

LGD

**Trilogy Resources, LLC**  
**1036 S. High St.**  
**Denver, CO 80209**

March 17, 2011

Mr. Bruce T. Barker, Weld County Attorney  
915 10<sup>th</sup> St.,  
Greeley, CO 80632  
p(970) 336-7235  
Email: bbarker@co.weld.co.us

RE: T4N R67W; Section 5, North ½ of Weld  
County, CO:  
COGCC Rule 305.c.-Waiver of Notice,  
Comment and Approval Period  
COGCC Rule 303.i (2)-Special Circumstances  
for Permit Issuance Without Full Notice  
Document # 2530288-Form 2-Nelson 5-42;  
Document # 2530299-Form 2-Nelson 5-31;  
Document # (pending)-Form 2-Nelson 5-41;  
and,  
Document # 2530297-Form 2A- Nelson 5-42;  
Document # 2530298-Form 2A-Nelson 5-31;  
Document # (pending)-Form 2A Nelson 5-41  
& Facility

Dear Mr. Barker:

Further to our recent conversation, and in light of the exigent circumstances set forth in further detail below, Trilogy Resources, LLC, is hereby respectfully requesting that, pursuant to COGCC Rules 305.c. and 303.1. (2), you, as the Local Government Designee for Weld County, favorably consider waiving the standard drilling permit Notice, Comment and Approval period on behalf of Weld County in support of Trilogy's pending request that the COGCC issue the above referenced drilling and facility permits to it without requiring the full statutory notice period(s).

Trilogy only recently finalized the transaction whereby it secured the right to drill on the referenced locations. And, as a condition of retaining those rights, Trilogy is required to complete 4 wells on this particular lease by the end of April. If Trilogy does not secure the approved permits for the referenced 3 well locations and associated facility on or about March 31<sup>st</sup>, it will either incur standby charges for the already contracted rig at \$15,000 per day, or it will have to move off the Nelson lease and lose its rig allotment. Further, re-mobilization expenses of more than \$30,000 will be incurred if Trilogy is required to stand the rig back up once the full notice period has elapsed. Additionally, our surface owner has stipulated that we be done drilling in his fields by April 15<sup>th</sup>, in order to facilitate his planting schedule and the surface use agreement ("SUA") includes damages and payments

of \$500 per day to the surface owner for every day Trilogy is in his fields with equipment after April 15<sup>th</sup>.

Per Rule 303.I. (2), Trilogy stands ready to affirm to the COGCC that, due to the referenced exigent circumstances, Trilogy, the land owner and the relevant mineral lessor(s) will experience unnecessary economic hardship if the required permits for the Nelson wells and facility are not received on or about March 31<sup>st</sup>, 2011.

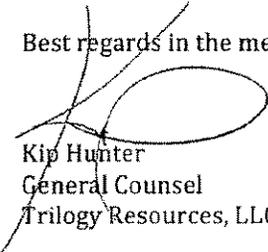
Hence Trilogy's request that you, in your capacity as the Local Government Designee for Weld County, Colorado, sign the waiver set forth below.

Please be advised that the surface owner is aware of the planned drilling operations, and has already waived his 30-day Notice, Comment and Approval period; a true copy of that waiver is attached.

Please don't hesitate to contact me if you have any questions or comments: my cell phone is 303-818-9164.

Thank you for your kind consideration of this request; we look forward to hearing from you soon.

Best regards in the meantime.

  
Kip Hunter  
General Counsel  
Trilogy Resources, LLC

WAIVER OF LGD NOTIFICATION PERIOD  
COGCC Rule 305.c. Notice, Comment and Approval Period

I, DAVID BAUER the local government designee for Weld County, CO, hereby waive the statutory notice, comment and approval period allowances as stated within COGCC Rule 305.c. specifically related to the permitting of the Nelson lease described as T4N R67W; Section 5, North ½ of Weld County, CO, and also hereby waives the notice, comment and approval period allowances as to the Nelson 5-31, 5-41, and 5-42 wells.

