

external

Colorado Oil and Gas Conservation Commission (COGCC)
Onsite Inspection Request Form
(Effective for APDs submitted after February 15, 2005)

As the surface owner(s) where a proposed well is being drilled, I/we am/are requesting that the COGCC conduct an onsite inspection. I/we did not execute a surface use or other relevant agreement regarding the use of the surface for the proposed well. I/we understand that good faith consultation with the operator as required under COGCC Rule 306. is required to have occurred prior to making this request to the COGCC to conduct an onsite inspection, and that this onsite inspection request must be received by the COGCC within ten (10) business days of the first day of the Rule 306. consultation.

Surface Owner Contact Information:

Name: CLARKE D. CARLSON
Address: 1 Avocet Circle, Thornton, Colo. 80241
Telephone No. 303-457-4965 Cell 303-324-8904
303-457-2966

Well Operator and Location Information:

Operator: H R M Resources, LLC
Well Name: CARLSON 11-18, 12-18, 21-18, Green 22-18, Green C N W 2-18
Location: NW NW, SW NW, NENW, SENW, NENEW All in section 18-T1S-R67W
Quarter/Quarter Section-Township-Range 5 separate well locations

County: Adams
First date Rule 306. consultation occurred: November 18, 2008
Date

* SEE Attached letter
From HRM

Proposed two (2) dates for the COGCC onsite consultation (must be within thirty (30) days of the request)

1st date December 10, 2008nd date December 12, 08

I/we would prefer to have a representative of the appropriate Local Government (COGCC Local Governmental Designee) invited to attend the onsite inspection? yes no

Briefly describe the unresolved issues related to the proposed well: (The onsite inspection shall not address matters of surface owner compensation, property value, future use of the property or any private party contractual issues between the operator and the surface owner.)

THE UNRESOLVED ISSUE IS SURFACE
WELL LOCATIONS FOR THE PROPOSED FIVE
WELLS.

Clarke D. Carlson
Signature(s)

November 26, 2008
Date

Please fax or first class mail this request for an onsite inspection to:

Colorado Oil and Gas Conservation Commission
Attn: Permit Supervisor
1120 Lincoln Street, Suite 801 Denver, CO 80203
FAX (303) 894-2109

Levt: 39968286
Low: 104.898035
opi: 10273
935410

No. 8280 P. 2

Nov. 26. 2008 2:46PM Carlson Associates Inc.

1/27/09 - Gordon Stevens - Adams County L61

left msg for him to call

1/27/09 - Andy Peterson - 970 669 7411

left msg to call

1/27 clark (Carlson) (303) 457-2466

no developments since last conversation

I told him need keep OIR in place

in the event HRM gets minerals or the permit at a later date.

1/28 Andy Peterson - He informed them that in another 2 weeks if no farm out agreement is made, permits would be pulled.

1/28 clark (Carlson) (303) 457-2466

left msg relating discussions

1/14/09 Andy Peterson - no answer left msg at x101 970-669-7411

203 4263

1/14/09 → Carlson → attorneys said

HRM does not have minerals and will fix the letter

1/14 Peterson, several of them have been approved.

upon looking @ map guide, green selenium is contained on NE 1/4, not NW 1/4

Dec. 31 special date
2/1/10 → sum signed. attach OIR

Carlson

3 remaining policy and what can we
can't do. would still like to set up an
onsite after the 1st of the year

11/21/08 Carlson

(303) 457-2966 LA msg to call

11/21/08 Andy Peterson

call next week wed/th. week
will look into status of sub w attorney

11/21/08 Carlson

clauke@carlsonland.net

Per Carlson, HEM attorney sent his attorney
a letter stating that HEM does not have mineral
rights under the 1/4 section in question.

11/21/08 Gordon Stevens - Adams County (60)

LA msg re: Carlson onsite please call back
(303) 853-7132

12/8/08
Hrm - Andy Peterson

(970) 203 4263 (C)

(970) 669 - 7411 (office)

left msg to call

12/8/08 Clarke Carlson (303) 457-4965

(303) 324-8904 (C)

left msg to call

12/18 - received msg from Peterson

12/18 Andy Peterson (970) 669-7411

left msg to call

Clarke is developer, wants all wells clustered
in one corner. Working on SUT, but falling out
over compensation to Hrm from developer
3 existing success wells, 3 wells so long
to them, middle spot, one in corner where
no well. ~~to~~

~~There is a~~ They want to go ahead and permit
Vere wells. Carlson then says well, well, just
must an insight. General sense is that this is
"just another more chess game between Hrm
and developer"

and developer

Talk him out on inside of line 11/109

Coler, Larry

From: Coler, Larry
Sent: Monday, January 12, 2009 9:02 AM
To: 'andy.peterson@petersonenergy.com'
Subject: Carlson 11-18, 21-18

We need to correctly locate the wells being twinned.

Could you send me an as-drilled survey plat for:

Green #3 (Energy Search Co.) NWNW Sec 18 1S/67W

Green #1 (Windsor Energy Group) NENW Sec 18 1S/67W

Also please send a Sundry 4 with the as-drilled footages and GPS measurements including PDOP, GPS operator and date for the wells listed above. Please send via email or regular mail to my attention. Thank You!

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203
Phone: 303.894.2100 ext. 142
Fax: 303.894.2109
E-mail: larry.coler@state.co.us

Larry Coler
Permitting Technician

WAITING ON

ON SITE

TALKED TO STEVE 1/12/09
HE IS going to contact them again

01/12/2009

Ahlstrand, Dennis

From: Ahlstrand, Dennis
Sent: Friday, November 28, 2008 12:58 PM
To: Lindblom, Steven
Subject: Carlson Onsite Request
Attachments: CarlsonOnsiteRequest.pdf

Steve,

I understand that you will not be in the office at least the first part of next week, so I will pass this on to you.

Clarke D. Carlson has requested an onsite for five wells in the NW 18-1s-67w in Adams County. We received the permits from HRM Resources 11/25/2008. The initial onsite was 11/18/2008 and we received the request by fax 11/26/2008. The wells are GWA five-spot locations centered in the windows with three of them twining existing wells.

