



January 4, 2016

Mr. Matt Lepore, Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

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

**RE: COGCC Rule 318A.e.: Proposed Spacing Unit
Schneider W-31-36HC Well: SESE Section 31, Township 7 North, Range 66 West
Weld County, Colorado**

Dear Mr. Lepore:

Bayswater Exploration & Production, LLC (Bayswater) is planning to drill the above referenced well in accordance with the provisions set out in Colorado Oil and Gas Conservation Commission (COGCC) Rule 318A.e. Bayswater's Proposed Spacing Unit consists of:

S½S½ of Section 31, Township 7 North, Range 66 West
N½N½ of Section 6, Township 6 North, Range 66 West
S½S½ of Section 36, Township 7 North, Range 67 West
N½N½ of Section 1, Township 6 North, Range 67 West
Containing 640.00 acres, more or less

Bayswater is not the only owner within the Proposed Spacing Unit and has provided notice to the remaining owners, as required by COGCC Rule 318A.e.(6). Copies of the required notification letters are on file at Bayswater's office. The required thirty (30) day notice period has elapsed absent the receipt by Bayswater of any objection to their proposal by the owners within the Proposed Spacing Unit for the subject well.

Enclosed is the Proposed Spacing Unit Exhibit to assist in your review and approval of Bayswater's proposed Application for Permit to Drill for the Schneider W-31-36HC Well. Many thanks for your attention to this matter.

Respectfully,

Jeff Annable
Regulatory Analyst
Agent for Bayswater Exploration & Production, LLC

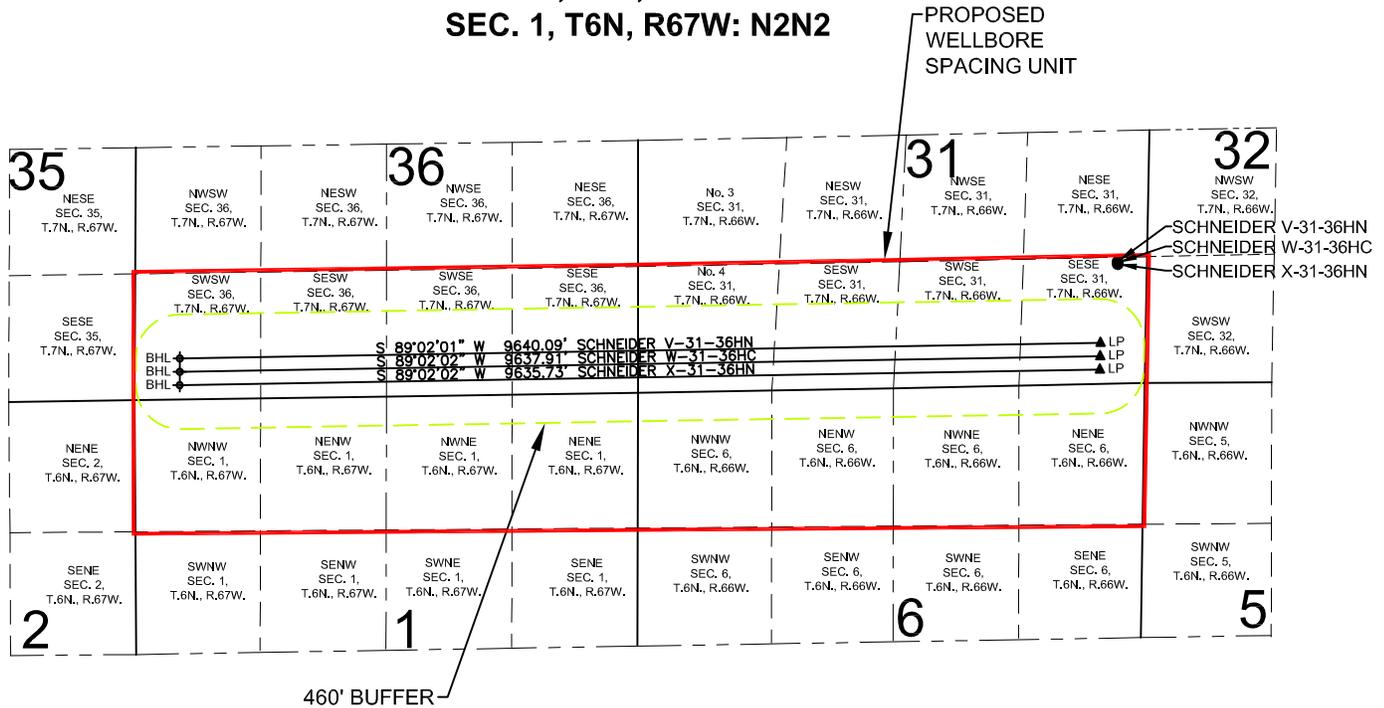
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Enclosure: Proposed Spacing Unit Exhibit

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

-Aristotle

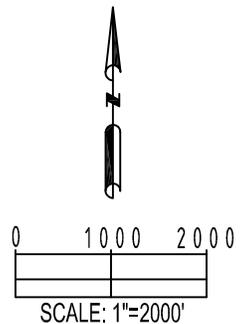
**SCHNEIDER 31-L PAD
 PROPOSED 318A.e. SPACING UNIT
 SEC. 31, T7N, R66W: S2S2
 SEC. 6, T6N, R66W: N2N2
 SEC. 36, T7N, R67W: S2S2
 SEC. 1, T6N, R67W: N2N2**



WELL **SCHNEIDER V-31-36HN** TO BE LOCATED 1280' FSL AND 304' FEL, SEC. 31, T7N, R66W
 WELL **SCHNEIDER W-31-36HC** TO BE LOCATED 1265' FSL AND 304' FEL, SEC. 31, T7N, R66W
 WELL **SCHNEIDER X-31-36HN** TO BE LOCATED 1250' FSL AND 304' FEL, SEC. 31, T7N, R66W

LEGEND

- = PROPOSED WELL
- ▲ = LANDING POINT
- ◆ = BOTTOM HOLE
- SHL = SURFACE HOLE
- LP = LANDING POINT
- BHL = BOTTOM HOLE



PREPARED BY:



FIELD DATE:
07-29-15

DRAWING DATE:
08-12-15

BY:
SNC

CHECKED BY:
JLG

SITE NAME:

SCHNEIDER 31-L PAD

SURFACE LOCATION:

NE 1/4 SE 1/4 SEC. 31, T7N, R66W, 6TH P.M.
 WELD COUNTY, COLORADO

PREPARED FOR:

