



June 1, 2015

Siting Rationale for Schneider North and Schneider South

Submitted in support of locations governed by COGCC Rule 604.c.(2)E.i. (to locate oil and gas facilities as far as possible from building units).

The rationale behind the location of Great Western's Schneider-North and Schneider-South drill pads and production facilities is as follows:

1. The Schneider's (fee surface owners) requested that Great Western consolidate the production facilities on the proposed south pad to minimize the surface disturbance on their private property. There is an existing single well pad to the north that will be directly adjacent to the proposed North Schneider pad. The Schneider's are aware of this single well pad and accounted for this single well pad in their request that Great Western location the production facilities on the proposed south pad.
2. The surface property is currently used as farmland and the two proposed locations are the least intrusive to current and future farming operations. Great Western does not intend to locate any production facilities to the East of the proposed locations as any such facilities would be against the Schneider's requests and would be located in the middle of active farmed agricultural land.
3. The only Building Unit located within 1000' of the facilities pad (which is 534' from the proposed locations) is owned by the Schneider's.
4. Such building Unit is not the Schneider's permanent residence. Their permanent dwelling is located approximately 1.5 miles to the North of HWY 60.
5. From a technical and engineering standpoint, the locations of the drill pads must be located on the West side of Section 7-4N-66W, because the minerals being developed are all in Section 12 and Section 11, 4N-67W, requiring a two-mile lateral for each well bore.
6. Further contributing to the location selections is the fact that Noble Energy owns the leasehold rights under the Schneider property, and they are currently developing those minerals from well pads originating on the east side of Section 8-4N-66W. Locating Great Western's wells as far to the west as possible will minimize collision issues with current or future wells that Noble may propose to drill in Section 8.

Sincerely,

Great Western Operating Company, LLC