Attached is a scan of Mr. Carlson's fax. I have entered a green square on the map.

Dennis Ahlstrand

Permit Group Supervisor

Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801

Denver, CO 80203

Phone: 303-894-2100 x116

FAX: 303-894-2109

CARLSON

Carlson Associates, Inc.
12460 1st Street
P.O. Box 247
Eastlake, CO 80614-0247

Fax No: (303) 280-2978
Phone No: (303) 457-2966

FACSIMILE TRANSMISSION COVER SHEET

Date: Nov. 26. 2008 Time: 2:45

Please Deliver The Following Pages To:

Name: _____ Fax No: 303-894-2109
Title: Permit Supervisor Phone: _____
Firm: COGCC

We are transmitting 3 pages: (including this cover sheet).

From: CLARK CARLSON Re: ON-SITE INSPECTION
Request Form

Urgent For Review Please Comment Please Reply

Original will will not follow by mail

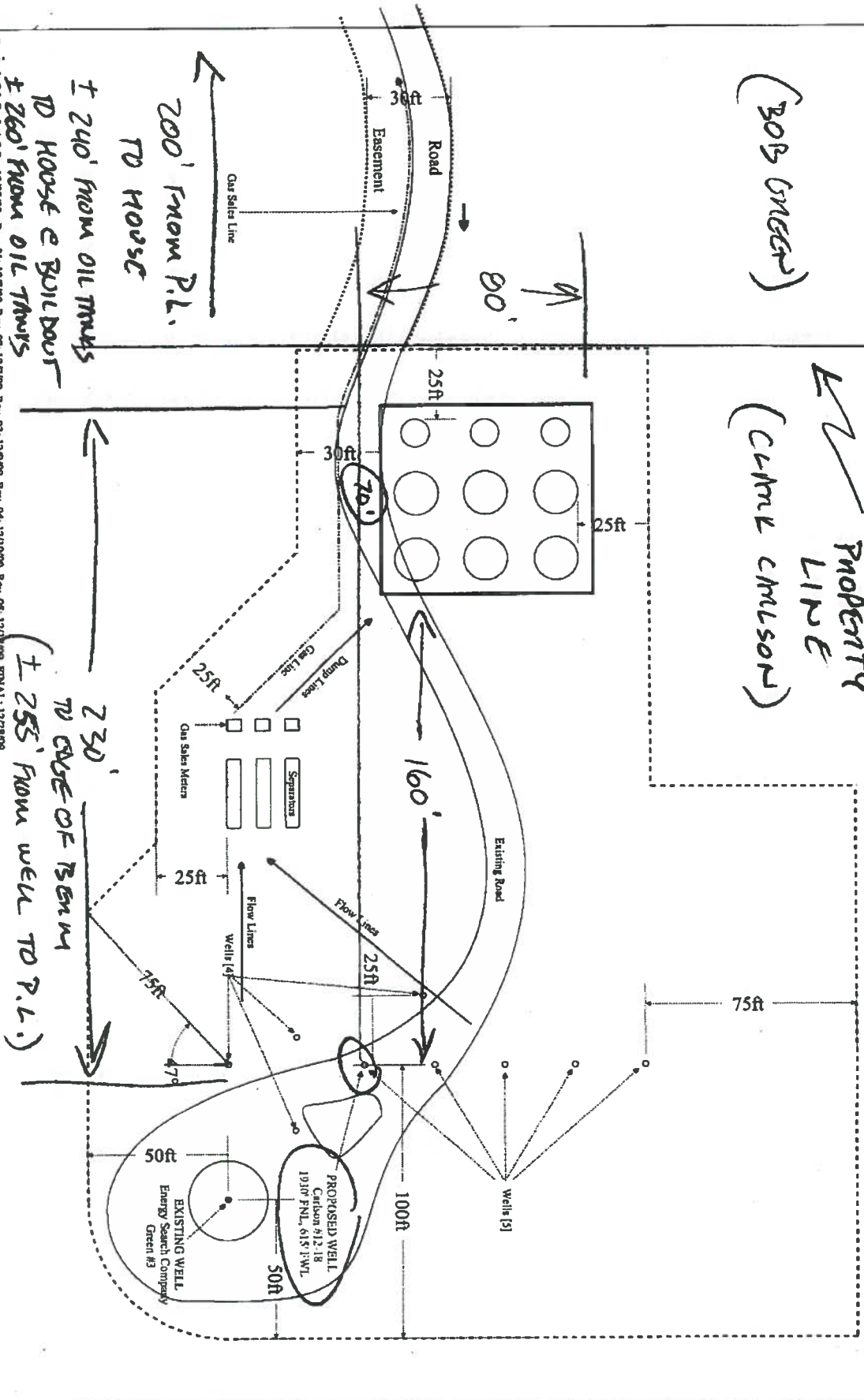
Message: _____

If all pages are not received, please call 303-457-2966.

CARLSON OIL AND GAS OPERATIONS AREA POLYGON
 SWNW Sec. 18, T1S-R67W
 SCALE: 1" = 50'



(BOB GREEN)
 APPROXIMATE
 PROPERTY
 LINE
 (CLIVE CARLSON)

