

EE3 LLC

Peterson Ridge #1-20H

API #05-057-06515

1) In the paper work we received from BLM the date of the Obligation well expired on 4/25/2012. How has this been handled?

The first unit obligation well was originally required to be spud by April 25, 2012. By letter dated December 4, 2012, the BLM approved an extension of time to meet the obligation well requirement due to a lack of an approved Application for Permit to Drill from the BLM. An APD for the Peterson Ridge 01-20H well was approved by the BLM on May 2, 2013, and the new spud date deadline was determined to be November 2, 2013. The Peterson Ridge 01-20H was spudded on October 18, 2013.

2) The minerals in Sec. 29 are uncommitted according to the BLM Final Approval-Peterson Ridge Unit COC75018X. Please provide documentation allowing you to produce from Section 29.

Attached is a copy of the letter dated October 25, 2011 from BLM which states that "All lands and interests are fully or effectively committed except Tracts 20-23, 26 and 31." Section 29 is comprised of Unit Tracts 6 & 30 which are committed to the Peterson Ridge Unit as per said letter. We have oil and gas leases covering all of Section 29 except an undivided one-half interest in 4.74 acres.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7093
www.blm.gov/co
OCT 25 2011



In Reply Refer To:
3180 (CO-922)
Final Approval-Peterson Ridge Unit
COC75018X

EOG Resources, Inc.
c/o UnitSource Incorporated
11184 Huron Street, Suite 16
Denver, Co 80234

Dear Gentlemen:

The Peterson Ridge Unit Agreement, Jackson County, Colorado, was approved on October 25, 2011. This agreement has been assigned number COC75018X.

The basic information is as follows:

1. The depth of the test well and the area to be unitized were approved under the unit plan regulations of December 22, 1950, by letter dated September 8, 2011.
2. All formations are unitized.
3. The unit embraces 24,572.93 acres more or less, of which 18,065.14 acres (73.52 percent) are federal lands; 1,475.94 acres (6.00 percent) are state lands; 5,031.85 acres (20.48 percent) are patented lands.

The following federal leases embrace lands within the unit area:

COC65601*	COC65609
COC65603*	COC65610
COC65604	COC65614
COC65605	COC65782
COC65606	COC66236
COC65607	COC66237*
COC65608	COC70034*

*Indicates lease is eligible for segregation

All lands and interests are fully or effectively committed except tracts (20-23, 26, and 31. Tract 15, containing 355.00 acres is unleased federal lands, which is not committed but is considered controlled acreage because, prior to issuance of lease(s) for the acreage the lessee(s) will be required to commit to the unit agreement. All parties owning interests within the unit were invited to join the unit agreement.

In view of the foregoing commitment status, effective control of operations within the unit area is assured. We are of the opinion that the agreement is necessary and advisable in the public interest and for the purpose of more properly conserving natural resources.

This unit provides for the drilling of an "obligation well" pursuant to Section 9 of the unit agreement. The obligation well will be located in the SWSE of Section 20, T. 8 N., R. 80 W., 6th P.M., Jackson County, Colorado, and will be drilled to a depth of 6,500 feet vertical depth or to test 350 feet below the top of the Niobrara formation, whichever is the lesser depth. The obligation well is considered to be a contractual commitment on the part of the Unit Operator. No extension of time beyond April 25, 2012, will be granted to commence the initial obligation well other than "Unavoidable Delay" pursuant to section 25 of the unit agreement, where justified. Any extension granted for "Unavoidable Delay" requires convincing written justification and documentation prior to the critical date and is limited to 30 days, with possible renewal for 30 day-periods, if the delay is extensive, with timely written documentation for each extension.

Pursuant to 43 CFR 3183.4(b) and Section 9 of the unit agreement, if the Public Interest Requirement is not fulfilled, the unit will be declared invalid and no lease committed to this agreement shall receive the benefits of 43 CFR 3107.3-2 and 3107.4.

Approval of this agreement does not warrant or certify that EOG Resources, Inc., and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

Copies of the approved agreement are being distributed to the appropriate federal offices. You are requested to furnish all interested parties with appropriate evidence of this approval.

If you have any questions concerning this approval contact Judy Armstrong at (303) 239-3761.

Sincerely,



Jerome D. Strahan
Chief, Branch of Fluid Minerals
Division of Energy, Lands, and Minerals

Enclosures (Exhibits A & B)

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. 181, et seq., and delegated to the Authorized Officer of the Bureau of Land Management, under the authority of 43 CFR 3180, I do hereby:

A. Approve the attached agreement for the development and operation of the *Peterson Ridge Unit Area*, Jackson County, Colorado. This approval shall be invalid ab initio if the public interest requirement under 43 CFR 3183.4 (b) is not met.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all the Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated 10-25-11



Jerome D. Strahan, Chief
Branch of Fluid Minerals
Division of Energy, Lands, and Minerals

Contract Number: COC75018X

R 80 W

R 81 W

R 81 W

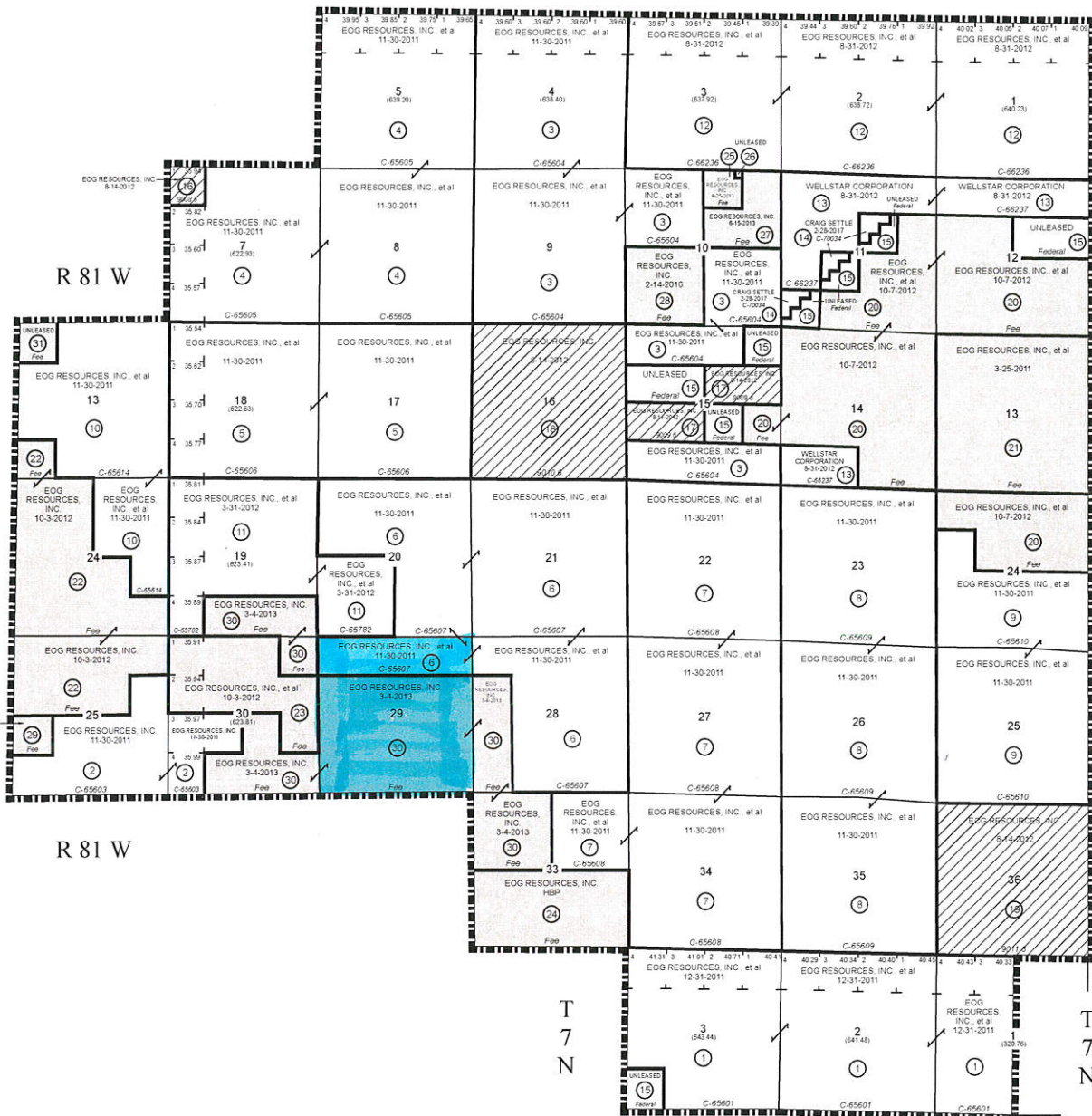
R 80 W

T 8 N

T 8 N

T 7 N

T 7 N



	ACREAGE	PERCENTAGE
FEDERAL LANDS	18,065.14	73.52%
STATE LANDS	1,475.94	6.00%
PATENTED LANDS	5,031.85	20.48%
TOTALS	24,572.93	100.00%



NOTE: UNLESS OTHERWISE NOTED HEREIN THE SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES

EXHIBIT "A"

PETERSON RIDGE UNIT AREA
JACKSON COUNTY, COLORADO

EOG RESOURCES, INC.
DENVER, COLORADO

8-24-2011