

Navex Resources, LLC.
4925 Greenville Ave. Ste 915
Dallas, Texas 75206

October 13, 2011

Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Attn: Mr. David Neslin, Director COGCC
c/o: Mr. B. Yokley, Permitting Technician – COGCC

RE: Request for Permit Issuance Due to Exigent Circumstances
State #1-16
Section 16 – 19S – 50W
Kiowa County, Colorado

Navex Resources, LLC. respectfully requests your approval of this request for early permit issuance due to exigent circumstances resulting in economic hardship associated with our having a drilling rig in the immediate vicinity that will be ready to move on before the onset of winter weather. After Thanksgiving, the costs to operate during winter weather makes the decision to drill a rank wildcat well more daunting, which could require us to postpone drilling this well until 2012.

At this moment, our contracted drilling company (Black Gold Drilling, Inc.) has been down for 8 weeks and is in fear of losing their employees or of having to move the rig to Kansas or Oklahoma to keep the crew together. We need to commence the drilling of this well in order to finish by Thanksgiving or, we may have to postpone drilling the well and move it to our 2012 drilling program.

The economic hardship associated with not receiving an expedited permit approval is that Navex Resources, LLC will have to pay over \$50,000.00 to move the rig back to Kiowa County from Kansas or even more from Oklahoma. We understand that if BGD Inc. can schedule a minimum of 2 to 3 wells to drill in SE Colorado, it will allow BGD Inc. to stay in Colorado and keep their employees. BGD Inc. has some other Operators it is in discussions with to drill several other wells in the area.

It is our understanding that under Rule 303.1.(2), you, as Director of the COGCC, may issue a permit at any time in the event that an operator files a sworn statement and demonstrates to your satisfaction that, due to exigent circumstances, significant economic hardship to the operator in the form of standby or mobilization charges will result; therefore, Navex Resources, LLC here by asks that you accept this letter as our sworn statement of exigent circumstances that would result in economic hardship to Navex Resources, LLC. if we were required to wait until, November for permit approval.

I want to thank you for your consideration on this matter. Please feel free to call me at (214)382-3223 should you have any questions regarding this matter.

Sincerely,
Navex Resources, LLC.

By: 
Conrad Mirochna
Vice President