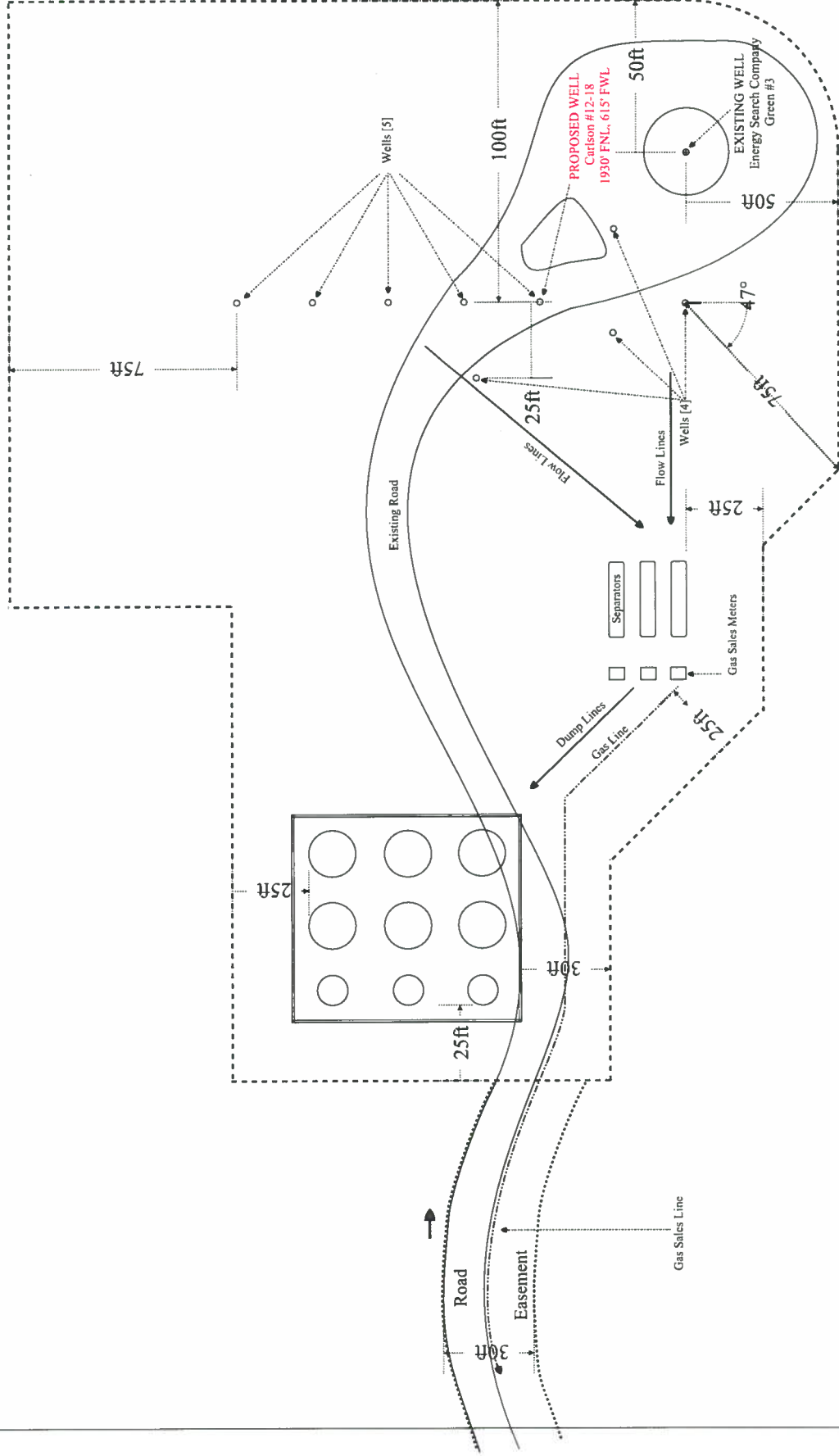


200' FROM P.L.
 TO HOUSTE
 ± 240' FROM OIL TRAILS
 TO HOUSTE & BUILDINGS
 ± 260' FROM OIL TRAILS
 TO HOUSTE & FIRST WELL

230'
 TO EDGE OF BERM
 (± 255' FROM WELL TO P.L.)

Drawn: C.L.D. & A.S.P., 12/20/09, Rev. 01: 12/27/09, Rev. 02: 12/27/09, Rev. 03: 12/29/09, Rev. 04: 12/10/09, Rev. 05: 12/10/09, FINAL: 12/28/09

CARLSON OIL AND GAS OPERATIONS AREA POLYGON
SWNW Sec. 18, T1S-R67W
SCALE: 1" = 50'





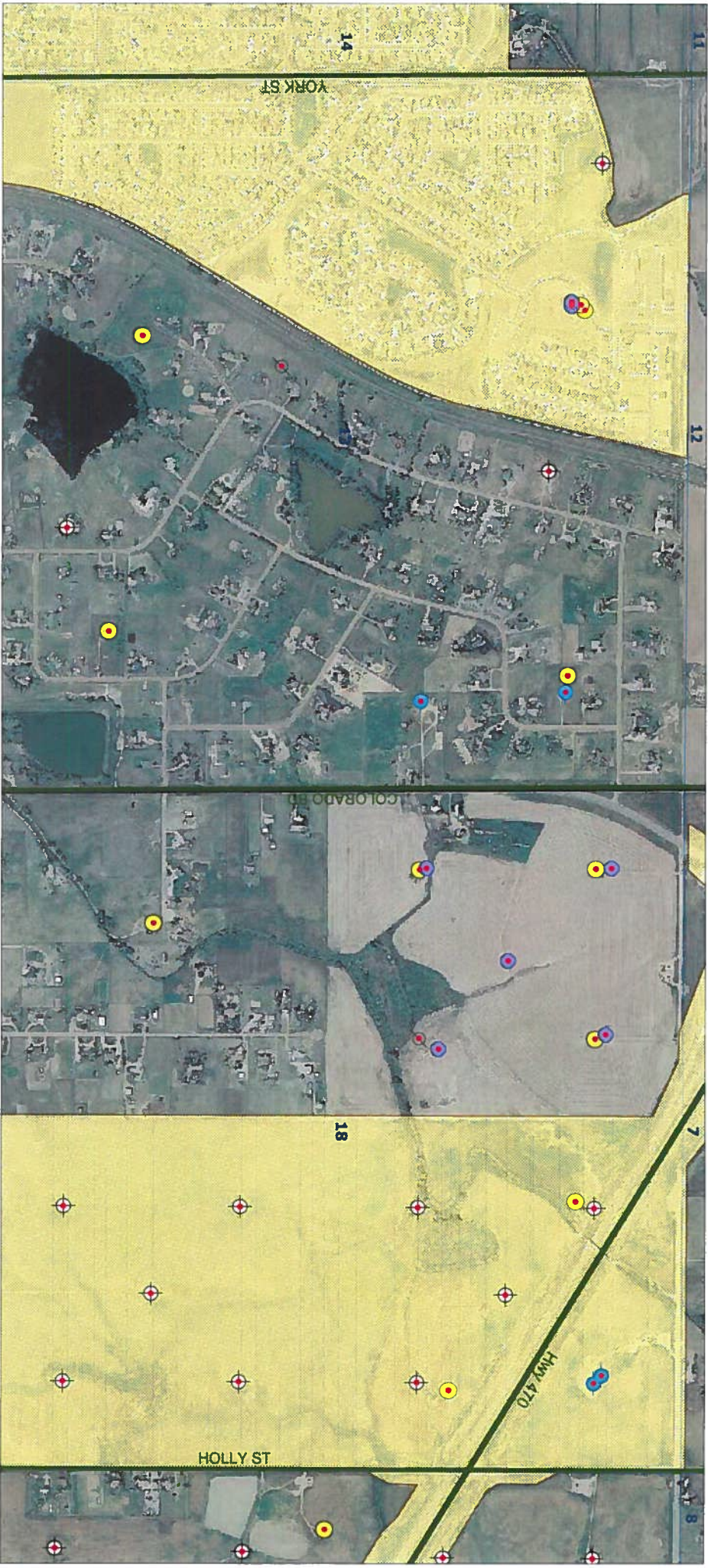
CARLSON OIL AND GAS OPERATIONS AREA, SWNW Sec. 18, T1S-R67W

