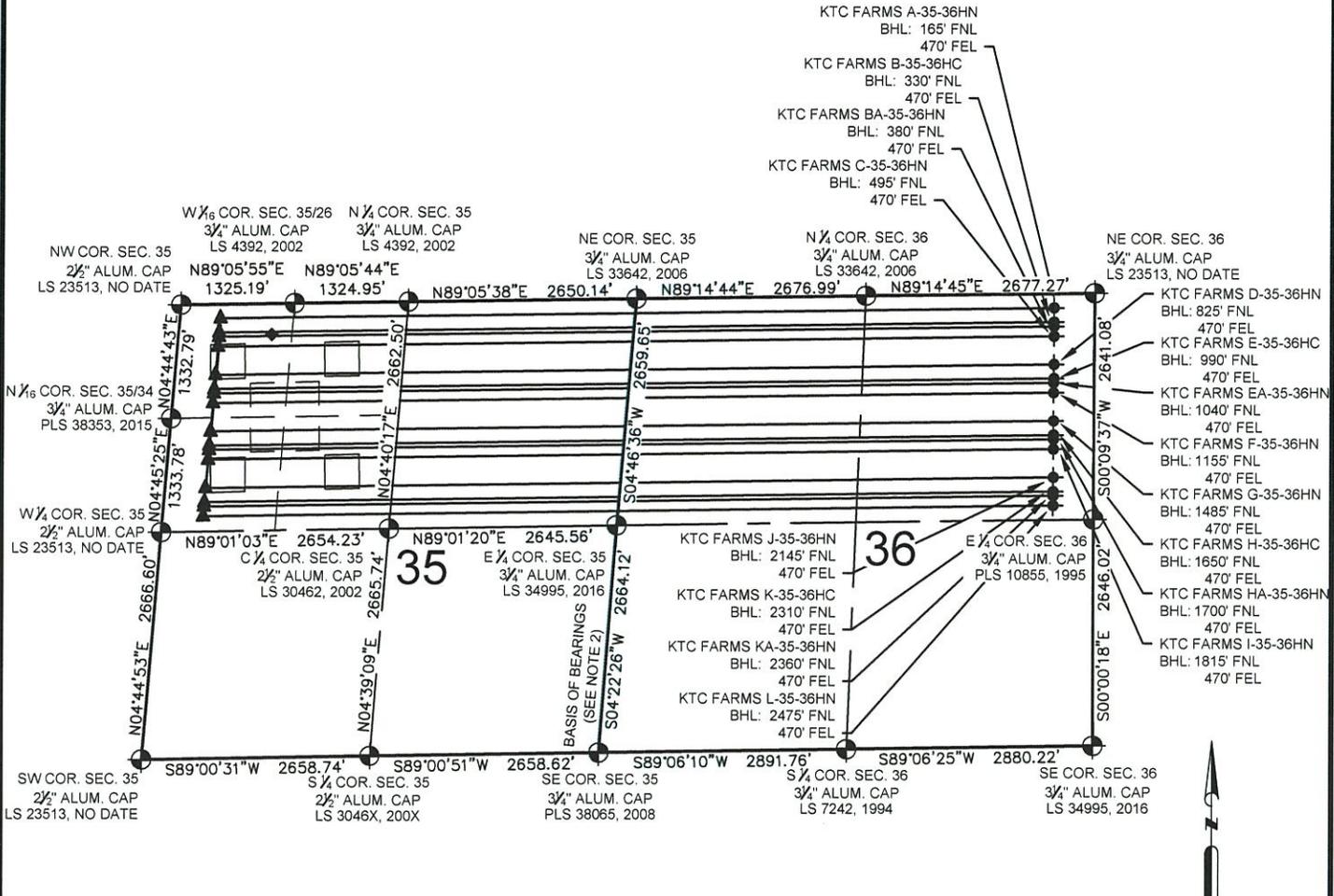
**RE: COGCC Rule 317.s. Statewide Fracture Stimulation Setback
KTC Farms 35-A Pad: NWNW Section 35, Township 7 North, Range 66 West
Weld County, Colorado**

I, Caleb A. Ring, acting as self, officer, agent or employee of PDC Energy Inc., operator of the Wilson 1-35 (API: 05-123-11540), with full power to execute the following, do hereby give consent to Bayswater Exploration & Production, LLC to stimulate KTC Farms B-35-36HC well within the COGCC Rule 317.s. Statewide Fracture Stimulation Setback.