Signature

David T. Bauer

Date:

March 21, 2011

Print Name, Title

DAVID BAUER - County Engineer

SURFACE OWNERS  
W/ WAIVER

Trilogy Resources, LLC  
1046 S. High St.  
Denver, CO 80209

March 17, 2011

Paul Nelson Dairy Farm, LLC  
9000 County Road 52  
Milliken, Colorado 80543

RE: T4N R67W; Section 5, North ½ of Weld  
County, CO:  
COGCC Rule 305.c. -Waiver of Notice,  
Comment and Approval Period; and,  
COGCC Rule 303.i (2)-Special Circumstances  
for Permit Issuance Without Full Notice  
Document # 2530288-Form 2-Nelson 5-42;  
Document # 2530299-Form 2-Nelson 5-31;  
Document # (pending)-Form 2-Nelson 5-41;  
and,  
Document # 2530297-Form 2A- Nelson 5-42;  
Document # 2530298-Form 2A-Nelson 5-31;  
Document # (pending)-Form 2A Nelson 5-41  
& Facility

Dear Paul and Charlene:

As you are aware, Trilogy Resources, LLC, is preparing to drill four wells on your property in the NE/4 of Section 5 T4N R67W. These wells are being drilled under the terms of the Surface Use Agreement dated Feb. 23, 2011, entered into between the Paul Nelson Dairy Farm, LLC, and Trilogy (the "SUA").

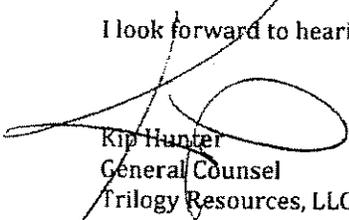
In order to drill the four wells within the time frames set forth in the SUA to accommodate your planting schedule and related surface use needs, Trilogy is requesting expedited permit approval from the COGCC for three of the wells and the related battery site. The COGCC may favorably consider our request to expedite these permits if you, as the surface owner, will agree to waive the statutory 20-day notice, comment and approval period. Regardless of your consent to waive such statutory period, you will still be able to comment to the Commission on any related matter that you wish; in other words, this waiver would not waive your rights to comment, only the length of time within which such comments would need to be made.

If you have any questions or concerns please do not hesitate to contact me; my cell phone number is 303-818-9164.

If you agree with this request, please indicate your acceptance by signing the waiver below.

We sincerely appreciate your cooperation with this matter, and look forward to completing these wells as quickly as possible for our mutual benefit.

I look forward to hearing from you soon. Best regards in the meantime.

  
Kip Hunter  
General Counsel  
Trilogy Resources, LLC

WAIVER OF SURFACE OWNER NOTICE, COMMENT AND APPROVAL PERIOD  
COGCC Rule 305.c.

I, ~~Charlene Nelson~~ surface owner of the Nelson lease described as T4N R67W; Section 5, North ½ of Weld County, CO; hereby waive the statutory notice, comment and approval period allowances as to the Nelson 5-31, 5-41, and 5-42 wells.

Signature

Paul Nelson Charlene

Date: 3/28/11

Print Name, Title

Paul Nelson Deing Farm LLC

changed LLC

to Paul Nelson Farms LLC

**Trilogy Resources, LLC**  
1046 S. High St.  
Denver, CO 80209

*OPERATOR  
WAIVER*

March 17, 2011

Mr. David Nelsin, Director  
Colorado Oil and Gas Conservation Commission  
1120 Lincoln St., Ste 801  
Denver, CO 80203

RE: T4N R67W; Section 5, North ½ of Weld  
County, CO:  
Rule 303.i (2)-Special Circumstances for  
Permit Issuance Without Full Notice  
Document # 2530288-Form 2-Nelson 5-42;  
Document # 2530299-Form 2-Nelson 5-31;  
Document # (pending)-Form 2-Nelson 5-41;  
and,  
Document # 2530297-Form 2A- Nelson 5-42;  
Document # 2530298-Form 2A-Nelson 5-31;  
Document # (pending)-Form 2A Nelson 5-41  
& Facility

Dear Mr. Nelsin:

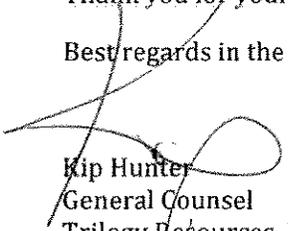
Further regarding Trilogy Resources LLC's request that the COGCC favorably consider issuing the above referenced drilling and facility permits without requiring the full statutory notice periods, Trilogy, as operator, hereby formally waives its right to the statutory twenty day comment period specifically relating to permitting the Nelson 5-31, 5-41 and 5-42 wells and related facility.

As you are aware, the surface owner has waived his 30-day Notice, Comment and Approval Period, and Bruce T. Barker, Esq., the Weld County Attorney, has also agreed to waive said period in his capacity as the Local Government Designee on behalf of Weld County, Colorado.

Please don't hesitate to contact me if you have any questions or comments: my cell phone is 303-818-9164.

Thank you for your kind attention to this matter; we look forward to hearing from you soon.

Best regards in the meantime.

  
Kip Hunter  
General Counsel  
Trilogy Resources, LLC