

November 18, 2010

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

RE: Request for Well Location Exception Rule 318 a  
State 12H-33-38-16  
T38N-R16W-Sec. 33: SESE  
Montezuma County, CO

Dear Mr. Neslin:

Black Resources, Inc. respectfully requests that you grant a waiver to Rule 318 a. to allow the State 12H-33-38-16 oil and gas well to be drilled at the above described location which is less than 600 feet from the nearest lease line.

Rule 318a of the Colorado Oil and Gas Commission's Rules and Regulations requires that a well to be drilled to a depth two thousand five hundred (2,500') feet or deeper shall be located not less than six hundred (600) feet from any lease line. Black Resources, Inc. has the adjacent oil and gas lease being the same mineral owner as the subject lease without encroachment implications and thereby exempted.

Thank you for considering our request for this exception. Should you have any additional questions, please contact the undersigned at 817-573-8444.

Sincerely,

*Bill Black*

Bill Black  
Black Resources, Inc.  
320 Mustang Trail  
Granbury, Texas 76049  
817-573-8444