



MERIT ENERGY COMPANY

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RETURN RECEIPT REQUESTED

October 6, 2010

Bureau of Land Management
Little Snake Field Office
455 Emerson Street
Craig, CO 81625

RECEIVED
BLM LITTLE SNAKE FO
CRAIG, COLORADO 81625
2010 OCT 12 PM 3:23

Re: Location Exception – 318c
Clark 21-9
Surface Hole Location: 565' FNL & 1709' FWL
NENW, Sec 9, T10N-R93W
Bottom Hole Location: 565' FNL & 1709' FWL
NENW, Sec 9, T10N-R93W
Moffat County, Colorado

Dear Sir or Madame:

Merit Energy Company [MEC] proposes to recomplete the aforementioned well which is located 556' FNL and 1709' FWL of the Section 9, T10N-R93W. Colorado Oil & Gas Conservation Commission [COGCC] Rule 318c which states, "If the operator of the proposed well is also the operator of the drilling unit or un-spaced offset lease toward which the well is proposed to be moved, waivers shall be obtained from all parties from the mineral interest owners under such lands."

When the well was originally drilled, it was located in Pilgrim Unit (COC56158X). At a later date, the Pilgrim Unit contracted making this well a non-unit well. Since the well is no longer considered to be in the unit, it adheres to the COGCC rule mention above. If the aforementioned location is acceptable to you, please execute this letter in the space provided below and return it to MEC at your earliest convenience

If you have any questions concerning this notice, please contact our landman Erin Gerner at 972.628.1054.

Yours truly,

MERIT ENERGY COMPANY

Michal K. White
Regulatory Analyst

I hereby agree to the location of the well.

Signed:

Date: 11/3/2010