

STATE LAND BOARD
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RAMSEY PROPERTY MANAGEMENT LLC

2932 NW 122nd St., Suite #4
Oklahoma City, OK 73120
Office: 405-302-6200

July 10, 2012

VIA CERTIFIED MAIL- RETURN RECEIPT REQUESTED
And FedEx Track # 7973-7778-5450

Mr. Timothy J. Kelly
Minerals Leasing Manager
State of Colorado
State Board of Land Commissioners
1127 Sherman Street, Suite 300
Denver, CO 80203

Re: Waiver of Rule 318.c (Exception Location)
Oil & Gas Lease No. 8978.6
Plainsmen Partners LLC - State of Colorado #2-36
2310 feet FSL, and 330 feet FEL, (90 deg off Section lines) of Section 36-34S-43W
Baca County, Colorado
Surface: State
Mineral Lease: State

Dear Mr. Kelly:

Plainsmen Partners LLC (Plainsmen) is the Lessee of State of Colorado OG Lease # 8978.6. Plainsmen has retained Ramsey Property Management (Colorado Operator #10220) to drill an offset well to the State of Colorado #1-36 (API # 05-009-06670-00), also operated by Ramsey Property Management for Plainsmen. The State of Colorado #1-36 is also located in Section 36-34S-43W of Baca County, Colorado.

The State of Colorado #2-36 well is to be located within the area covered by Rule 318.c and/or 318.a which specifies that productive intervals must be at least 600 feet from a lease boundary and 1200 feet from another well producing from the same zone.

We respectfully request you, as Minerals Leasing Manager for the State of Colorado State Board of Land Commissioners, provide consent for our request for a well exception location to the requirements of this rule. We have geological evidence showing good cause for the State of Colorado #2-36 be located 991.08 feet from the State of Colorado #1-36.

As you know, we have worked closely with Mr. Mike Pollart, SE District Manager of the State of Colorado State Board of Land Commissioners, who has personally inspected the proposed well site. It is our understanding that Mr. Pollart has provided you with information favorable to our request.

By signing below you grant Plainsmen an exception to Rule 318.c and/or 318.a allowing the location to be less than 1200 feet from the State of Colorado #1-36.

Thank you,

Yalonda Loftis
Yalonda Loftis, Petroleum Landman
Agent for Plainsmen Partners & Designated Agent for Ramsey Property Management, LLC
Mobile: 405-850-8226

Timothy J. Kelly
By: Timothy J. Kelly, Minerals Leasing Manager

7/12/2012
Date:

