



CRESTONE PEAK
RESOURCES

May 18, 2017

Kiyota Properties LLC
11964 County Road 21 ½
Fort Lupton, CO 80621-9641

RE: Waiver of Rule 318A.a.(1)

<u>Well names</u>	<u>Surface Location</u>	<u>From South Line</u>	<u>From East Line</u>
Kiyota 4M-35H-O367		452'	1439'
Kiyota 4N-35H-O367		452'	1429'
Kiyota 4O-35H-O367		452'	1419'

ALL ABOVE WELLS ARE MEASURE FROM:

Township 3 North, Range 67 West
Section 35
Weld County, Colorado

To Whom It May Concern:

Crestone Peak Resources Holdings LLC ("Crestone") staked the Kiyota 4M thru 4O wells at a surface locations as notated above (survey plats attached). These wells are being drilled under the rules and regulations of the Colorado Oil and Gas Conservation Commission's ("COGCC") Rule 318A known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. This rule states that all boundary infill wells be drilled from the same surface locations as previously designated in Rule 318A.a.(1) which reads:

"The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6th P.M. In the GWA, operators may utilize the following described surface drilling locations (GWA windows") to drill, twin, deepen, or recompleat a well (GWA well") and to commingle any or all of the Cretaceous Age formations from the base of the Dakota Formation to the surface:

- (1) A square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section ("400' window");

The Kiyota wells were staked east of the defined (400') window. As this location was staked with your consent and approval, Crestone respectfully requests your consent to an exception location for these wells by waiver of the COGCC Rule 318A.a.(1).

10188 East I-25 Frontage Road

Firestone, Colorado 80504

Direct: 303.774.3982 Email: bob.bresnahan@crestonepr.com

www.crestonepeakresources.com



Kiyota Properties LLC
Rule 318A.a.(1)waiver
May 18, 2017
Page 2 of 2

If this meets with your approval, please sign and date both originals of this letter, keeping one for your files and returning one to the undersigned.

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE KIYOTA WELLS AND APPROVES THE SURFACE LOCATION OF THE WELLS AS NOTATED BELOW.

<u>Well names</u>	<u>Surface Location: From South Line</u>		<u>From East Line</u>
Kiyota 4M-35H-O367	452'		1439'
Kiyota 4N-35H-O367	452'		1429'
Kiyota 4O-35H-O367	452'		1419'

Township 3 North, Range 67 West
Section 35
Weld County, Colorado


Name: _____

Title: manager of Kiyota Properties LLC

Thank you for your time and consideration in this matter. Please feel free to contact me if you have any questions or comments

Respectfully,

Bob Bresnahan
Land Negotiator – RPL
Crestone Peak Resources Holdings LLC

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Firestone, Colorado 80504
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CRESTONE PEAK
RESOURCES

May 18, 2017

Kiyota Properties LLC
11964 County Road 21 ½
Fort Lupton, CO 80621-9641

RE: Twinning Location Exception – Waiver Rule 318A.c.(2)

<u>Well names</u>	<u>Surface Location</u>	<u>From South Line</u>	<u>From East Line</u>
Kiyota 4M-35H-O367		452'	1439'
Kiyota 4N-35H-O367		452'	1429'
Kiyota 4O-35H-O367		452'	1419'

ALL ABOVE WELLS ARE MEASURE FROM:

Township 3 North, Range 67 West

Section 35

Weld County, Colorado

To Whom It May Concern:

Crestone Peak Resources Holdings LLC (“Crestone”) staked the Kiyota 4M thru 4O wells at a surface locations as notated above (survey plats attached). These wells are being drilled under the rules and regulations of the Colorado Oil and Gas Conservation Commission’s (“COGCC”) Rule 318A known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. Rule 318A.c.(1) states:

“A new surface well location shall be approved in accordance with Commission rules when it is less than fifty (50) feet from an existing surface well location.”