© 2008 Google

SCALE: 1" = 256'



2





COLORADO BD





606070 00 00



Lindblom, Steven

From: Walker, Valerie
Sent: Wednesday, January 27, 2010 11:24 AM
To: Halstead, Mary
Cc: Coler, Larry; Lindblom, Steven
Subject: FW: landowner complaint - proposed tank battery

The operator has responded and provided answers to my questions(given in red italics) below. And Larry has provided more details from the homeowner (given in bold)

Valerie A. Walker
Oil and Gas Location Assessment
Colorado Oil & Gas Conservation Commission
1120 Lincoln St. Suite 801
Denver CO 80203
303-894-2100 x5102

From: Walker, Valerie
Sent: Wednesday, January 27, 2010 9:54 AM
To: Halstead, Mary
Cc: Coler, Larry; Lindblom, Steven
Subject: landowner complaint - proposed tank battery

Mary,

Regarding our discussion today about the surface owner complaint received by Larry on a tank battery location:

The well (HRM Carlson 12-18 05-001-09709) was permitted August 27, 20009. The actual permit was received 11/25/2008. The well is located in a field. The surface owner indicated to Larry that the tank battery is proposed 200 some feet from his house. **(The homeowner is not the surface owner of the well location or the tank battery location).** His house is located 90 some feet east of Colorado Blvd. He fears that the tank battery will go in as proposed, then Colorado Blvd will be widened. He would then want to move the house back the east and will not be able to due to the location of the tank battery.

I have a call into the person who is the contact on the permit to drill to get the following information:

Is the well drilled? *(the pad is being built and the well should spud next week)*

Has the tank battery location been built? *(the tank battery is not yet built, construction should start when the well commences drilling).*

Will the tanks hold? *(some of the tanks will hold condensate/oil and thus rule 604.a(3) -200 foot offset applies).*

How far will the tanks be from the present building units? *(The condensate/oil tank will be about 250 feet from the current house location)*

The Operator indicated that this well location will have more wells on it and the tank battery will be expanded to accommodate the new tanks. At full build out the tanks will be 225 feet from the current house location. The operator indicated that the surface owner on whose land the tank battery is located wants the tank battery at that location. The operator also indicated that he sent in the SUA with a sundry last week. Jane should have it – per Cheryl at the front desk. I did not tell the operator that a Form 2A will be required for the expansion of the tank battery to accommodate the new wells).

These answers will allow me to see if Rule 604.a.(3) being met. **It looks to me like the tank battery will comply with the rule.**

The decision to be made is “does COGCC have a role in this issue”. The well was permitted under the old rules. Given that, does the operator need a Form 2A for the tank battery?

I do not believe the operator **needs** need a Form 2A, because the tank battery was not required to be permitted under the old rules. The tank battery, by default, is part of the original well permit. I do not think the COGCC would be wise to attempt to go down the path of requiring Form 2As for un-built tank batteries for already permitted wells.

Secondly, if we require a Form 2A in this specific case, it appears the tank battery location would meet our rules (Rule 604.a.(3)) and we would approve it based on the locations of structures that exist today. Then the surface owner could take the issue up with the Commission. I do not think it is our role to get into surface/operator disputes over “future what ifs”. At the point the tank battery is in, offsets around the moving of the house would be evaluated at the county level.

I have suggested to Larry that the surface owner send in a Form 18 (complaint form). And I have cc’ed Steve Lindblom to get his thoughts as he seems to have at present the on-site authority for surface owner complaints. **(since the homeowner is not the surface owner, he may not have any standing. I defer to Steve Lindblom).**

At this point I think the course of action should be get input from Steve Thom, Debbie on the question of “does the operator need a Form 2A for the tank battery to an already permitted well” and then discuss it with Neslin. I believe the decision lies with Neslin because whatever answer we come up with will apply to all operators in all parts of the State.

Valerie A. Walker
Oil and Gas Location Assessment
Colorado Oil & Gas Conservation Commission
1120 Lincoln St. Suite 801
Denver CO 80203
303-894-2100 x5102

Lindblom, Steven

From: Andy Peterson [andy.peterson@petersonenergy.com]
Sent: Friday, September 04, 2009 9:15 AM
To: Lindblom, Steven
Cc: Roger Hutson; Walter Lunsford
Subject: HRM Resources wells in 18-1S-67W

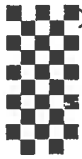
Steve

You asked me to summarize the situation on the five wells HRM Resources LLC permitted in 18-1S-67W.

