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JAN 18 07

COGCC

Waiver of Rule 318

As stated in Colorado Oil and Gas Conservation Commission Rules:

318. LOCATION OF WELLS

All wells drilled for oil or gas to a common source of supply shall have the following setbacks:

a. **Wells deeper than 2,500 feet in depth.** A well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

b. **Wells less than 2,500 feet in depth.** A well to be drilled to less than a depth of two thousand five hundred (2,500) feet below the surface shall be located not less than two hundred (200) feet from any lease line, and not less than three hundred (300) feet from any other producible oil or gas well, or drilling well, in said source of supply, except that only one producible oil or gas well in each such source of supply shall be allowed in each governmental quarter quarter section unless an exception under Rule 318.c. is obtained.

Aspen Operating, LLC requests a waiver of Rule 318. Aspen Operating, LLC plans to extract the mineral resource through horizontal drilling. This will be accomplished by multiple boreholes radiating outwards from an initial vertical hole. This practice will minimize the surface disturbance by greatly reducing the number of required pads and roads. Because the vertical portions of the holes and the entrance of the borehole into the production zone may lie within the same quarter/quarter section and/or the horizontal offset, we must request a waiver from the mineral and surface owners of the affected lands.

We, Gary N. Lough, Gregory A. Lough, Richard S. Lough and Rodger B. Lough, understand and waive Rule 318 of the Colorado Oil and Gas Conservation Commission.

Signed _____ Date _____
Gary N. Lough

Signed _____ Date 10/13/06
Gregory A. Lough

Signed _____ Date _____
Richard S. Lough

Signed _____ Date _____
Rodger B. Lough

Please Check One: Surface Owner Mineral Owner Both



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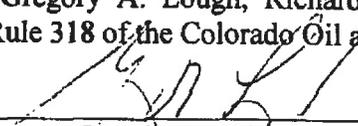
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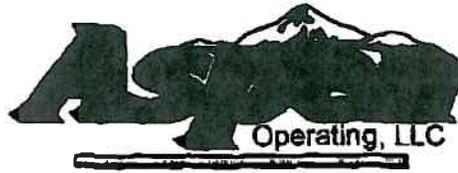
Signed  Date 10/12/06
Gary N. Lough

Signed _____ Date _____
Gregory A. Lough

Signed _____ Date _____
Richard S. Lough

Signed _____ Date _____
Rodger B. Lough

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Signed _____ Date _____
Gary N. Lough

Signed _____ Date _____
Gregory A. Lough

Signed _____ Date _____
Richard S. Lough

Signed _____ Date October 19, 2006
Rodger B. Lough

Please Check One: Surface Owner Mineral Owner Both

ATTN: AMY MARTIN
CPG RECEIVED



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Signed _____ Date _____
Gary N. Lough

Signed _____ Date _____
Gregory A. Lough

Signed Richard S. Lough Date 10/23/2006
Richard S. Lough

Signed _____ Date _____
Rodger B. Lough

Please Check One: Surface Owner Mineral Owner Both

Operating Drilling Management
Office 303-761-4770 2040 W. Hamilton Pl. Sheridan, CO 80110 Fax 303-761-1778