

August 27, 2018

Ms. Julie Murphy, Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: COGCC Rule 318A.e.: Proposed Spacing Unit
Sheley 4H-M267 Pad: SWSW Section 4, T2N, R67W
Proposed Wells: [Sheley 3D-4H-M267, 401737728; Sheley 3E-4H-M267, 401737730; Sheley 3F-4H-M267, 401737731; Sheley 3G-4H-M267, 401737734; Sheley 3H-4H-M267, 401737732]
Weld County, Colorado

Dear Director Murphy:

Crestone Peak Resources Operating LLC (CPR) is planning to drill the above referenced well(s) in accordance with the provisions of COGCC Rule 318A.e(6). CPR's proposed spacing unit configuration consists of:

Township 2 North, Range 67 West
S2 of Section 4
E2SE of Section 5

Containing 400 acres, more or less for the Niobrara and Codell formations

CPR is not the only owner within the proposed spacing unit, and as such provided notice to the remaining owner(s) within said proposed spacing unit as required under COGCC Rule 318A.e(6). The required thirty (30) day notice period has elapsed absent the receipt by CPR of an objection to said proposal by the owner(s) within the Proposed Spacing Unit for the subject well.

Enclosed is a copy of the map illustrating the proposed wellbore spacing unit to assist you in your review of the proposed Application for Permit to Drill for the **Sheley** Well(s).

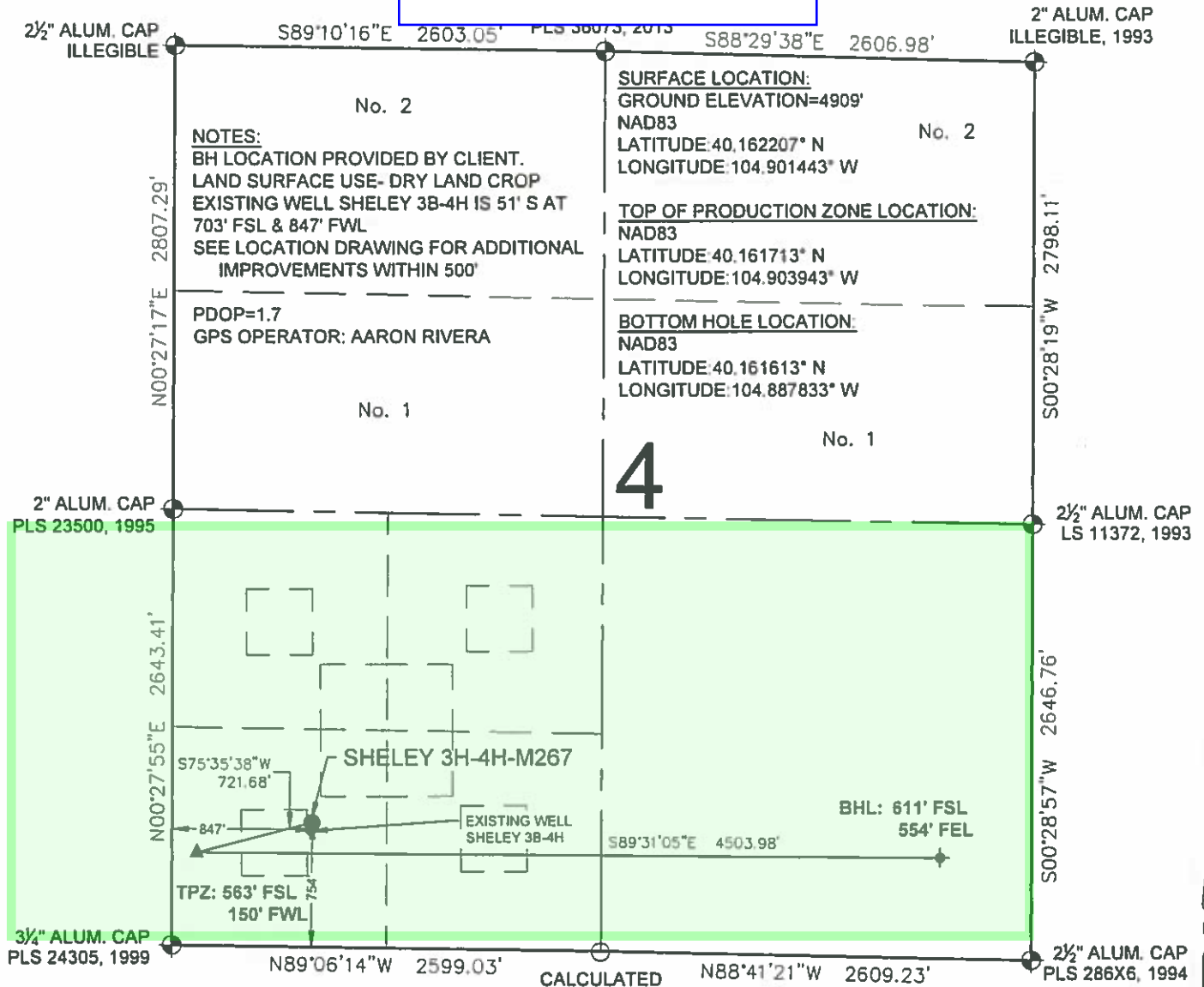
Crestone Peak Resources respectfully requests that the COGCC review the enclosed information and approve the Application for Permit to Drill the captioned well. Many thanks for your time and attention to this matter.