Caleb A. Ring 05/22/2018
Signature Date

Caleb A. Ring
Printed Name

KTC FARMS 35-A PAD MULTI-WELL PLAN

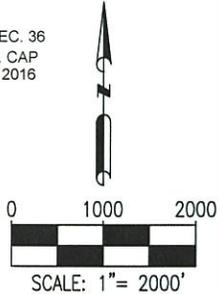


NOTES:

- KTC FARMS A-35-36HN TO BE AT 252' FNL & 465' FWL. BOTTOM HOLE AT 165' FNL & 470' FEL, SEC. 36.
- KTC FARMS B-35-36HC TO BE AT 267' FNL & 466' FWL. BOTTOM HOLE AT 330' FNL & 470' FEL, SEC. 36.
- KTC FARMS BA-35-36HN TO BE AT 282' FNL & 467' FWL. BOTTOM HOLE AT 380' FNL & 470' FEL, SEC. 36.
- KTC FARMS C-35-36HN TO BE AT 297' FNL & 469' FWL. BOTTOM HOLE AT 495' FNL & 470' FEL, SEC. 36.

NOTES:

- KTC FARMS D-35-36HN TO BE AT 312' FNL & 470' FWL. BOTTOM HOLE AT 825' FNL & 470' FEL, SEC. 36.
- KTC FARMS E-35-36HC TO BE AT 327' FNL & 472' FWL. BOTTOM HOLE AT 990' FNL & 470' FEL, SEC. 36.
- KTC FARMS EA-35-36HN TO BE AT 342' FNL & 473' FWL. BOTTOM HOLE AT 1040' FNL & 470' FEL, SEC. 36.
- KTC FARMS F-35-36HN TO BE AT 357' FNL & 475' FWL. BOTTOM HOLE AT 1155' FNL & 470' FEL, SEC. 36.
- KTC FARMS G-35-36HN TO BE AT 372' FNL & 476' FWL. BOTTOM HOLE AT 1485' FNL & 470' FEL, SEC. 36.
- KTC FARMS H-35-36HC TO BE AT 387' FNL & 477' FWL. BOTTOM HOLE AT 1650' FNL & 470' FEL, SEC. 36.
- KTC FARMS HA-35-36HN TO BE AT 402' FNL & 479' FWL. BOTTOM HOLE AT 1700' FNL & 470' FEL, SEC. 36.
- KTC FARMS I-35-36HN TO BE AT 417' FNL & 480' FWL. BOTTOM HOLE AT 1815' FNL & 470' FEL, SEC. 36.
- KTC FARMS J-35-36HN TO BE AT 432' FNL & 482' FWL. BOTTOM HOLE AT 2145' FNL & 470' FEL, SEC. 36.
- KTC FARMS K-35-36HC TO BE AT 447' FNL & 473' FWL. BOTTOM HOLE AT 2310' FNL & 470' FEL, SEC. 36.
- KTC FARMS KA-35-36HN TO BE AT 462' FNL & 485' FWL. BOTTOM HOLE AT 2360' FNL & 470' FEL, SEC. 36.
- KTC FARMS L-35-36HN TO BE AT 477' FNL & 486' FWL. BOTTOM HOLE AT 2475' FNL & 470' FEL, SEC. 36.



LEGEND

- ⊙ = EXISTING MONUMENT
- = CALCULATED POSITION
- = PROPOSED WELL
- ◆ = EXISTING WELL
- ⬤ = BOTTOM HOLE
- ▲ = LANDING POINT
- BHL = BOTTOM HOLE LOCATION

NOTES:

1. THIS FIELD SURVEY CONFORMS TO THE MINIMUM STANDARDS SET BY THE C.O.G.C.C., RULE NO. 215
2. BEARINGS ARE BASED ON THE ASSUMPTION THAT THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 35, BEARS S04°22'26\"/>

EX. WILSON 1-35 IS AT 362' FNL & 1088' FWL.

 <p>7535 Hilltop Circle Denver, CO 80221 (303) 923-7128 www.ascentgeomatics.com</p>	FIELD DATE: 06-01-17	SITE NAME: KTC FARMS 35-A PAD	PREPARED FOR:
	DRAWING DATE: 11-08-17	SURFACE LOCATION: NW 1/4 NW 1/4 SEC. 35 T7N, R66W, 6TH P.M. WELD COUNTY, COLORADO	
BY: DP	CHECKED: WDW		