



Upstream

Petroleum Management, Inc.

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Englewood, CO 80112
phone 303.942.0506
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Sharp AC Land LLC
9378 S. Star Hill Cir.
Lone Tree, CO 80124

January 25, 2017

RE: Rule 318.A.a Exception Location Waiver
Ward Petroleum Corporation
Sharp Wellpad
Sec.24 T1S R67W
Adams County, Colorado
Surface: Fee
Mineral Lease: Fee

Dear Mr. Sharp:

Ward Petroleum Corporation (Ward) intends to apply to the Colorado Oil and Gas Conservation Commission (COGCC) to drill the above referenced wells at the described surface locations. COGCC Rule 318.A.a stipulates that a Greater Wattenberg Area (GWA) well surface location must be within a 400' by 400' drilling window centered at the center of each quarter-quarter section, or inside a 800' by 800' drilling window centered at the center of each quarter section. The above referenced wells fall outside of these drilling windows. As you are aware, the surface locations were chosen in concurrence with your wishes, as the surface owner, and due to topography.

Per COGCC Rules, Ward is required to obtain surface owner approval of these locations as they do not conform to COGCC GWA Rules. Should you find these exceptions acceptable, please sign the space provided below.

By approving this matter, we anticipate COGCC granting Ward a location exception waiver to Rule 318A.a and Rule 318A.c allowing the location to be outside the COGCC GWA spacing rules.

Please contact Andrea Gross at 303-942-0506 or at agross@upstreampm.com if you have any questions.

Sincerely,

Andrea Gross
Permit Agent for Ward Petroleum Corporation

By signing below, you acknowledge the agreed upon surface location of the well locations as staked and grant the waiver to COGCC Rule 318A.a granting that these wells may be drilled as planned.

Sign:

Mr. Lyle Sharp

Date:

1-28-2017

Your Assets / Our Expertise

- Regulatory
- Storm-water Management Plans
- Project Coordination
- Permitting
- Government Relations
- EA/EIS Assistance