



MERIT ENERGY COMPANY

13727 Noel Road • Suite 500 • Dallas, Texas 75240  
Ph 972.701.8377 • Fx 972.960.1252 • www.meritenergy.com

**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:

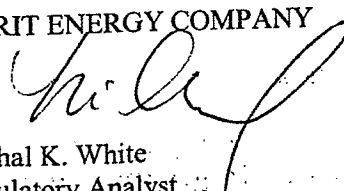
Merit Energy Company [MEC] proposes to recompleat the aforementioned well which is located 556' FNL and 1709' FWL of the Section 9, T10N-R93W. Colorado Oil & Gas Conservation Commission [COGCC] Rule 318c which states, "If the operator of the proposed well is also the operator of the drilling unit or 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