HRM was in lengthy negotiations with Carlson and their attorney on a SUA during 3Q and 4Q 2008. Various drafts were exchanged. Two OGOs were proposed, and I believe the final one was acceptable to both parties. HRM was willing to drill the wells directionally provided they were fairly compensated by Carlson. Negotiations on the SUA broke off sometime in 4Q 2008. As I recall it had to do mostly with the amount and timing of the directional offset funds that Carlson was to deposit in escrow. HRM then permitted the 5 vertical wells in legal 318A windows, twinning 3 existing wells and adding 2 new vertical wells. In approximately December of last year HRM realized that the J-sand drilling rights had been conveyed to them in error by Encana, and that Noble actually owned the J-sand. HRM obtained a farmout agreement from Noble and the five permits were approved by COGCC. HRM plans to drill one or more wells on the acreage in 2009.

Please call if we may provide additional information.

Andy Peterson
Peterson Energy Management, Inc.
2154 W. Eisenhower Blvd, Loveland, CO 80537
O: 970-669-7411
F: 970-669-4077
C: 970-203-4263
andy.peterson@petersonenergy.com
<http://www.petersonenergy.com>



F A X

HRM Resources, LLC

410 17th Street, Suite 1200
Denver, CO 80202
Office: (303) 893-6621
Fax: (303) 893-6892

To: Lance Astrella
Fax number: 303 - 296 - 6347

From: Reger Hutson
Fax number: 303 - 893 - 6892

Date: 1/5/09

Regarding: T1S - R67W, Sec 18 - NW/4
Adams Cty, CO

Pages: 2
Including Cover

Comments:

HRM RESOURCES, LLC

410 17th Street, Suite 1200 ~ Denver, CO 80202
(303) 893-6621 ~ FAX (303) 893-6892

Lance Astrella, Esq.
Astrella & Rice PC
1801 Broadway, Suite 1600
Denver, Colorado 80202

January 2, 2008

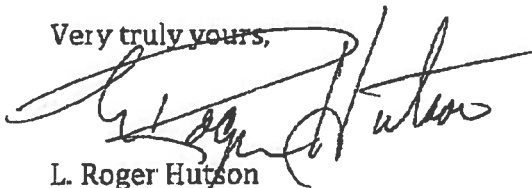
Re: T1S-R67W, Sec 18: NW/4
Adams County, Colorado (the "Property")

Dear Mr. Astrella:

We are in receipt of your letter dated December 23, 2008 regarding the captioned Property. After further researching the Adams County records, it appears that HRM Resources LLC did not acquire a leasehold interest in the Property from EnCana Oil & Gas (USA) Inc. and that such leasehold interest is held by Noble Energy, Inc. We have no basis for confirming or denying the allegations made in your letter concerning the development or the failure to develop the Property and, at this point, we have no incentive to engage in further negotiations with Mr. Carlson to resolve this matter. However, we are in the process of attempting to obtain a farmout of Noble's interest in the Property and, if we are able to obtain such a farmout on acceptable terms, we are confident that we will be able to reach agreement with Mr. Carlson on developing the oil and gas underlying the Property, while preserving Mr. Carlson's plans for developing its surface.

Please contact the undersigned if you have any questions concerning the foregoing. We will keep you advised as to the status of our negotiations with Noble.

Very truly yours,



L. Roger Hutson
President/CEO

LRH/mp

cc: Kendor P. Jones, Esq.

HRM RESOURCES, LLC
410 17th St. Suite 1200
Denver CO 80202

Nov. 17, 2008

Clark D. Carlson
P.O. Box 347
Eastlake, CO 80614

Certified Mail # 7008 0150 0000 0502 4051

Re: **30 Day Notice Letter and COGCC Rule 306 Onsite Inspection Policy Request**

- Carlson 11-18: 543' FNL & 619' FWL (NWNW) Section 18-T1S-R67W
- ✓ Carlson 12-18: 1980' FNL & 615' FWL (SWNW) Section 18-T1S-R67W
- ✓ Carlson 21-18: 584' FNL & 1873' FWL (NENW) Section 18-T1S-R67W
- ✓ Green 22-18: 1830' FNL & 1980' FWL (SENW) Section 18-T1S-R67W
- ✓ Green CNW 2-18: 1313' FNL & 1313' FWL (NENW) Section 18-T1S-R67W

Mr. Carlson:

HRM Resources, LLC is applying to the Colorado Oil & Gas Conservation Commission (COGCC) for permission to drill the above referenced wells. Pursuant to COGCC Rule 305, HRM Resources, LLC is required to provide you with certain information. This is 30-day notice of HRM Resources' intent to conduct operations. Operations may commence as soon as December 17, 2008; although due to rig availability the exact date may be later.

Pursuant to COGCC Rule 306, enclosed is an onsite inspection request form. If an inspection is desired, you have ten (10) days to submit this form to the COGCC.

The name of the operator of the above mentioned wells is: HRM Resources, LLC
You may contact the following individual concerning the proposed operations:
Andy Peterson, 410 17th St. Suite 1200 Denver CO 80202, 970-669-7411

The surface owner has the responsibility to notify any tenants of the proposed operations.

A copy of the COGCC informational brochure for surface owners is enclosed along with the COGCC Rule 306 policy and consultation form.

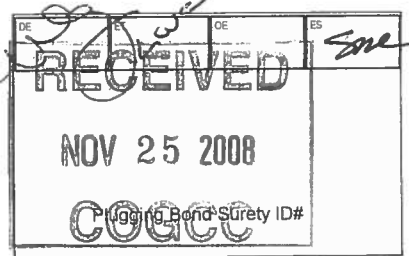
Thank you for your attention to this matter.

Sincerely,



Andy Peterson
VP Operations, HRM Resources, LLC.