Rule 318A.c.(2) states:

“When the operator is requesting a surface well location greater than fifty (50) feet from a well (unless safety or mechanical considerations of the well to be twinned or topographical or surface constraints justify a location greater than fifty (50) feet), the operator shall provide a consent to the exception signed by the surface owner on which the well is proposed to be located in order for the Director to approve the well location administratively.”

The wells were staked at locations between 583' and 595' away from the nearest existing well located in the same drilling window. As this location was staked greater than fifty (50) feet from the existing well, Crestone respectfully requests your consent to an exception location for these wells per COGCC Rule 318A.c.(2).

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CRESTONE PEAK
RESOURCES

Kiyota Properties LLC
Rule 318A.c.(2) waiver
May 18, 2017
Page 2 of 2

If this meets with your approval, please sign and date both originals of this letter, keeping one for your files and returning one to the undersigned.

THE UNDERSIGNED SURFACE OWNER HEREBY CONSENTS TO THE EXCEPTION LOCATION PER RULE 318A.c.(2) AS IT APPLIES TO THE SURFACE LOCATION OF THE KIYOTA WELLS AND APPROVES THE SURFACE LOCATION OF THE WELLS AS NOTATED BELOW.

<u>Well names</u>	<u>Surface Location: From South Line</u>	<u>From East Line</u>
Kiyota 4M-35H-O367	452'	1439'
Kiyota 4N-35H-O367	452'	1429'
Kiyota 4O-35H-O367	452'	1419'

Township 3 North, Range 67 West
Section 35
Weld County, Colorado


Name: _____

Title: manager of Kiyota Properties LLC

Thank you for your time and consideration in this matter. Please feel free to contact me if you have any questions or comments

Respectfully,

Bob Bresnahan
Land Negotiator – RPL
Crestone Peak Resources Holdings LLC

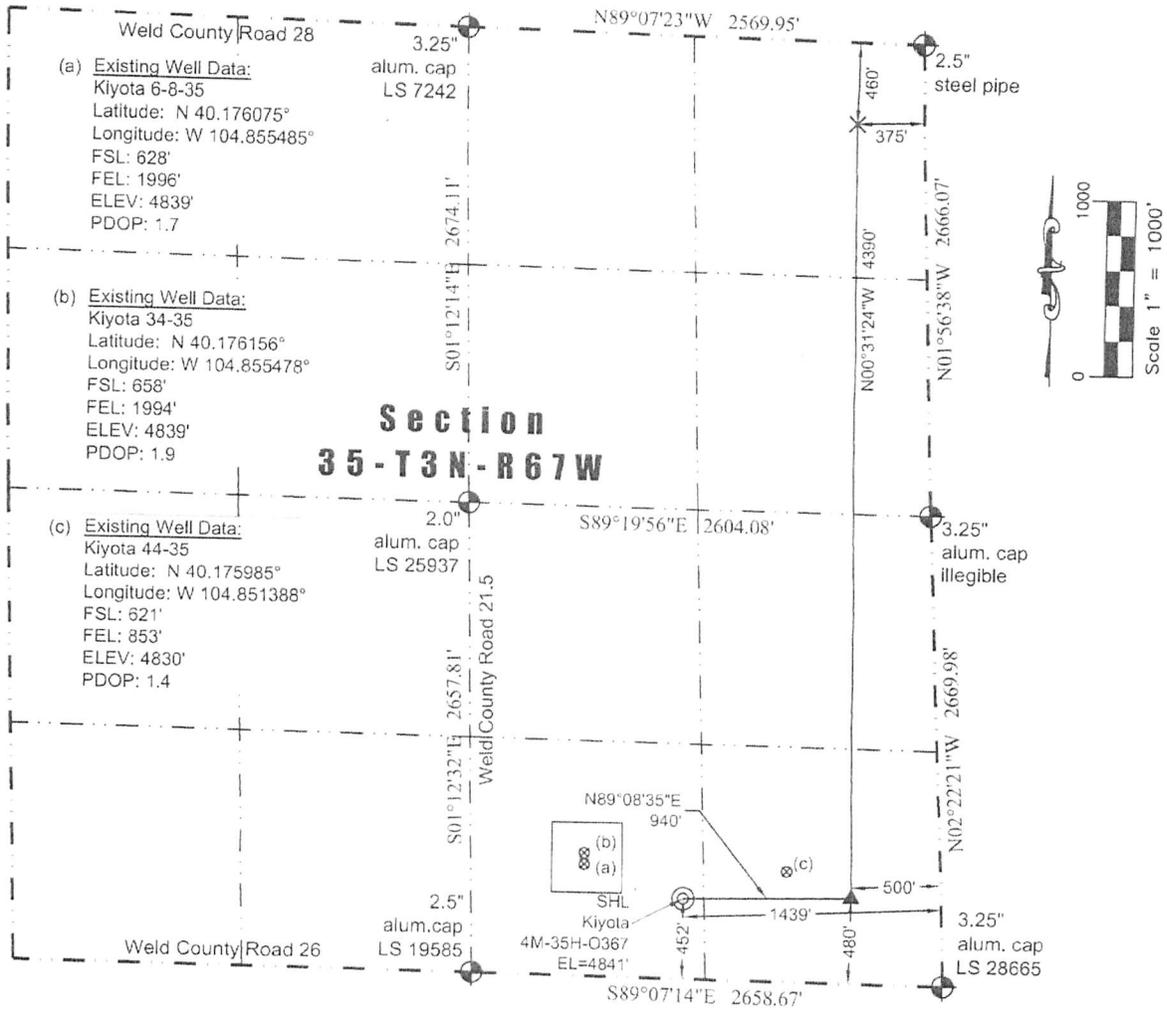
10188 East I-25 Frontage Road
Firestone, Colorado 80504
Direct: 303.774.3982 Email: bob.bresnahan@crestonepr.com
www.crestonepeakresources.com



WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY

Washburn Land Surveying
www.WashburnSurveying.com
970-232-9645



In accordance with a request from Jay Knutson of Crestone Peak Resources, Washburn Land Surveying, LLC has determined the location of the **Kiyota 4M-35H-O367** well site to be SHL: 452' FSL and 1439' FEL, (TPZ: 480' FSL and 500' FEL), (BHL: 460' FNL and 375' FEL), as measured at ninety (90) degrees from the section lines of Section 35, Township 3 North, Range 67 West of the 6th Principal Meridian, Weld County Colorado.

Nearest:
Building Unit: 1,050' west
Building: 360' south
Above Ground Utility: 472' southwest
Public Road: 1,197' west
Railroad: +5,280'
Property Line: 452' south
Well Window: SHL is 351' outside
High Occupancy Building Unit: +5,280'
Existing Well: Kiyota 6-8-35, 595' northwest
Designated Outside Activity Area +5,280'

Proposed Well Data:
Latitude: (SHL: N 40.175554°)
(TPZ: N 40.175574°)
(BHL: N 40.187325°)
Longitude: (SHL: W 104.853467°)
(TPZ: W 104.850104°)
(BHL: W 104.850132°)
PDOP: 1.4

LEGEND

- ⊗ - Existing Well
- ⊕ - Found Survey Monument
- (c) - Calculated Dimension
- ⊙ - Surface Hole Location (SHL)
- ▲ - Top of Producing Zone (TPZ)
- × - Bottom Hole Location (BHL)

- Notes:
- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinate, using RTK GPS observations taken 4/25/2017 by operator Jason Dahlman.
 - 2) Conversion factor to ground (1.0002746380).
 - 3) Elevations based on NAVD 88 GPS heights and Geoid 2009 corrections.
 - 4) See Location Drawing for visible improvements within 500 feet of Pad Site.
 - 5) The surface use is a cultivated field.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification shown herein.

