



April 28, 2014

VIA EMAIL AND CERTIFIED MAIL – RETURN ADDRESS REQUESTED

TAK Mountain LLC
1600 Broadway
Suite 1150
Denver, CO 80202

**RE: Request for Waiver – Exception Location under Rule 318.c.
Red Hawk Petroleum LLC
Loomis 2-1H, Loomis 2-3H, and Loomis 2-6H Wells – Horizontal Wells
Sections 2 Township 7 North Range 60 West
Weld County, Colorado**

Dear TAK Mountain LLC,

Please be advised that Red Hawk Petroleum LLC (“Red Hawk”) is requesting an exception location from the Colorado Oil and Gas Conservation Commission (“Commission”) for the following Wells (“Wells”): Loomis 2-1H, Loomis 3H, and Loomis 2-6H. The Wells are horizontal wells which Red Hawk is currently drilling, or plans to immediately drill, on the above-referenced lands, which are spaced and subject to Order No. 535-214, which establishes a 600’ setback from the boundaries of the established unit. Red Hawk intends to complete the Well for production from the Niobrara Formation with a surface location of 250 FSL and 1716 FWL for Loomis 2-1H, a surface location of 250 FSL and 1775 FWL for the Loomis 2-3H, and a surface location of 250 FSL and 1866 FWL for the Loomis 2-6H in the SESW of Section 2, Township 7 North, Range 60 West, Weld County, Colorado. Red Hawk is seeking an exception location for the Well because a non-perforated portion of the wellbore falls approximately 300’ of the unit boundary. *See Order No. 535-214, an Application for increased density is pending.* Please see the attached illustrations of the three (3) proposed exception locations.

Red Hawk confirms that it does not intend to perforate or treat the wellbore within the 300’ setback and further confirms that it will only perforate or treat the wellbore more than 300’ away from the unit boundary at issue.

The purpose of this letter is to notify you of Red Hawk’s intent to request the exception locations from the Commission and to respectfully request a waiver from you, as a lessee of the lease upon which the Well is encroaching upon, pursuant to Commission Rule 318.c. Time is of the essence in this matter and it is requested that you sign and return this letter/waiver in the enclosed envelope to my attention as soon as possible, but no later than within twenty (20) days of the date of this letter. If we have received your executed response to this letter, or if we have not heard from you within twenty (20) days, Red Hawk will continue to proceed with the permitting procedure requesting an exception location and variance under Commission Rule 502.b.

If you have any questions regarding this matter, please contact Angie Galvan a Representative of Red Hawk Petroleum LLC at 281-716-5730 or angie.galvan@stxra.com. Thank you in advance for your cooperation.

Sincerely,

Clark Moore
Vice President of Red Hawk Petroleum LLC

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I/We, _____ of _____, as the offset
lessor/lessee, waive any objection to the location of the aforementioned Well and acknowledge that the Well
shall be located no closer than 300' from the unit boundary for the development of the Niobrara Formation.

Name

Title: _____

Date: _____