



June 11th, 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
RE: Pooling Declaration Letter

To Mr. Kerr,

Ritchie Exploration, Inc. is planning to drill the above referenced well to the Mississippian formation.

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.

In order to drill this well on the highest probability location determined by geological interpretation of recent seismic information, it is necessary to pool the production from this well between the two owners of the two quarter-sections of land covered by this arrangement:

- A) Chapin 23C lease - SW/4 Section 23-10S-46W
- B) Gay 23D lease - SE/4 Section 23-10S-46W.

REI has obtained permission, via Waiver Forms, from the owners of both quarter-sections to drill this well. Plans are to pool the production from this well, which is included in the leases of the impacted parties.

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

Sincerely,

John Niernberger
Production Manager