

Koepsell, Arthur

From: Jill Lazatin [Jill.Lazatin@cometridgeresources.com]
Sent: Friday, March 18, 2011 2:46 PM
To: Vigil, Julie
Cc: Koepsell, Arthur
Subject: Triggerfish 22-31 follow up email (requested) and Elliot Ness 22-17 inquiry

Dear Ms. Julie Vigil~

Last you and I spoke, Wednesday 3/16, the COGCC had everything they required in order to address our waivers and exigent circumstance for the Triggerfish 22-31 location with the Director. Arthur Koepsell called this morning telling me that he has concerns about the exigent circumstances as we laid them out in our letter with the application. In that conversation he asked that I write an email to you (Cc'ing him on it) addressing his concerns. Per that conversation here is the email.

As stated in Pine Ridge Oil & Gas's letter requesting exigent circumstances (including our 20day waiver), the locations of Pine Ridge Oil & Gas's wells are of a remote nature. With the activity in the DJ Basin it is extremely difficult and costly to get service companies (of any sort) to service us.

We will be ready to move to the Triggerfish 22-31 location on Thursday of next week, 3/24. We need a permit one day prior to starting work in order to have a sign on location when work starts (per the COGCC inspector). Delaying our Earthmoving crew, for not having a permit by that date (Wednesday 3/23), will cost us Mobilization and De-Mobilization costs of up to \$10,000. The resulting ramification of delaying our Earth moving crew (besides the costs associated) is delaying our drilling and completion rigs. We have 3 rigs drilling and completing each location: conductor, surface, workover (to complete the well). Delaying the first rig will cause delays in the timing of the rest of the rigs. This will cause us stand-by fees of up to \$30,000 per rig per day. The workover rig is under contract to start another job very shortly after they are done on our locations and thus cannot be held up. With that said, with a delay we chance losing that rig, resulting in not being able to complete the well at that time. The costs and ramifications of not being able to complete our well is unquantifiable at this time (reserves, possible plugging liabilities, time for paperwork for possible plugging or to TA well etc, and other effects that are unforeseen). Due to these complications and financial hardship we ask the state to grant us exigent circumstances and approve the Triggerfish 22-31 forms 2 and 2A by no later than Wednesday of next week, 3/23.

Along these same lines the 2 and 2A are awaiting final approval from the Director for the Elliot Ness 22-17. When we submitted these permits Pine Ridge Oil & Gas's Director of Drilling was told we would have them by 3/15. I spoke with you earlier this week and you stated that you did not see a problem with getting those forms approved this week for the Elliot Ness 22-17. This is another instance where if we do not have this permit by Monday, 3/21, we will end up in the same situation as described above. We planned on the 3/21 date based on the permit approval timeline given to us by the COGCC office.

I understand that the state does not like to send permits through this way and the headaches it can cause. We also appreciate the consideration to grant the exigent circumstances on the Triggerfish 22-31 as wells as, working within our timelines, on approval for the Triggerfish 22-31 and the Elliot Ness 22-17 forms 2 and 2A.

If there is anything else at all the COGCC needs from us in order for these things to occur please do not hesitate to email me, call my direct line or cell phone at any time (all three are listed below).

My best regards and most sincere thanks~

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