

# Robert L. Bayless, Producer LLC

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October 13, 2011

Colorado Oil and Gas Conservation Commission  
1120 Lincoln, Suite 801  
Denver CO 80203

Re: Waiver of COGCC Rule 318  
Well Name: Foundation Energy's 4A-18 well

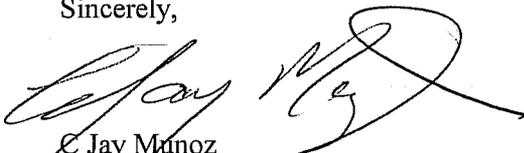
Dear Sirs:

Robert L. Bayless, Producer LLC has received a request asking it to waive Colorado Oil and Gas Conservation Commission Rule 318 as it pertains to an exception location for the captioned well. Bayless holds BLM lease COC58704 and operates the Weaver Ridge 13-16 well located in Township 1 South, Range 104 West Section 13: SESE.

Robert L. Bayless, Producer LLC has no objection to waiving this Rule and per this letter it is notifying the COGCC of that decision.

Thank you for considering Bayless' position in your decision to grant the location exception to Foundation Energy Company. You may reach me at (303) 382-0909, if you have any questions.

Sincerely,



Jay Minoz  
Land Manager

Cc: Joel Sauer  
Vice President  
Foundation Energy Company  
1900 Grant Street Suite 1120  
Denver, CO 80203