



March 28, 2018

SENT VIA CERTIFIED &/or E- MAIL

PDC Energy, Inc
1775 Sherman Street, Suite 3000
Denver, CO 80203

**RE: COGCC Rule 317.s: Statewide Fracture Stimulation Setback
EAST AULT O-18-19HN & EAST AULT V-18-19HN Wells
NWNE Section 18, Township 7 North, Range 65 West
Weld County, Colorado**

Dear PDC Energy Inc,

Bayswater Exploration & Production, LLC is planning to drill and operate the above referenced north-south trending horizontal wells. According to **Rule 317 General Drilling Rules, part s Statewide Fracture Stimulation Setback:**

(1) No portion of a proposed wellbore's treated interval shall be located within 150 feet of an existing (producing, shut-in, or temporarily abandoned) or permitted oil and gas wellbore's treated interval belonging to another operator without the signed written consent of the operator of the encroached upon wellbore. The signed written consent shall be attached to the Application for Permit-to-Drill, Form 2 for the proposed wellbore.

(2) The distance between wellbores measurement shall be based upon the directional survey for drilled wellbores and the deviated drilling plan for permitted wellbores, or as otherwise reflected in the COGCC well records. The distance shall be measured from the perforation or mechanical isolation device.

The above referenced proposed **EAST AULT O-18-19HN & EAST AULT V-18-19HN** wells do fall within 150' of PDC Energy, Inc wells listed here as: MAPELLI #1 (API 05-123-11179) & MAPELLI #2 (API 05-123-11422). Calculated distances from the proposed wells to your wells are:

1. **EAST AULT O-18-19HN to MAPELLI #1 = 119.49'**
2. **EAST AULT V-18-19HN to MAPELLI #2 = 147.11'**

With this letter Bayswater Exploration & Production, LLC respectfully requests PDC Energy Inc's Consent to having a treated interval within 150' in accordance with 317.s and below is a Consent signature page for your convenience.

Thanks very much!

Respectfully,

Paul Gottlob
NEW IPT, Inc
Agents for Bayswater Exploration & Production LLC
Phone: (720) 420-5747
paul.gottlob@iptenergyservices.com



Rule 317 General Drilling Rules, part s Statewide Fracture Stimulation Setback:

Stimulation Setback Consent for the

EAST AULT O-18-19HN & EAST AULT V-18-19HN Wells to be located in the

NWNE Section 18, Township 7 North, Range 65 West

Weld County, Colorado

I, Caleb A. Ring (print name), acting as self or agent of PDC Energy Inc, owner of the offset wells within the 150' Fracture Stimulation Setback, with full power to execute the following, do hereby agree with the Stimulation Setback Consent to having a treated interval within 150' in accordance with 317.s of our operated wells and the wells proposed by Bayswater Exploration & Production, LLC.

Signed

Date

03/28/2018