



MERIT ENERGY COMPANY

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**RETURN RECEIPT REQUESTED**

August 24, 2009

Klaus J. Peschel Living Trust  
20308 WCR 39  
LaSalle, CO 80645

Re: Request for Approval to Rule 603.a.(2)  
**Peschel 34-7I**  
NE SW, Sec. 20, T4N-R65W  
Surface Location: 1819' FSL & 1879' FWL  
Weld County, CO

Dear Mr. Peschel:

Merit Energy Company [MEC] proposes to drill the Peschel 34-7I well in the location described above. In accordance with The Colorado Oil and Gas Commission Rule 603.a.(2)

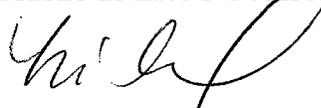
“A well shall be a minimum distance of one hundred fifty (150) feet from a surface property line. An exception may be granted by the Director if it is not feasible for the operator to meet this minimum distance requirement and a waiver is obtained from the offset surface owner(s). An exception request 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.”

The proposed well location is 65’, more or less, from your property line. If you have no objections, please execute this letter in the space provided below, and return this letter to Merit at your earliest convenience.

If you have any questions regarding this notice, please do not hesitate to contact me at 972.628.1658.

Yours truly,

MERIT ENERGY COMPANY



Michal K. White  
Regulatory Analyst

I/we hereby waive the COGCC Rule 603a requirement and agree to the location of the Peschel 34-7I well as described above.

Signature: Erna Peschel

Date: 8.28.09