

TEXAS AMERICAN RESOURCE COMPANY



November 2, 2010

Colorado Oil and Gas Conservation Commission
Attention: Acting Director David Nelsin
The Chancery Building
1120 Lincoln St., Suite 801
Denver, CO 80203

RE: Application for Permit to Drill
Cass Farms 11-9H
Township 7 North, Range 62 West, 6th P.M.
Section 9: W/2
Weld County County, Colorado

Dear Mr. Nelson

Texas American Resources Company (TARC). The Cass Farms 11-9H is located in the 318A area and the surface location is outside of the 400'X400' window. The Cass Farms 11-9H will be a horizontal well and in order to achieve full lateral potential the surface hole location is located 315' FNL & 315 FWL. TARC has obtained the included waiver from the surface owner.

We thank you for your attention on the enclosed and respectfully request that you approve the requested exception location.

Respectfully

A handwritten signature in blue ink, appearing to read "Melissa Lasley". The signature is fluid and cursive, with a large, stylized initial "M".

Melissa Lasley
Operations Analyst
Texas American Resources Company

WAIVER COGCC RULE 318.A.(a)

State: Colorado
County: Weld
Surface Owner: Cass Farms Company
43251 CR 392
Briggsdale, CO 80611
Operator: Texas American Resources Company
Effective Date: October 4, 2010
Subject Lands: Township 7 North, Range 62 West, 6th P.M.
Section 9: NW/4NW/4, Weld County, Colorado.

Cass Farms Company, owner of the Subject Lands, for adequate consideration, the receipt and sufficiency of which is hereby acknowledged does hereby waive the provisions of Rule 318.A.(a) of the Colorado Oil and Gas Conservation Commission's Rules Regulations that provides that wells shall be drilled within a square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section ("400' Window"). Cass Farms Company hereby consents and authorizes Texas American Resources Company to drill, complete and operate the Cass Farms 41-9 well being 315 feet FNL and 315 feet FWL of Section 9, Township 7 North, Range 62 West, 6th P.M., Weld County, Colorado, which surface location is 208 feet outside of the 400' Window of Subject Lands.

This waiver and authorization is signed as of the date of the acknowledgment below, but is effective for all purposes as of the Effective Date stated above.

Cass Farms Company

By: [Signature]

Name: STANLEY D. CASS

Title: President, Cass Farms Co

STATE OF COLORADO § (ACKNOWLEDGMENT)
§
COUNTY OF WELD §

BEFORE ME, the undersigned, personally appeared STANLEY CASS, to me known to be the identical persons described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 14th day of OCTOBER, 2010.

My Commission Expires: 12/1/2013

[Signature]
Notary Public