APPLICATION FOR PERMIT TO:



1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
OIL GAS COALBED OTHER:
SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

2008 0060

Complete the Attachment Checklist

3. Name of Operator HRM Resources LLC	4. COGCC Operator Number: 10273	OP	COGCC
5. Address: 410 17th St. Ste 1200	City: Denver State: CO Zip: 80202	APD Orig & 1 Copy	X
6. Contact Name: Andy Peterson Phone: (970) 669-7411 Fax: (970) 669-4077	Well Number: 2-18	Form 2A	X
7. Well Name: Green CNW	Unit Number:	Well location plat	X
8. Unit Name (if appl):		Topo map	X
9. Proposed Total Measured Depth: 8625'		Mineral lease map	
10. QtrQtr: NE NW Sec: 18 Twp: 1S Rng: 67W Meridian: 6th		Surface agrmt/Surety	
Latitude: 39.96832 °N Longitude: 104.93559 °W		30 Day notice letter	X
Footage At Surface: 1313' FNL 1313' FWL		Deviated Drilling Plan	
11. Field Name: Wattenberg SPINDLER Field Number: 90750 77500		Exception Location Request	
12. Ground Elevation: 5204' 13. County: Adams		Exception Loc Waivers	
14. GPS Data: Date of Measurement: 8/19/2008 PDOP Reading: 1.7 Instrument Operator's Name: Mark Angell		H2S Contingency Plan	
15. If well is: <input type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng:		Federal Drilling Permit	
Footage At Top of Prod Zone: At Bottom Hole:			
16. Is location in a high density area (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
17. Distance to the nearest building, public road, above ground utility or railroad: 1785'			
18. Distance to Nearest Property Line: 1083' 19. Distance to nearest well permitted/completed in the same formation: 844' 2020'			

LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara	NBRR	407-93 (318A)	40 160	NE 1/4 NW 1/4
Codell	CODL	407-87 (318A)	40 160	NE 1/4 NW 1/4
J Sand	JSND	232-23	320	W/2

21. Mineral Ownership: Fee State Federal Indian Lease # _____
 22. Surface Ownership: Fee State Federal Indian
 23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID# 2008-0120
 23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No
 23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond
 24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
 T1S R67W Sec. 18: NW/4
 25. Distance to Nearest Mineral Lease Line: 1174' 26. Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.
 28. Will salt sections be encountered during drilling? Yes No
 29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? Yes No
 30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No If 28, 29 or 30 are "Yes" a pit permit may be required.
 31. Mud disposal: Offsite Onsite
 Method: Land Farming Land Spreading Disposal Facility Other: _____
 NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b.) If air/gas drilling, notify local fire officials.

String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12.25"	8-5/8"	24#	1050' 1095'	800 sx 7-	1050' 1095'	0
Production	7-7/8"	4-1/2"	11.6#	8625'	230sx	8625'	7274'
			Stage Tool	5190'	250	5190'	4790'

32. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None
 33. Comments: No conductor casing will be run.
 34. Initial Rule 306 Consultation took place on (date) 10/27/2008, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.
PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.
 I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.
 Signed: _____ Print Name: Andy Peterson
 Title: Vice President of Operations Date: 11/06/2008 Email: andy.peterson@petersonenergy.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____

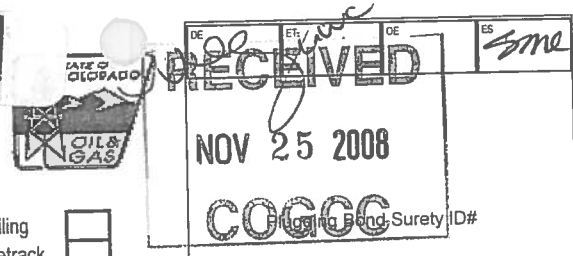
Permit Number: 20087882 Expiration Date: _____

API NUMBER 05-

CONDITIONS OF APPROVAL, IF ANY:

- Note surface casing setting depth change from 1050' to 1095'. Increase cement coverage accordingly.
- Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us.
- Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and 200' above Sussex. Verify coverage with cement bond log. Restore surface location.

APPLICATION FOR PERMIT TO:



1. Drill, Deepen, Re-enter, Recomplete and Operate

Refilling Sidetrack

2. TYPE OF WELL
 OIL GAS COALBED OTHER: _____
 SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

20080060

Complete the Attachment Checklist

3. Name of Operator HRM Resources LLC 4. COGCC Operator Number: 10273

5. Address: 410 17th St. Ste 1200
 City: Denver State: CO Zip: 80202

6. Contact Name: Andy Peterson Phone: (970) 669-7411 Fax: (970) 669-4077

7. Well Name: Green Well Number: 22-18

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 8645'

10. QtrQtr: SENW Sec: 18 Twp: 1S Rng: 67W Meridian: 6th
 Latitude: 39.96689° N Longitude: 104.93322° W

11. Field Name: Wattenberg SPINDLE Field Number: 77900 90750

12. Ground Elevation: 5224' 13. County: Adams

14. GPS Data:
 Date of Measurement: 8/19/2008 PDOP Reading: 1.2 Instrument Operator's Name: Mark Angell

	OP	COGCC
APD Orig & 1 Copy	X	✓
Form 2A	X	✓
Well location plat	X	✓
Topo map	X	✓
Mineral lease map		
Surface agrmt/Surety		
30 Day notice letter	X	rdz/dos
Deviated Drilling Plan Exception Location Request		
Exception Loc Waivers		
H2S Contingency Plan		
Federal Drilling Permit		

15. If well is: Directional Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: _____

Footage At Top of Prod Zone: _____ At Bottom Hole: _____

16. Is location in a high density area (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 815'

18. Distance to Nearest Property Line: 499' 19. Distance to nearest well permitted/completed in the same formation: 844' 1785'

LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara	NBRR	407-93 (318A)	40	SE/4 NW/4
Codell	CODL	407-87 (318A)	40	SE/4 NW/4
J Sand	JSND	232-23	320	W/2

21. Mineral Ownership: Fee State Federal Indian Lease # _____

22. Surface Ownership: Fee State Federal Indian Surface Surety ID# 2008-0120

23. Is the Surface Owner also the Mineral Owner? Yes No

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
T1S R67W Sec. 18 NW/4

25. Distance to Nearest Mineral Lease Line: 495' 26. Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? Yes No If 28, 29 or 30 are "Yes" a pit permit may be required.

