



CERTIFIED/RETURN RECEIPT REQUESTED:7014 1200 0001 4153 3792

7535 Hilltop Circle
Denver, CO 80221
www.petro-fs.com

August 22, 2014

Bayswater Exploration & Production, Inc.
730 17th Street, Suite 610
Denver, Colorado 80202

**RE: COGCC Rule 318A.m. Minimum Intrawell Distance
Westwind 5 Well: Lot25W Section 7, Township 6 North, Range 67 West
Weld County, Colorado**

Ladies and Gentlemen:

Extraction Oil & Gas, LLC (Extraction) is applying to the Colorado Oil and Gas Conservation Commission (COGCC) to drill the above referenced well at the described location. COGCC rule 318A.m. stipulates that no lateral shall encroach within 150 feet from an existing wellbore, unless the operator of the existing wellbore waives this requirement. As currently planned, the following well is within 150 feet of the proposed horizontal:

1. Staley 10-7 (API: 05-123-38261), 95 foot offset from Westwind 5

Prior to drilling operations, Extraction 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 well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Extraction may have gyro surveys conducted to verify bottomhole location. 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. 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 the COGCC with the Form 5.

Per COGCC rule 318A.m. Extraction is requesting operator approval for the waiver of said rule for the existing Staley 25-7 wellbore. Should you find this acceptable, please indicate by executing this waiver and returning to my attention in the self-addressed stamped envelope provided herein.

We are what we repeatedly do. Excellence, then, is not an act, but a habit.

-Aristotle

Bayswater Exploration & Production, Inc.
August 22, 2014
Page 2



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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@petro-fs.com. Thank you for your consideration of this matter.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jeff Annable".

Jeff Annable
Regulatory Technician
Agent for Extraction Oil & Gas, LLC

:ja

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

BAYSWATER EXPLORATION & PRODUCTION, INC.

**RE: COGCC Rule 318A.m. Minimum Intrawell Distance
Westwind 5 Well: Lot2SW Section 7, Township 6 North, Range 67 West
Weld County, Colorado**

I, Joe Richardson, acting as self, officer, agent or employee of Bayswater Exploration & Production, Inc., operator of the above described existing Staley 10-7 wellbore, with full power to execute the following do hereby grant Extraction Oil & Gas, LLC a waiver of COGCC Rule 318A.m. granting that this well may be drilled as planned.

A handwritten signature in black ink, appearing to read "Joe Richardson".

Signature

9/19/14

Date

Joe Richardson

Printed Name

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-Aristotle