

PETERSON ENERGY
MANAGEMENT INC.



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11/22/11

VIA ELECTRONIC TRANSMITTAL

Taft Valley, LLC
P.O. Box 269
Windsor CO, 80550

RE: Rule 318A.a & 318A.c Exception Location Waiver

Rancho Water Valley #2-6-4 Well: 220' FNL, 239' FEL, Sec. 4 T5N R67W
Rancho Water Valley #2-8-4 Well: 220' FNL, 224' FEL, Sec. 4 T5N R67W
Rancho Water Valley #3-9-4 Well: 220' FNL, 208' FEL, Sec. 4 T5N R67W

PER ATTACHED

Gentlemen,

Tekton Windsor, LLC (TW) is applying to the Colorado Oil and Gas Conservation Commission (COGCC) to drill the above referenced wells at the described surface locations. Colorado Oil and Gas Conservation Commission Rule 318A.a stipulates that a Greater Wattenberg Area (GWA) well surface location must be within a 400' by 400' drilling window centered at the center of each quarter-quarter section, or inside a 800' by 800' drilling window centered at the center of each quarter section. The above well surface locations fall outside of these windows. Additionally, COGCC Rule 318A.c stipulates that a GWA well surface location shall not be less than 50' from an existing well. As planned, these surface locations are greater than 50' from an existing well. Per COGCC Rules TW is required to get surface owner approval of this location and a waiver of said rules 318A.a and 318A.c. The wells are spotted as above in order to minimize surface disturbance and comply as well as possible with your wishes.

Should you find this acceptable please indicate so by signing the below section and returning the signed letter either via email to cdoke@petersonenergy.com, by fax or by mail. Please contact the undersigned at 970-669-7411 with any questions.

Sincerely,

Clayton L. Doke
Petroleum Engineer
Peterson Energy Management, Inc.
Consultants to Tekton Windsor, LLC

I, Todd Brute's, officer, agent, or employee of Taft Valley, LLC, surface owner of the above described lands, with full power to execute the following, do hereby approve of the Tekton Windsor, LLC. locations as listed above on said lands in Section 4 T5N-R67W and grant a waiver COGCC Rule 318A.a and 318A.c granting that they may drilled as planned.

Signed Todd Brute's this 28 day of Nov, 2011

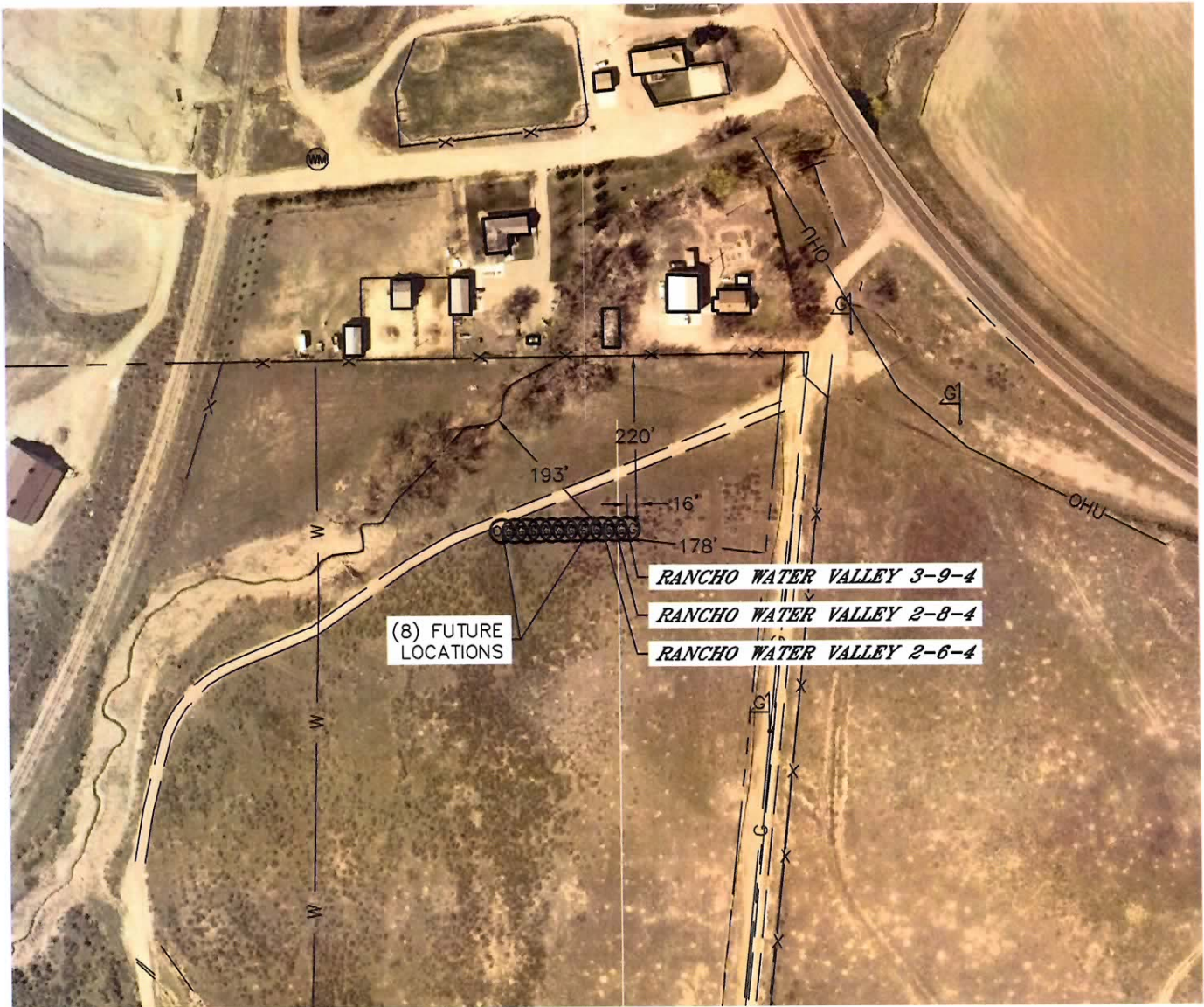


Lat40°, Inc. 1635 Foxtrail Drive, Suite 325 Loveland, CO 970-776-3321

MULTI-WELL PLAN

RANCHO WATER VALLEY 3-9-4, 2-8-4, 2-6-4

SECTION: 4
TOWNSHIP: 5N
RANGE: 67W



Handwritten signature or initials in blue ink.

