



Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Attention: Mr. David Neslin

Re: Exception Location Waiver Request
JP Brophy Federal 12-29 4N45W
2535 feet FNL and 735 feet FWL
of Section 29, Township 4 North,
Range 45 West, 6th PM, SWNW/4
Yuma County, Colorado

Dear Mr. Neslin,

We would like to apply for an exception location (or variance as appropriate) for the drilling of the above described well due to request of surface owner of placement. The land upon which the well is to be drilled is spaced for the Niobrara formation, which is the target formation to be drilled. The exception (or waiver) is requested because the well will be located too close to the outer boundary of said quarter section as required under the Commission's Rule 318B. The surface owner requested the move to place the well in a more flat location rather than on the side of the hill.

The surface owner of this location is also the surface owner of the Southwest quarter in which the proposed location is encroaching. A signed waiver from the offsetting surface owner is attached for your review.

I did not request an exception waiver from the BLM as the lease, COC 013290, covers all of section 29 4N45W and after verbal communication with Leslie Peterson, a Petroleum Engineer at the Canon City BLM Field office, she did not feel a waiver was required from the BLM.

Please do not hesitate to call me if you need further information or any presumptions are incorrect for any reason.

Best Regards,

Augustus Energy Partners, LLC

Loni J. Davis
Operations Accounting and Regulatory Specialist