I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 5/1/2017 for and on behalf of Crestone Peak Resources. That it is not a Land Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

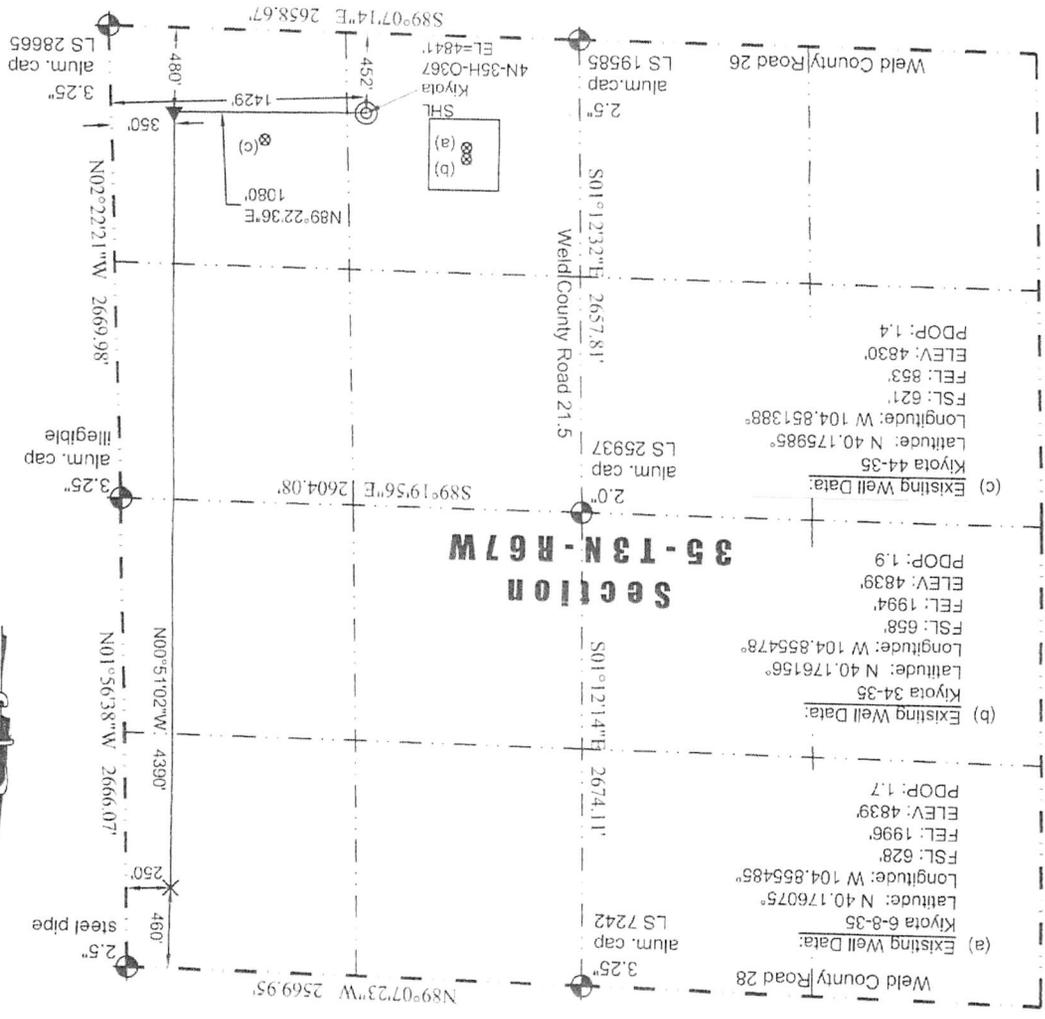
John Robert McCahee LS#38219
Well: Kiyota 4M-35H-O367 WLC



WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY

Washburn Land Surveying
 www.WashburnSurveying.com
 970-232-9645



- LEGEND**
- ⊗ Existing Well
 - ⊕ Found Survey Monument
 - (c) Calculated Dimension
 - ⊙ Surface Hole Location (SHL)
 - ▲ Top of Producing Zone (TPZ)
 - × Bottom Hole Location (BHL)

In accordance with a request from Jay Knudson of Crestone Peak Resources, Washburn Land Surveying, LLC has determined the location of the **Kiyota 4N-35H-0367** well site to be SHL: 452' FSL and 1429' FEL, (TPZ: 480' FSL and 350' FEL), (BHL: 460' FNL and 250' FEL), as measured at ninety (90) degrees from the section lines of Section 35, Township 3 North, Range 67 West of the 6th Principal Meridian, Weld County Colorado.

Proposed Well Data:

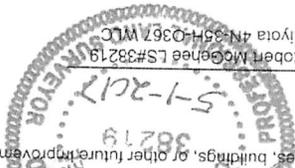
Latitude: (SHL: N 40.175554°)
 (TPZ: N 40.175565°)
 (BHL: N 40.187617°)
 Longitude: (SHL: W 104.853432°)
 (TPZ: W 104.849566°)
 (BHL: W 104.849685°)
 PDOP: 1.4

Nearest:
 Building Unit: 1,060' west
 Building: 361' south
 Above Ground Utility: 476' southwest
 Public Road: 1,207' west
 Railroad: +5,280'
 Property Line: 452' south
 Well Window: SHL is 361' outside
 High Occupancy Building Unit: +5,280'
 Existing Well: Kiyota 44-35, 592' northeast
 Designated Outside Activity Area +5,280'

- Notes:**
- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinate.
 - 2) Conversion factor to ground (1.0002746380).
 - 3) Elevations based on NAVD 88 GPS heights and Geoid 2009 corrections.
 - 4) See Location Drawing for visible improvements within 500 feet of Pad Site.
 - 5) The surface use is a cultivated field.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification shown herein.

I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 5/1/2017 for and on behalf of Crestone Peak Resources. I have no interest in the Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