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No

31. Mud disposal: Offsite Onsite
 Method: Land Farming Land Spreading Disposal Facility Other: _____

NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12-1/4"	8-5/8"	24#	1050' 1115'	800 sx +/-	1050' 1115'	0
Production	7-7/8"	4-1/2"	11.6#	8645'	230 sx	8645'	7293'
			Stage Tool	5215'	250 sx	5215'	4815'

32. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None
 No conductor casing will be run.

33. Comments _____

34. Initial Rule 306 Consultation took place on (date) 10/27/2008 was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.
PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.
 I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.

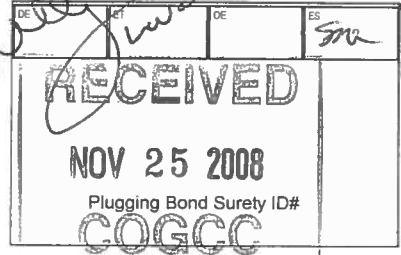
Signed: [Signature] Print Name: Andy Peterson
 Title: Vice President of Operations Date: 11/06/2008 Email: andy.peterson@petersonenergy.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.
 COGCC Approved: _____ Director of COGCC Date: _____

Permit Number: **20087883** Expiration Date: _____
 CONDITIONS OF APPROVAL, IF ANY:

API NUMBER
 05-

- Note surface casing setting depth change from 1050' to 1115'. Increase cement coverage accordingly.
- Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us.
- Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and 200' above Sussex. Verify coverage with cement bond log. Restore surface location.



2008 0060

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
 OIL GAS COALBED OTHER: _____
 SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refilling
 Sidetrack

3. Name of Operator HRM Resources LLC		4. COGCC Operator Number: 10273		Complete the Attachment Checklist	
5. Address: 410 17th St. Ste 1200	City: Denver	State: CO	Zip: 80202	APD Orig & 1 Copy	X
6. Contact Name: Andy Peterson	Phone: (970) 669-7411	Fax: (970) 669-4077		Form 2A	X
7. Well Name: Carlson	Well Number: 21-18			Well location plat	X
8. Unit Name (if appl):	Unit Number:			Topo map	X
9. Proposed Total Measured Depth: 8620'				Mineral lease map	
				Surface agrmt/Surety	
				30 Day notice letter	X
				Deviated Drilling Plan	
				Exception Location Request	
				Exception Loc Waivers	
				H2S Contingency Plan	
				Federal Drilling Permit	

10. QtrQtr: NENW Sec: 18 Twp: 1S Rng: 67W Meridian: 6th
 Latitude: 39.97032° N Longitude: 104.93360° W
 Footage At Surface: 584' FNL 1873' FWL
 11. Field Name: Wattenberg SPINDLE Field Number: 77900 90780
 12. Ground Elevation: 5196 13. County: Adams
 14. GPS Data: Date of Measurement: 8/18/2008 PDOP Reading: 1.7 Instrument Operator's Name: Mark Angell
 15. If well is: Directional Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: _____
 Footage At Top of Prod Zone: _____ At Bottom Hole: _____
 16. Is location in a high density area (Rule 603b)? Yes No
 17. Distance to the nearest building, public road, above ground utility or railroad: 656'
 18. Distance to Nearest Property Line: 581' 19. Distance to nearest well permitted/completed in the same formation: 911' 1260'

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara	NBRR	407-93 (318A)	40	NE/4 NW/4
Codell	CODL	407-87 (318A)	40	NE/4 NW/4
J Sand	JSND	232-23	320	W/2

21. Mineral Ownership: Fee State Federal Indian Lease # _____
 22. Surface Ownership: Fee State Federal Indian
 23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID# 2008-0120
 23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No
 23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond
 24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
 T1S R67W Sec. 18: NW/4
 25. Distance to Nearest Mineral Lease Line: 584' 26. Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES
 27. Is H2S anticipated? Yes No If Yes, attach contingency plan.
 28. Will salt sections be encountered during drilling? Yes No
 29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? Yes No
 30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No If 28, 29 or 30 are "Yes" a pit permit may be required.
 31. Mud disposal: Offsite Onsite
 Method: Land Farming Land Spreading Disposal Facility Other: _____

NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b.) If air/gas drilling, notify local fire officials.

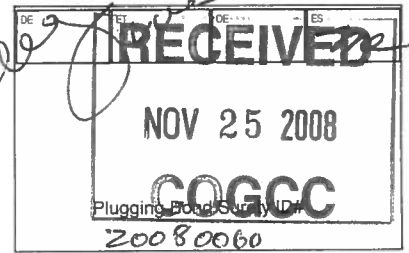
String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12-1/4"	8-5/8"	24#	1060'-1090'	800 sx +/-	-1050'-1090'	0
Production	7-7/8"	4-1/2"	11.6#	8620'	230 sx	8620'	7270'
			Stage Tool	5250'	250	5250'	4850'

32. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None
 33. Comments: No conductor casing will be run.
 34. Initial Rule 306 Consultation took place on (date) 10/27/2008, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.
PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.
 I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.
 Signed: _____ Print Name: Andy Peterson
 Title: Vice President of Operations Date: 11/06/2008 Email: andy.peterson@petersonenergy.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.
 COGCC Approved: _____ Director of COGCC Date: _____

Permit Number: **20087879** Expiration Date: _____
 05- API NUMBER CONDITIONS OF APPROVAL, IF ANY:

- Note surface casing setting depth change from 1050' to 1090'. Increase cement coverage accordingly.
- Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us.
- Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and 200' above Sussex. Verify coverage with cement bond log. Restore surface location.



