



September 26, 2014

Stuart M. and Melissa A. Chapman
26368 County Road AA
Vernon, CO 80755

HAND DELIVERED

RE: DRILL PIT LOCATION
Chapman 13-19 1S44W:NWSW/4
Yuma County, Colorado

Dear Mr. and Mrs. Chapman,

This letter is to advise you that per COGCC Rule 604.c.(2)B.ii. we are not allowed to construct a drill pit within 1,000 feet of a residence. The proposed well location is approx. 530 feet from a residence, therefore, we would like to ask your permission to construct the drill pit, to bury the drill cuttings, approximately 1,554 feet Northwest of the proposed well location. The proposed pit location would be constructed outside of the irrigated circle. Please see attached map for proposed placement of pit showing the approximate coordinates of Lat 39.958907/Lon -102.354745.

Please sign below if you accept the proposed location of the pit and we will proceed with drilling the well location.

If you have questions or concerns, please contact Mr. Gary Timmer our landman at the number listed below.

Very truly yours,

Augustus Energy Resources LLC

Loni J. Davis
Loni J. Davis

Operations Accounting and Regulatory Specialist

I, STUART CHAPMAN, as Surface Owner of the above referenced property, do hereby give Augustus Energy Resources permission to construct the pit at the proposed location.

By signing below, I acknowledge that upon receipt of this letter Augustus Energy Resources LLC may proceed with construction of the pit for cuttings burial.

[Signature]

Surface Owner

Surface Owner

9-29-14

Date

Date

cc: COGCC
AER Well File