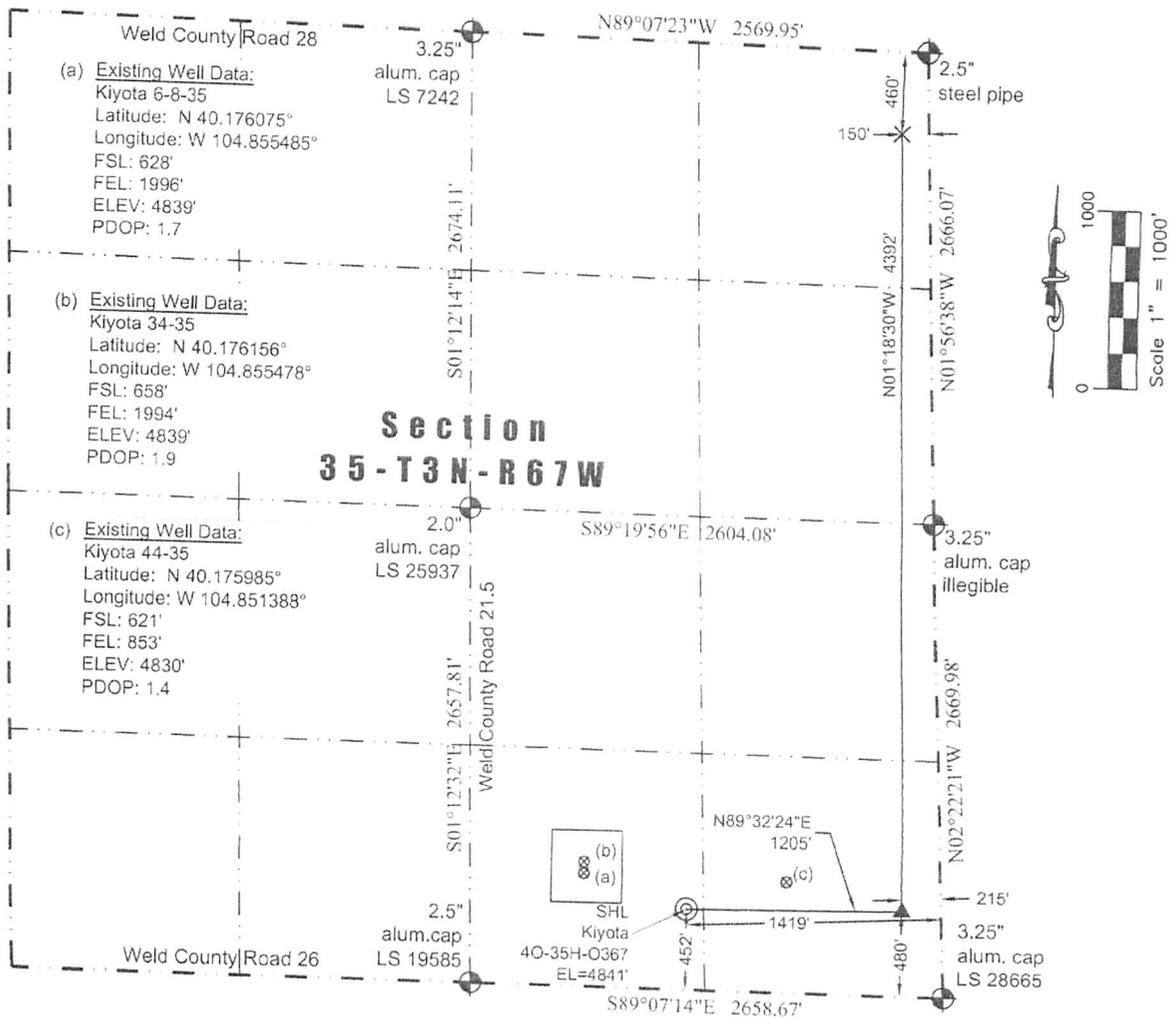




WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY

Washburn Land Surveying
www.WashburnSurveying.com
970-232-9645



In accordance with a request from Jay Knutson of Crestone Peak Resources, Washburn Land Surveying, LLC has determined the location of the **Kiyota 40-35H-O367** well site to be SHL: 452' FSL and 1419' FEL, (TPZ: 480' FSL and 215' FEL), (BHL: 460' FNL and 150' FEL), as measured at ninety (90) degrees from the section lines of Section 35, Township 3 North, Range 67 West of the 6th Principal Meridian, Weld County Colorado.

Nearest:
 Building Unit: 1,070' west
 Building: 361' south
 Above Ground Utility: 480' southwest
 Public Road: 1,217' west
 Railroad: +5,280'
 Property Line: 452' south
 Well Window: SHL is 371' outside
 High Occupancy Building Unit: +5,280'
 Existing Well: Kiyota 44-35, 583' northeast
 Designated Outside Activity Area +5,280'

Proposed Well Data:
 Latitude: (SHL: N 40.175554°)
 (TPZ: N 40.175556°)
 (BHL: N 40.187611°)
 Longitude: (SHL: W 104.853396°)
 (TPZ: W 104.849083°)
 (BHL: W 104.849326°)
 PDOP: 1.4

I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 5/1/2017 for and on behalf of Crestone Peak Resources. This is not a Land Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

38219
5-1-2017
SURVEYOR

John Robert McGehee LS#38219
Well: Kiyota 40-35H-O367 WLC

- Notes:**
- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinate, using RTK GPS observations taken 4/25/2017 by operator Jason Dahlman.
 - 2) Conversion factor to ground (1.0002746380).
 - 3) Elevations based on NAVD 88 GPS heights and Geoid 2009 corrections.
 - 4) See Location Drawing for visible improvements within 500 feet of Pad Site.
 - 5) The surface use is a cultivated field.

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