

FINNEY LAND CO.

OIL & GAS CONSULTING

P.O. BOX 2471
DURANGO, CO 81302
PHONE: 970-259-5691 FAX: 970-259-4279

February 18, 2015

Southern Ute Indian Tribe Department of Energy
14933 Hwy 172
P.O. Box 1500
Ignacio, CO 81137

ATTN: Adrian Abeyta

Re: Elm Ridge Exploration Co., LLC
IGS 156 Well
NW/4NW/4 Sec. 26, T33N-R9W
La Plata Co., CO

Dear Mr. Abeyta,

Elm Ridge Exploration Co., LLC is in the process of applying for permits from La Plata County and the COGCC to drill the above captioned well. The well will be located on the existing Davis #1 well location.

The proposed wellhead lies 118.9' from the Northerly boundary of tribal Parcel #616910200027. Tribal minerals are included in the drilling unit.

COGCC Rule 603.a.(2) states the following: 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.

Sec. 90-122. La Plata County Land use coordination standards states the following:

(b) Setbacks.

(2) A setback of at least 150 feet shall be required between the wellhead of a minor facility and the closest property line, unless verified written consent is obtained from the affected property owner.

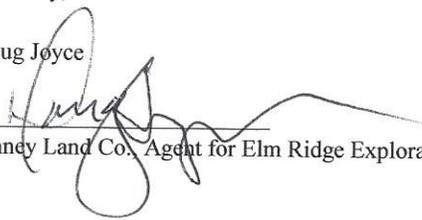
Elm Ridge Exploration Co., LLC is hereby requesting a waiver of the distance requirements as set out in COGCC Rule 603.a.(2) and LPLUC Chapter 90, Sec. 90-122(b)(2)

The signature below will constitute a grant of waiver of the above recited COGCC and La Plata County rules.

Thank you for your courtesy and cooperation.

Sincerely,

Doug Joyce



Finney Land Co. Agent for Elm Ridge Exploration Co., LLC.

Waiver of COGCC Rule 603.a.(2) and La Plata County LPLUC Chapter 90, Sec. 90-122(b)(2) for the Elm Ridge IGS 156 Well location in T33N, R9W Section 26: NW/4NW/4 is hereby granted.

Dated _____

By: _____

Title: _____



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PHONE (970) 259-5691 • FAX (970) 259-4279

April 21, 2008

COGCC

Att: Dave Neslin, Director
1120 Lincoln Street, Suite 810
Denver, Colorado 80203



RE: Request for Exception Location
Elm Ridge Exploration
IGS 156 APD
NW/4NW/4, Sec. 26, T.33N, R.9W
La Plata County, Colorado

Dear Mr. Neslin

Per the terms of Infill Order 112-195, the surface location for the subject well is on an existing well pad in order to minimize surface disturbance. This results in the well being less than 150' from the closest property line. Therefore, Energen Resources hereby requests an exception location from Rule 603a.2. (150' setback from property line regulation) for the subject well.

The affected landowner is the Southern Ute Indian Tribe. The Southern Ute Indian Tribe no longer signs written waiver documents. If you would contact Ed Trahan at the Southern Ute Department of Energy (970-563-5563), he will give the Tribes' verbal approval to this request.

*Waived
Per Ed
Trahan
5/5/08
Phone*

Elm Ridge Exploration believes that the COGCC should grant an exception location because a Surface Damage Agreement has been reached with the landowner. In addition, no structures or above ground utilities are located within 150' of the proposed well location.

Thank you for your attention to this matter. If you need any additional information, please do not hesitate to call.

Best Regards,

Tim G. Kelley
Agent: Elm Ridge Exploration