

1801 Broadway  
Suite 500  
Denver, Colorado 80202



Shannon Hartnett  
Regulatory Compliance  
Specialist  
Tel: 303.398.0351  
E-mail: shartnett@gwogco.com

December 10, 2013

Great Western Operating Company  
1801 Broadway, Suite 500  
Denver, CO 80202

Re: Schmunk EF 31-368HC  
Township 7 North, Range 65 West, 6<sup>th</sup> P.M.  
Section 31  
Weld County, Colorado

Dear Sir/Madam:

Great Western Operating Company is applying for a permit to drill the captioned horizontal well. Pursuant to Rule 318A.m, the COGCC requires that operators proposing horizontal wells obtain waivers from operators of wells within 150 feet of the proposed horizontal wellbore.

As currently planned, the wellbores of the following well(s) which are operated by Great Western Operating Company lie within 150 feet of the horizontal lateral of the captioned well:

**Schmunk 31-32 API # 05-123-25564**

If Great Western Operating Company is in agreement to waive the Rule 318A.m., please sign in the space provided below and return one original copy to the undersigned.

Respectfully,

A handwritten signature in blue ink that reads "Shannon Hartnett".

Shannon Hartnett  
Regulatory Compliance Specialist  
Great Western Operating Company, LLC

As operator of the above referenced well(s) lying within 150 feet of the wellbore of the above captioned well, Great Western Operating Company hereby waives the one hundred and fifty foot (150,) minimum intra-well distance as specified in COGCC Rule 318A.m.

Accepted and agreed to this 10 day of DECEMBER 2013

Great Western Operating Company

By:

Title: Sr. VP Operations

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December 10, 2013

COGCC  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

Re: Operator Request Letter to Rule 318A.m.  
Schmunk EF 31-368HC  
Township 7 North, Range 65 West, 6<sup>th</sup> P.M. Section 31  
Weld County, Colorado

Dear Director:

Great Western Operating Company is applying for a drilling permit for the above captioned well. As currently planned, the wellbore(s) of the following well(s) will lie within 150 feet of the horizontal lateral of the captioned well: **Schmunk 31-32 API # 05-123-25564**

Prior to drilling operations, the Operator will perform an anti-collision review of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision review may include MWD or gyro surveys and surface locations of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify BHL. The proposed well will only be drilled if the anti-collision review results indicate that the risk of collision is sufficiently low as defined by the anti-collision plan, with separation factors greater than 1.5, or if the risk of collision has been mitigated through other means including shutting in wells, plugging wells, increased drilling fluid in the event of lost returns or as is appropriate for the specific situation. In the event of an increased risk of collision, that risk will be mitigated to prevent harm to people, the environment or property. For the proposed well, upon conclusion of drilling operations, an as-constructed directional survey will be submitted to COGCC with the Form 5.

Rule 318A.m of the Colorado Oil and Gas Commission's Rules and Regulations does not allow horizontal wells to be drilled within 150' of other wells unless this requirement is waived by the Operator of the encroached upon well(s). Signed written waiver(s) of the encroached upon well(s) are attached to this request. Great Western Operating Company respectfully requests the Director to accept this Operator Request Letter to allow the above referenced well to be drilled within 150' of the well(s) listed above.

Sincerely,

A handwritten signature in blue ink that reads "Shannon Hartnett".

Shannon Hartnett  
Regulatory Compliance Specialist  
Great Western Operating Company, LLC