

PETERSON ENERGY
A DIVISION OF IPT



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03/21/13

VIA ELECTRONIC TRANSMISSION

James Pulis Trust and Carolee Pulis Trust
15295 Colorado Blvd
Brighton CO 80602

RE: Rule 318A.a and 318A.c Exception Location Waiver

PICO Niobrara, LLC eight (8) well Afton Pad: Afton 12-16H-1, Afton 12-16H-2, Afton 12-16H-3, Afton 12-16H-4, Afton 12-16H-5, Afton 12-16H-6, Afton 12-16H-7, Afton 12-16H-8: SESE Sec. 12-T15-R68W, Adams County, Colorado

Dear Ms. Pulis,

PICO Niobrara, LLC (PICO) is applying to the Colorado Oil and Gas Conservation Commission (COGCC) to drill the above referenced wells at the described surface locations. Colorado Oil and Gas Conservation Commission Rule 318A.c stipulates that a Greater Wattenberg Area (GWA) well surface location shall not be greater than 50' from an existing well. The window is currently occupied by the Schneider Energy Services Darlow Unit #12-16B and Pulis #12-8 wells. As planned, these well surface locations are greater than 50' from an existing well, the closest being approximately 80' from the Pulis #12-8 well.

Per COGCC rules PICO is required to get surface owner approval of this location and a waiver of said Rule 318A.c. The wells are spotted as above in order to minimize surface disturbance while complying with your wishes and meeting the applicable setback criteria.

Should you find this acceptable please indicate so by signing the below section and returning the signed letter. Please contact the undersigned at (303) 216-0703, (720) 560-2700, or cdoke@iptengineers.com with any questions.

Sincerely,

Clayton L. Doke
Senior Engineer
Peterson Energy, a Division of IPT
Consultants to Tekton Windsor, LLC

I, Carolee Pulis,

officer, agent, or employee of James Pulis Trust and Carolee Pulis Trust, surface owner of the above described lands, with full power to execute the following, do hereby approve of the PICO Niobrara, LLC Afton wells as listed above on said lands in SESE Section 12 T15-R68W and grant a waiver COGCC Rule 318A.c granting that these wells may drilled as planned.

Signed _____ this 18th day of June, 2013

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