



**CRESTONE PEAK**  
RESOURCES

RE: Drilling Window Waiver - Rule 318A.a.(1)  
Twinning Location Waiver – Rule 318A.c.(2)

| <u>Well Name</u>  | <u>Surface Hole From North Line</u> | <u>Surface Hole From East Line</u> |
|-------------------|-------------------------------------|------------------------------------|
| Kugel 1A-18H-H267 | 2,118 Feet                          | 680 Feet                           |
| Kugel 1B-18H-H267 | 2,128 Feet                          | 680 Feet                           |
| Kugel 1C-18H-H267 | 2,138 Feet                          | 681 Feet                           |
| Kugel 1D-18H-H267 | 2,148 Feet                          | 681 Feet                           |
| Kugel 1E-18H-H267 | 2,158 Feet                          | 681 Feet                           |
| Kugel 1F-18H-H267 | 2,168 Feet                          | 681 Feet                           |
| Kugel 1G-18H-H267 | 2,178 Feet                          | 681 Feet                           |
| Kugel 1H-18H-H267 | 2,188 Feet                          | 681 Feet                           |
| Kugel 1I-18H-H267 | 2,198 Feet                          | 681 Feet                           |
| Kugel 1J-18H-H267 | 2,208 Feet                          | 682 Feet                           |
| Kugel 1K-18H-H267 | 2,218 Feet                          | 682 Feet                           |
| Kugel 1L-18H-H267 | 2,228 Feet                          | 682 Feet                           |
| Kugel 1M-18H-H267 | 2,238 Feet                          | 682 Feet                           |
| Kugel 1N-18H-H267 | 2,248 Feet                          | 682 Feet                           |

ALL ABOVE WELLS ARE MEASURE FROM:

Township 2 North, Range 67 West

Section 18: SE4NE4

Weld County, Colorado

Crestone Peak Resources Holdings LLC (“Crestone”) staked the Kugel 1A-18H-H267 through Kugel 1N-18H-N267 (14 wells) wells at surface locations as notated above (“Wells”). 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, 6<sup>th</sup> P.M. In the GWA, operators may utilize the following described surface drilling locations (GWA windows”) to drill, twin, deepen, or recomplate 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”);



Some of the Wells were staked south 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).

Additionally, 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 west of the existing Kugel 42-18 well located in the same quarter section. As these locations were 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)

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.a.(1), AND 318A.c.(2) AS IT APPLIES TO THE SURFACE LOCATION OF THE WELLS AND APPROVES THE SURFACE LOCATIONS AS NOTATED ON PAGE 1.

TOWN OF FIRESTONE

By:  
Its:

  
A.J. Krieger  
Interim Town Mgr.