

BANKO

PETROLEUM MANAGEMENT INC.

June 19, 2012

Mr. Thom Kerr
Acting Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street
Suite 801
Denver, CO 80203

Re: Request for Exception Location Waiver
Entek GRB, LLC
Battle Mountain Federal 14-10L – Sidetrack
API No. 05-081-07641-01
Surface: 1,656' FSL 887' FEL (NE/4 SE/4)
BHL: ±660 FSL ±660 FWL (SW/4 SW/4)
Sec. 14 T12N R89W
Moffat County, Colorado
Surface: Fee
Federal Mineral Lease: COC069110/COC069111

Dear Mr. Kerr:

Entek GRB, LLC, is pursuing approval to drill the Battle Mountain 14-10L - Sidetrack well with the Colorado Oil and Gas Conservation at the above referenced location. COGCC Statewide Rule 318.a dictates that wells deeper than 2,500 feet shall be located not less than 600 feet from any lease line. The surface hole location for the proposed sidetrack is located within BLM lease COC069110. The proposed bottom hole location is within BLM lease COC069111. Both of these leases are held by Entek GRB, LLC. Since the proposed wellbore path intersects two Federal Mineral leases, a violation of Rule 318.a occurs. Please find attached a signed letter from the BLM – Little Snake Field Office acknowledging this. Entek plans to intersect these two federal leases due to the geology of the Niobrara formation in the area. By following the proposed well direction the thickest and most probable reserves are likely to be encountered per Entek's evaluations.

COGCC Statewide Rule 318.a also dictates that wells deeper than 2,500 feet shall be located not less than 1,200 feet from any other producible oil or gas well drilled into the same formation. The Battle Mountain 14-10L – Sidetrack has a proposed wellbore that will pass within 1,200 feet of another proposed well in the Niobrara formation. The well within the 1,200 foot buffer is API 081-07626 known as the Battle Mountain 14-10U. This permit is held by Entek and is currently not drilled. It is my understanding that there are no plans to drill into the Niobrara with this well since the proposed 14-10L will run horizontal in this area. Entek also has the Battle Mountain 14-15, API 081-07432 which

was originally completed into the Niobrara formation, the Niobrara was eventually cemented and the well was plugged back into the Illes and Deep Creek Sands as the Niobrara was deemed uneconomic.

Please contact Mark Johnson, at (303) 820-4480 if you have questions or comments about this project. Entek would like to commence this project in the next 30-60 days if the APD approval is obtained. Please send a copy of all correspondence to Banko Petroleum Management, Inc. at 385 Inverness Parkway, Suite 420, Englewood, CO 80112-5849.

Thank you for your assistance.



Kimberly J. Rodell
Banko Petroleum Management
Permit Agent for Entek GRB, LLC