

FINNEY LAND CO.

OIL & GAS CONSULTING

P.O. BOX 2471
DURANGO, CO 81302
PHONE: 970-259-5691 FAX: 970-259-4279

January 24, 2013

COGCC

ATTN: Matt LePore, Director
1120 Lincoln Street, Suite 810
Denver, CO 80203

RE: Request for Exception Location
Elm Ridge Exploration, IGW 122 well
NE/4SE/4 Sec. 7, T33N, R8W
La Plata County, Colorado

Dear Mr. LePore,

Elm Ridge Exploration Company, LLC proposes to drill the subject well under Spacing Order 112-195 on an existing well pad in order to minimize surface disturbance..

The Surface Use Agreement dated July 5, 2007 requires the wellhead to be located 1445 feet from the South section line and 1163 feet from the East section line.

There is a modular home being used as a residence on adjacent lands. This Building Unit is located 473' from the described wellhead location which, at the time the agreement was effective, placed it outside the existing 450' buffer.

Due to rule changes effective August 1, 2014, this Building Unit now lies within an Exception zone under Rule 604.a.(1)A.

There are also two building units within the 1000' Buffer Zone. One of these Building unit owners is the Surface Owner and has waived the thirty day notification as required under the existing Rule 305.b in the Surface Use Agreement. The other building unit owner is the also the owner of the occupied mobile home.

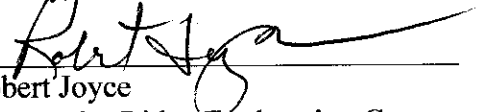
Due to the Surface Damage Agreement and Release having been executed effective July 5, 2007, this well location meets the criteria under Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013).

A waiver from the offset landowner been requested and denied.

Elm Ridge Exploration Company, LLC respectfully requests that an exception to setback distance requirements be granted under Rule 604.b.(1)A and Rule 604.b.(2).

Thank you for your attention to this matter.

Sincerely,


Robert Joyce
Agent: Elm Ridge Exploration Company, LLC