Respectfully,

Toby Sachen
Contract Regulatory Specialist

Enclosure: Proposed Spacing Unit Exhibit

SHELEY 3H-4H-M267 SPACING UNIT
TOWNSHIP 2 NORTH, RANGE 67 WEST
SEC. 4: S/2; SEC. 5: E2SE



LEGEND

- = EXISTING MONUMENT
- = CALCULATED POSITION
- = PROPOSED WELL
- ◆ = EXISTING WELL
- ◆ = BOTTOM HOLE
- ▲ = TOP OF PRODUCTION ZONE
- TPZ = TOP OF PRODUCTION ZONE
- BHL = BOTTOM HOLE LOCATION

NOTES:

- THIS FIELD SURVEY CONFORMS TO THE MINIMUM STANDARDS SET BY THE C.O.G.C.C., RULE NO. 215
- ALL DISTANCES AND BEARINGS SHOWN HEREON ARE GROUND VALUES AS GPS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED PERPENDICULAR TO LINES SHOWN HEREON. THIS LOW DISTORTION PROJECTION (LDP) IS BASED ON THE NORTH AMERICAN DATUM OF 1983, U.S. SURVEY FOOT WITH A LATITUDE ORIGIN OF 40.134444°N, A CENTRAL MERIDIAN LONGITUDE OF 104.867222°W, AND A SCALE FACTOR ON THE CENTRAL MERIDIAN OF 1.000238 (EXACT). THE LDP BASIS OF BEARINGS IS GEODETIC NORTH.
- FIELD VERIFICATION OF MONUMENTS COMPLETED WITHIN 1 YEAR OF SIGNATURE DATE, UNLESS OTHERWISE NOTED

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THIS SAID DATE OF THIS CERTIFICATION SHOWN HEREON.



WELL SHELEY 3H-4H-M267 TO BE
LOCATED 754' FSL & 847' FWL

I, ROBERT J. GUFFEY, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE TO CRESTONE PEAK RESOURCES THAT THE WELL LOCATION EXHIBIT SHOWN HEREON WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL. THIS EXHIBIT MEETS THE REQUIREMENTS OF A GIS LAND POSITION AS DEFINED BY SECTION 38-51-102 (7.5) C.R.S. AND AS SUCH PER SECTION 38-51-109.3 C.R.S. CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

ROBERT J. GUFFEY, PLS 20680
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P.F.S., LLC
d.b.a. ASCENT GEOMATICS SOLUTIONS



SHEET 1 OF 1

 <p>7535 Hiltop Circle Denver, CO 80221 (303) 926-7128 www.ascentgeomatics.com</p>	<p>FIELD DATE 04-16-18</p> <p>DRAWING DATE 06-05-18</p> <p>BY MMP</p> <p>CHECKED MJE</p>	<p>WELL NAME SHELEY 3H-4H-M267</p> <p>SURFACE LOCATION SW 1/4 SW 1/4 SEC. 4, T2N, R67W, 6TH P.M. WELD COUNTY, COLORADO</p>	<p>PREPARED FOR</p>  <p>CRESTONE PEAK RESOURCES</p>
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