



October 16, 2015

To: Hamill Family Partnership, LLP
c/o Jacob Hamill
5094 HWY 317
Hamilton, CO 81638

From: GRMR Oil and Gas, LLC
370 Interlocken Blvd, Ste 550
Broomfield, CO 80021

RE: **Waiver of Surface Owner Consultation**
Location: **Hamill 19-16HA located in the SESE Section 19 T5N R90W**
Form 2A Doc#: **400917437**
Form 2 Doc #: **400779996**

Dear Mr. Hamill,

GRMR Oil and Gas, LLC ("GRMR") is planning to drill the Hamill 19-16HA from the existing pad where the Hamill 19-16D is located. The Colorado Oil and Gas Conservation Commission ("COGCC") has not yet issued an approved drilling permit ("APD") for the Hamill 19-16HA and under current circumstances, would not issue an APD until the first week of November. GRMR is asking the COGCC to expedite an approved APD and associated Form 2 & 2A so that GRMR can drill the subject well immediately following the current well (Hamill 19-16D). If an expedited APD approval is not granted GRMR would be required to either:

- 1) Demobilize the drilling rig and wait until the required drilling permits are issued. This would result in forfeiting our current drilling contract, incurring significant trucking costs, excess traffic in the area, and delayed oil and gas production from the Hamill 19-16D,

Or

- 2) Allow the drilling rig to wait on location until the permit is approved. This would result in incurring unknown amounts of extra standby costs and possibly pushing drilling activity into December, bringing tough weather related surface conditions and possibly affecting wildlife migration patterns.

Pursuant to COGCC Rule 305.c (copy attached), prior notification to all landowners within 500' of the proposed well must be given, allowing for a 20 day comment period prior Form 2A approval. GRMR is requesting a variance from the COGCC, pursuant to Rule 303.J.(2) to waive this 20 day comment period,

allowing for continuous drilling operations. This waiver requires both landowner and Local Governmental Designee (LGC) approval.

Since the Hamill 19-16 well pad location has already been constructed and GRMR has commenced drilling operations for the Hamill 19-16D well on this pad, GRMR would prefer to continue uninterrupted operations on the Hamill 19-16HA immediately after TD has been reached (or production casing has been cemented in place) on the Hamill 19-16D. GRMR respectfully requests your approval below to waive the 20 day comment period pursuant to Rule 303.1.(2).

Sincerely,



Michael Griffis
Operations Manager
GRMR Oil and Gas, LLC

I agree to waive the 20 day comment period.

I DO NOT agree to waive the 20 day comment period.

Executed on the 18 day of October, 2015.



Jacob Hamill
General Partner
Hamill Family Partnership, LLLP.

Enclosures:

COGCC Rule 303.1.(2)
COGCC Rule 305.c

303.i. **Special circumstances for permit issuance without notice or consultation.** The Director may issue a permit at any time in the event that an operator files a sworn statement and demonstrates therein to the Director's satisfaction that:

- (1) The operator had the right or obligation under the terms of an existing contract to drill a well; and the owner or operator has a leasehold estate or a right to acquire a leasehold estate under said contract which will be terminated unless the operator is permitted to immediately commence the drilling of said well; or
- (2) Due to exigent circumstances (including a recent change in geological interpretation), significant economic hardship to a drilling contractor will result or significant economic hardship to an operator in the form of drilling stand by charges will result.

In the event the Director issues a permit under this rule, the operator shall not be required to meet obligations to Surface Owners, local governmental designees, the Colorado Department of Public Health and Environment, or Colorado Parks and Wildlife under Rule 305 (except Rules 305.f.(4) and 305.f.(6), for which compliance will still be required) and 306. The Director shall report permits granted in such manner to the Commission at regularly scheduled monthly hearings.

305.c. **Completeness determination and comment period notifications.** Upon receipt of a completeness determination from the Director, an Operator shall notify the persons specified herein of their opportunity to meet with the Operator pursuant to Rule 306 and submit written comments about the proposed Oil and Gas Location to the Director, the LGD, and the Operator, and shall provide information about the Oil and Gas Location as follows:

(1) Oil and Gas Location Assessment Notice (“OGLA Notice”).

A. Parties to be noticed:

- i. Surface Owners;
- ii. Owners of all Building Units within the Exception Zone Setback; and

- iii. Owners of surface property within five hundred (500) feet of the proposed Oil and Gas Location, for proposed Oil and Gas Locations not subject to Rule 318A or 318B.

The operator may rely on the tax records of the assessor for the county in which the affected lands are located to identify the persons entitled to receive the OGLA Notice.

- B. The OGLA Notice shall be delivered by hand; certified mail, return-receipt requested; electronic mail, return receipt requested; or by other delivery service with receipt confirmation unless an alternative method of notice is pre-approved by the Director.

C. The OGLA Notice shall include:

- i. The Form 2A itself (without attachments);
- ii. A copy of the information required under Rule 303.b.(3).C, 303.b.(3).D, 303.b.(3).F, and 303.b(3).J.i.;
- iii. The COGCC's information sheet on hydraulic fracturing treatments except where hydraulic fracturing treatments are not going to be applied to the well in question;
- iv. Instructions on how Building Unit owners can contact their Local Governmental Designee;
- v. An invitation to meet with the Operator before Oil and Gas Operations commence on the proposed Oil and Gas Location;
- vi. An invitation to provide written comments to the LGD, the Operator and to the Director regarding the proposed Oil and Gas Operations, including comments regarding the mitigation measures or Best Management Practices to be used at the Oil and Gas Location.

(2) **Buffer Zone Notice.** A "Notice of Comment Period" shall be provided by postcard to owners of Building Units within the Buffer Zone. The operator may rely on the county assessor tax records to identify the persons entitled to receive the Buffer Zone Notice. Notice shall include the following information:

- A. The Operator's contact information;
- B. The Local Governmental Designee's contact information;
- C. The COGCC's website address and telephone number;
- D. The location of the proposed Oil and Gas Facilities and the anticipated date operations will commence (by month and year);
- E. An invitation to meet with the Operator before Oil and Gas Operations commence on the proposed Oil and Gas Location;
- F. An invitation to provide written comments to the LGD, the Operator and to the Director regarding the proposed Oil and Gas Operations,

including comments regarding the mitigation measures or Best Management Practices to be used at the Oil and Gas Location.

- (3) **Appointment of agent.** The Surface Owner or Building Unit owner may appoint an agent, including its tenant, for purposes of subsequent notice and for consultation or meetings under Rule 306. Such appointment shall be made in writing to the operator and must provide the agent's name, address, and telephone number.
- (4) **Tenants.** With respect to notices given under this Rule 305, it shall be the responsibility of the notified Surface Owner or Building Unit owner to give notice of the proposed operation to the tenant farmer, lessee, or other party that may own or have an interest in any crops or surface improvements that could be affected by such proposed operation.
- (5) **Waiver.** Any of the notices required herein may be waived in writing by the Surface Owner, its agent, or the Local Governmental Designee, provided that a waiver by a Surface Owner or its agent shall not prevent the Surface Owner or any successor-in-interest to the Surface Owner from rescinding that waiver if such rescission is in accordance with applicable law.