



June 1<sup>st</sup>, 2012

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

Attn: Mr. Thom Kerr, Director

RE: #1 Chapin-Gay  
2028' FSL & 2537' FEL  
Sec. 23-10S-46W  
Kit Carson county, Colorado

To Mr. Kerr,

Ritchie Exploration, Inc. is planning to drill the above referenced well to the Mississippian formation. Under the Colorado Oil & Gas Commission Rule 318.a. "Wells shall be located not less than **600** feet from any lease line."

The proposed #1 Chapin-Gay location is approximately 70 feet from the west quarter section line of the southeast quarter, which encroaches approximately 530 feet from the statutory set-back requirement.

This location was chosen based on the geologic interpretation of the recent seismic information, which denotes the location with the highest probability of completing a successful well.

REI has obtained permission, via the Waiver Forms enclosed, from the owners of both quarter-sections.

REI respectfully requests that the COGCC review the enclosed information and approved the requested Location Exception Waiver, and Application for Permit to Drill, for the above referenced well.

Please contact me if you have any questions or concerns. Thanks for your assistance in this matter.

Sincerely,



John Niernberger  
Production Manager

*Enclosures*

**RITCHIE EXPLORATION, INC.**  
**LOCATION EXCEPTION WAIVER FORM**

April 30, 2012

Shirley Woods, Attorney-in-Fact for Orville E. Chapin &  
Trustee of the Florence Ada Chapin Trust dated 8/22/1977  
7220 W. 18<sup>th</sup> Street  
Greeley, CO 80634-8607

RE: #1 Chapin-Gay  
2,028' FSL & 2,537' FEL  
Section 23-10S-46W  
Kit Carson Co., Colorado

Ritchie Exploration, Inc. is planning to drill the above referenced well to the Mississippian formation. Under the Kit Carson County Special Well Location Rule 318.a. "Wells shall be located not less than **600** feet from any lease line." The proposed #1 Chapin-Gay location is approximately 70 feet from the west quarter quarter line of the southeast quarter, which encroaches approximately 530 feet from the statutory set-back requirement.

This location was chosen based on the geologic interpretation of the recent seismic information, which denotes the location with the highest probability of completing a successful well.

If you are in agreement with the location of the proposed referenced well location, please sign and date one copy of this waiver form and return it to our office in the enclosed self-addressed, stamped envelope.

If you have questions in this regard, I may be reached at 316 691-9519. We thank you in advance for your consideration of this request.

**I hereby waive and except CO Rule 318.a. requiring wells to be 600 feet from a lease line, dated this 8th day of May 2012, by:**

**Surface Owners Signature:**

  
**Shirley Woods,**

as Attorney-in-Fact for Orville E. Chapin, & as  
Trustee of the Florence Ada Chapin Trust dated 8/22/1977

**RITCHIE EXPLORATION, INC.**  
**LOCATION EXCEPTION WAIVER FORM**

April 30, 2012

Karen R. & David K. Gay  
451 Shelburne Lane  
Sugar Grove, IL 60554

RE: **#1 Chapin-Gay**  
**2,028' FSL & 2,537' FEL**  
**Section 23-10S-46W**  
**Kit Carson Co., Colorado**

Ritchie Exploration, Inc. is planning to drill the above referenced well to the Mississippian formation. Under the Kit Carson County Special Well Location Rule 318.a. "Wells shall be located not less than **600** feet from any lease line." The proposed #1 Chapin-Gay location is approximately 70 feet from the west quarter quarter line of the southeast quarter, which encroaches approximately 530 feet from the statutory set-back requirement.

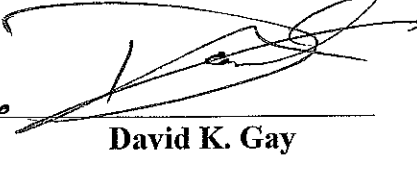
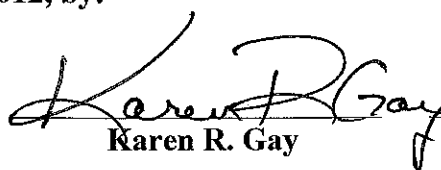
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If you have questions in this regard, I may be reached at 316 691-9519. We thank you in advance for your consideration of this request.

**I hereby waive and except CO Rule 318.a. requiring wells to be 600 feet from a lease line, dated this 17 day of May 2012, by:**

**Surface Owners Signature:**

  
**Karen R. Gay**                      **David K. Gay**