



April 18, 2018

M & J Dairy, LLC
C/O Melvin & Joann Flaschenriem
3400 E. State Highway 60
Loveland, CO 80537

Re: COGCC Rule 318A.a.: Exception Location Waiver
& Rule 318A.c: Twinning Exception Location Waiver
Flaschenriem wells (1 thru 8): SENW Section 3, Township 4 North, Range 68 West, Weld County,
Colorado

Dear Mr. & Mrs. Flaschenriem:

Per the COGCC Rule 318A.a

GWA, GWA wells, GWA windows and unit designations. *The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6th P.M. In the GWA, operators may utilize the following described surface drilling locations ("GWA windows") to drill, twin, deepen, or recomplete a well ("GWA well") and to commingle any or all Cretaceous Age formations from the base of the Dakota Formation to the surface:*

- (1) A square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section ("400' window"); and,*
- (2) A square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section ("800' window").*

AND

Per the COGCC Rule 318A.c

c. Surface locations. *Prior to the approval of any Application for Permit-to-Drill submitted for a GWA well, the proposed surface well location shall be reviewed in accordance with the following criteria:*

- (1) A new surface well location shall be approved in accordance with Commission rules when it is less than fifty (50) feet from an existing surface well location.*
- (2) When the operator is requesting a surface well location greater than fifty (50) feet from a well (unless safety or mechanical considerations of the well to be twinned or topographical or surface constraints justify a location greater than fifty (50) feet), the operator shall provide a consent to the exception signed by the surface owner on which the well is proposed to be located in order for the Director to approve the well location administratively.*

The surface locations of Petro Operating Co., LLC (Petro) proposed wells have been staked outside of the COGCC Rule 318A.a. Greater Wattenberg Area (GWA) Drilling Window and are more than 50 feet from a well as in Rule 318A.c.



The surface locations of Petro's proposed wells have been staked outside of the COGCC Rule 318A.a. Greater Wattenberg Area (GWA) Drilling Window and are being permitted as exception locations. In addition, under the COGCC Rule 318A.c. any new well is to be located within 50 feet of an existing well. Petro's proposed wells are located greater than fifty feet from the nearest Oil & Gas well. Petro respectfully requests that you, as surface owner, waive rules 318A.a. & 318A.c. (Which you agreed to do in the Surface Use and Damage Agreement, Page 4, Itm 2.4a, last sentence) to expedite permitting of the referenced wells. Please sign and return one copy of this letter in the self-addressed stamped envelope provided herein.

Should you have any question or require additional information, please do not hesitate to contact me at (720)-420-5747.

Sincerely,

Paul Gottlob
Regulatory & Engineering Technician
Consultant to Petro Operating Co., LLC

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Enclosures: Copy of waiver letter to be signed and returned/Self-addressed stamped envelope



I/We/hereby accept waiver of COGCC Rules 318A.a. & 318A.c. as it applies to above referenced Petro Operating Co., LLC, Flaschenriem wells in the SENW of Section 3, Township 4 North, Range 68 West, 6th P.M.

Melvin & Joann Flaschenriem

Signed by:

Name:

Melvin Flaschenriem

Date:

5-5-18

Signed by:

Name:

Joann Flaschenriem

Date:

5-5-18