1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
OIL GAS COALBED OTHER: _____
SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

3. Name of Operator HRM Resources, LLC 4. COGCC Operator Number: 10273
5. Address: 410 17th Street, Suite 1200
City: Denver State: CO Zip: 80202
6. Contact Name: Andy Peterson Phone: (970) 669-7411 Fax: (970) 669-4077
7. Well Name: Carlson Well Number: 11-18
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 8605'

Complete the Attachment Checklist		OP	COGCC
APD Orig & 1 Copy		X	/
Form 2A		X	/
Well location plat		X	/
Topo map		X	/
Mineral lease map			
Surface agrmt/Surety			
30 Day notice letter	X		10/23/08
Deviated Drilling Plan Exception Location Request			
Exception Loc Waivers			
H2S Contingency Plan			
Federal Drilling Permit			

10. QtrQtr: NWNW Sec: 18 Twp: 1S Rng: 67W Meridian: 6
Latitude: 39.97044°N Longitude: 104.93807°W
Footage At Surface: 543' FNL/FSL FNL 619' FEL/FWL FWL
11. Field Name: Wattenberg SPINDLE Field Number: 77900 80750
12. Ground Elevation: 5182' 13. County: Adams

14. GPS Data:
Date of Measurement: 8/18/2008 PDOP Reading: 2.4 Instrument Operator's Name: Mark Angell

15. If well is: Directional Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: _____
Footage At Top of Prod Zone: _____ FNL/FSL _____ FEL/FWL _____ At Bottom Hole: _____ FNL/FSL _____ FEL/FWL _____

16. Is location in a high density area (Rule 603b)? Yes No
17. Distance to the nearest building, public road, above ground utility or railroad: 1722'
18. Distance to Nearest Property Line: 362' 19. Distance to nearest well permitted/completed in the same forma 866' 1036'

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara	NBRR	407-93 (318A)	40	NW/4 NW/4
Codell	CODL	407-87 (318A)	40	NW/4 NW/4
J Sand	JSND	232-23	320	W/2

21. Mineral Ownership: Fee State Federal Indian Lease # _____
22. Surface Ownership: Fee State Federal Indian
23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID# 2008-0120
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No
23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond
24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
T1S R67W Sec. 18: NW/4
25. Distance to Nearest Mineral Lease Line: 543' 26. Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.
28. Will salt sections be encountered during drilling? Yes No
29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? Yes No
30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No If 28, 29 or 30 are "Yes" a pit permit may be required.
31. Mud disposal: Offsite Onsite
Method: Land Farming Land Spreading Disposal Facility Other: _____
NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b.) If air/gas drilling, notify local fire officials.

String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12-1/4"	8-5/8"	24#	1050' 1075'	800 sx	1050' 1075'	0
Production	7-7/8"	4-1/2"	11.6#	8605'	230 sxs	8605'	7256'
			Stage Tool	5233'	250	5233'	4833'

32. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None
33. Comments: No conductor casing will be run. TWO IN HOLE EXISTING GREEN #2

34. Initial Rule 306 Consultation took place on (date) 10/27/2008, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.
PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.
I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.
Signed: [Signature] Print Name: Andy Peterson
Title: Vice President Date: 11/06/2008 Email: andy.peterson@petersonenergy.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.
COGCC Approved: _____ Director of COGCC Date: _____

Permit Number: **20087880** Expiration Date: _____
API NUMBER: _____ CONDITIONS OF APPROVAL, IF ANY: _____

1) Note surface casing setting depth change from 1050' to 1075'. Increase cement coverage accordingly. 2) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us. 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and 200' above Sussex. Verify coverage with cement bond log. Restore surface location.

State of Colorado Oil and Gas Conservation Commission

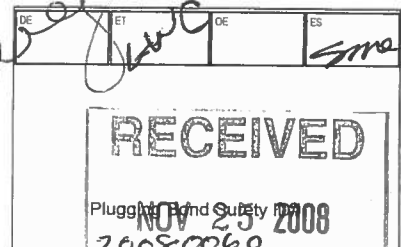
1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL OIL GAS COALBED OTHER: SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refilling Sidetrack



3. Name of Operator HRM Resources LLC 4. COGCC Operator Number: 10273

5. Address: 410 17th St. Ste 1200 City: Denver State: CO Zip: 80202

6. Contact Name: Andy Peterson Phone: (970) 669-7411 Fax: (970) 669-4077

7. Well Name: Carlson Well Number: 12-18

8. Unit Name (if appl): Unit Number:

9. Proposed Total Measured Depth: 8640'

10. QtrQtr: SWNW Sec: 18 Twp: 1S Rng: 67W Meridian: 6th

Latitude: 39.96650° N Longitude: 104.93808° W Footage At Surface: 1980' FNL 615' FWL

11. Field Name: Wattenberg SPINDLE Field Number: 77900 98750

12. Ground Elevation: 5220' 13. County: Adams

14. GPS Data: Date of Measurement: 8/18/2008 PDOP Reading: 1.7 Instrument Operator's Name: Mark Angell

15. If well is: Directional Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: Footage At Top of Prod Zone: At Bottom Hole:

16. Is location in a high density area (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 357'

18. Distance to Nearest Property Line: 287' 19. Distance to nearest well permitted/completed in the same formation: 965 2722

20. LEASE, SPACING AND POOLING INFORMATION

Table with 5 columns: Objective Formation(s), Formation Code, Spacing Order Number (s), Unit Acreage Assigned to Well, Unit Configuration (N/2, SE/4, etc.)

21. Mineral Ownership: Fee State Federal Indian Lease #

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID# 2008-0120

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer): T1S R67W Sec. 18 NW/4

25. Distance to Nearest Mineral Lease Line: 615' 26. Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? Yes No

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No If 28, 29 or 30 are "Yes" a pit permit may be required.

31. Mud disposal: Offsite Onsite Method: Land Farming Land Spreading Disposal Facility Other:

NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Table with 8 columns: String, Size of Hole, Size of Casing, Weight Per Foot, Setting Depth, Sacks Cement, Cement Bottom, Cement Top

32. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

33. Comments: No conductor casing will be run.

34. Initial Rule 306 Consultation took place on (date) 10/27/2008, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.

PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.

I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: Andy Peterson Print Name: Andy Peterson

Title: Vice President of Operations Date: 11/06/2008 Email: andy.peterson@petersonenergy.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: Director of COGCC Date:

Permit Number: 20087881 Expiration Date:

API NUMBER 05-

CONDITIONS OF APPROVAL, IF ANY:

1) Note surface casing setting depth change from 1050' to 1110'. Increase cement coverage accordingly. 2) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us. 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and 200' above Sussex. Verify coverage with cement bond log. Restore surface location.