

**K.P. KAUFFMAN COMPANY, INC.**

WORLD TRADE CENTER  
1675 BROADWAY, 28TH FLOOR  
DENVER, COLORADO 80202-4628

TELEPHONE (303) 825-4822  
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www.kpk.com

Loeffler #31-1

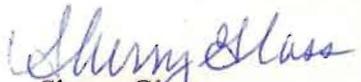
April 8, 2010

Department of Natural Resources  
Oil and Gas Conservation Commission  
The Chancery Building  
1120 Lincoln St., Suite 801  
Denver, Colorado 80203

RE: Waiver of Rule 318A a (1), location of a well outside of the GWA window and Waiver of Rule 318A c (2), Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, a surface well location greater than fifty(50) feet from a well

Dear Director,

K.P. Kauffman Company, Inc. (KPK) hereby requests that the Director grant a waiver to Rule 318A a (1), location of a well outside of the GWA window and waiver of Rule 318A c (2), Greater Wattenberg Area Special Well location, Spacing and Unit Designation rule, on the *Loeffler #31-1* well, located in the SW/4NW/4, Sec. 1, T4N, R66W, 6<sup>th</sup> PM, Weld County, Colorado. As the location is on 100% mineral leasehold and at least 210' from a property line, KPK hereby requests the Director to approve the proposed well location. KPK was given an exception by the surface owner to Rule 318A c (2) and Rule 318A a (1), allowing the location to be outside of the designated GWA window as determined by the COGCC and an exception location as defined by the COGCC. Please find the surface owner's exception location waiver attached.

  
Sherry Glass  
Engineering Technician

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**VIA CERTIFIED MAIL –  
RETURN RECEIPT REQUESTED**

March 25, 2010

Lydia Loeffler  
23896 WCR 35  
LaSalle, Colorado 80645

**RE: Waiver of Rule 318A.a (1)**, location of a well outside of the GWA window and;  
**Waiver of Rule 318A.c (2)**, Greater Wattenberg Area Special Well Location,  
Spacing and Unit Designation Rule, a surface well location greater than fifty (50) feet  
from a well.

Dear Mrs. Loeffler,

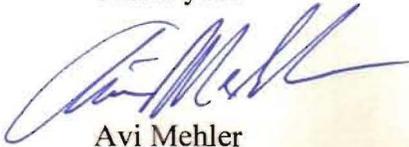
The K.P. Kauffman Company, Inc. would like to request your confirmation of a surface exception waiver for the Loeffler #31-1 well (formerly our Loeffler #1-12-A1 location), located in the SW/4NW/4, Sec.1, T4N, R66W, 6<sup>th</sup> PM, Weld County, Colorado according to your desired location of a well location at 1334' FNL, 210' FWL, Sec 1, Township 4 North, Range 66 West, 6<sup>th</sup> P.M.

COGCC rule 318A(a)(1) provides that in the Greater Wattenberg Area (GWA), operators may utilize "GWA windows" being a square with sides 400 feet in length, the center of which is the center of any governmental quarter section ("400' window") to drill, twin, deepen, or recomplete a well. COGCC Rule 318A(a)(3) provides that "Absent a showing of good cause, which shall include the existence of a surface use or other agreement with the surface owner authorizing a surface well location outside of a GWA window, all surface wellsites shall be located within a GWA window."

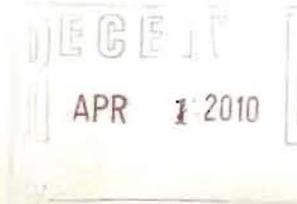
In addition, COGCC Rule 318A (c)(2) provides that when the operator is requesting a surface well location greater than fifty (50) feet from a well, the operator shall provide a consent to the exception signed by the surface owner on which the well is proposed to be located in order for the Director to approve the well location administratively.

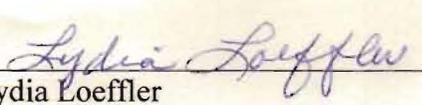
By signing below you grant K.P. Kauffman Company, Inc an exception by the surface owner to Rule 318A c (2) and Rule 318A a (1), allowing the location to be outside of the designated GWA window as determined by the COGCC and an exception location as defined by the COGCC. Please sign and return this waiver at your earliest convenience.

Thank you.



Avi Mehler  
Land Department



  
Lydia Loeffler