



**peterson energy  
management, inc.**

6/24/2010

Colorado Oil and Gas Conservation Commission  
Attn: David Neslin, Director  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

RE: Rule 318(a) Exception Location Request  
**Church #31-25 well:** (NWNE) Sec. 25, T3S-R51W (1186' FNL, 1500' FEL)

Dear Mr. Neslin,

Recovery Energy, Inc., (Recovery) respectfully requests that you grant an exception to rule 318(a) to allow the proposed Church #31-25 well to be located in the above location. We feel that this site is favorably located both structurally and stratigraphically and will provide the best opportunity to encounter multiple pays in several horizons and to effectively drain these zones.

COGCC Rule 318(a) outlines the location rules for wells greater than 2,500 ft in depth and establishes a 1,200' setback from wells producible or drilling from the same supply source. As planned, the well is less than 1200' from several Recovery wells capable to producing from the same common source of supply. Specifically, it is 311' from the Church 41B-25, 533' from the Church 41-25, and 801' from the Church 41A-25.

Please see the attached waiver from Recovery consenting to the location of this well at its planned location.

Sincerely,

Clayton L. Doke  
Peterson Energy Management, Inc.  
Contractor for  
Recovery Energy, Inc.

**petroleum engineering**