

i. Due to technical difficulties encountered with maintaining the required azimuth, inclination and depth control from the planned sidetrack out of the vertical pilot hole, current projections indicate that we will not be able to achieve the required and planned landing point position of the curve to start the lateral. We are requesting approval to plug back the current planned sidetrack and start a second unplanned sidetrack operation from a position in the original vertical pilot hole penetration.

ii. The total depth achieved in the current wellbore to be plugged back is 7,433' MD / 7,407' TVD.

iii. Surface casing (9-5/8", 36 ppf, J-55) is set at a depth of 2,033' MD / TVD and was cemented to surface. A 16" conductor string is set at a depth of 124'. There are no other casing strings set.

iv. The request for a sidetrack is not due to a "fish" or other obstruction in the hole. However, the requested plan to be implemented for this unplanned sidetrack operation will include the use of a mechanical whipstock to be placed in the open hole in conjunction with the placement of a cement plug. The planned top of the whipstock will be at 6,900' MD and approximately 475' of 2-7/8" tubing (tail pipe) will be run below the whipstock to an approximate depth of 7,400'.

v. The total volume of cement to be pumped is 165 sacks (251 cubic feet, or 44.7 bbls). The plug will be placed from 7,400' (end of tubing) back to 6,800' (being ~100' above the planned top of the whipstock setting depth).

vi. The cement (Halliburton) is a Class G plug cement, to be mixed at 15.8 ppg and having a yield of 1.52 cubic feet per sack.

vii. The proposed sidetrack kick off point will be from the exit depth of the whipstock face, being at a depth of 6,912' (or ~12' below the top of the whipstock).

viii. The proposed objective formation for the requested sidetrack hole remains the same as per original plans, being the Niobrara "C" horizon.

ix. The BHL target position for the requested sidetrack is to remain the same as per the original plans; being located at 1,025' FNL & 485' FEL of Section 25-T4S-R64W of Arapahoe County, CO.