

K.P. KAUFFMAN COMPANY, INC.

WORLD TRADE CENTER
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June 19, 2008

Herman and Betty Schlagel
1262- WCR 20.5
LONGMONT, CO 80501

Re: Waiver of Rule 603.a. (2), Statewide Setbacks, Drilling and Well Servicing Operations and High Density Area Rule

Dear Mr. and Mrs. Schlagel,

Per Rule 603 a.(2) A well shall be a minimum distance of one hundred fifty (150) feet from a surface property line. An exception may be granted by the Director if it is not feasible for the operator to meet this minimum distance requirement and a waiver is obtained from the offset surface owner(s). An exception request letter stating the reasons for the exception shall be submitted to the Director and accompanied by a signed waiver(s) from the offset surface owner(s). Such waiver shall be written and filed in the county clerk and recorder's office and with the Director.

Our records indicate that you are surface owner of the lands located 299.67 feet west from our current Williams Family Farm #13-20 located in the NESW Section 20, Township 2 North, Range 68 West, 6th PM, Weld County, Colorado. Per our discussions with Todd Williams, K.P. Kauffman Company, Inc. will be relocating the Williams Family Farm #13-20 staked location in the NE/4SW/4 at a surface location of 1530 feet FSL and 1405' feet FWL.

By signing below, you grant K.P. Kauffman Company, Inc. an exception by the surface owner to Rule 603.a. (2), allowing this surface location to be closer than the 150' allowed by statewide setback and located to your land in the SW/4, Section 20, Township 2 North, Range 68 West, 6th P.M., Weld County, Colorado.

Thank you for your attention to this matter. Should there be any questions, please contact Jason Lilley at 303-825-4822.

Best Regards,
Sherry Glass
Sherry Glass
Engineering Technician

<i>Herman Schlagel</i>	<i>July 18, 2008</i>
By: Herman Schlagel	Date
<i>Betty Schlagel</i>	<i>July 18, 2008</i>
By: Betty Schlagel	Date