

**Access Environmental LLC  
106 South White Tail Drive  
Franktown, Colorado 80116-8825**

RECEIVED  
BLM LITTLE SNAKE  
CRAIG, COLORADO 81625  
2014 MAR 10 PM 12:58

March 7, 2014

Ms. Bonnie Hickey  
Bureau of Land Management  
Little Snake Field Office  
455 Emerson Street  
Craig, Colorado 81625

**RE: Duncan Ranch 11-89-36 #3-4 well location exception request**

Dear Ms. Hickey,

Carmony Exploration LLC (Carmony) has submitted an Application for Permit to Drill (APD) with the Colorado Oil & Gas Conservation Commission. I have attached a copy of the Duncan Ranch 11-89-36 #3-4 Well Location Plat and the Access Map with Driving Directions which were submitted as part of the COGCC APD package.

The location of the proposed Duncan Ranch well is on private surface and private minerals leased by Carmony. The well pad location was determined after consultation with the surface (and mineral) owner who requested the well pad be located slightly over a ridge line and behind a stand of trees to hide it from view.

The proposed Duncan Ranch well will be vertical and is located 217 feet from a Federal mineral lease in the southwest quarter of section 36. The subject Federal mineral lease is also held by Carmony. The surface location is the closest that the well bore will be to the Federal lease line as it is anticipated that the well bore will deviate to the east due to the dip of the geologic strata. An eastward drift of a well bore was experienced in the drilling results of the nearby Sheehan well which was recently completed by Carmony in Section 2 approximately one mile to the southwest of the proposed Duncan Ranch well location.

The new COGCC rules require 600 feet of setback distance from a mineral lease line. The COGCC understands that the BLM setback requirement is less and is prepared to approve the APD pending approval from BLM of the proposed well location.

As per our recent telephone conversations and emails, I would appreciate BLM's approval of the proposed well location as shown on the attached well survey plat and located at 217 feet east of the Federal mineral lease line.

Thank you for your time and assistance. If you have any questions or need additional information please contact me at your convenience.


Sincerely



Rick Obernolte

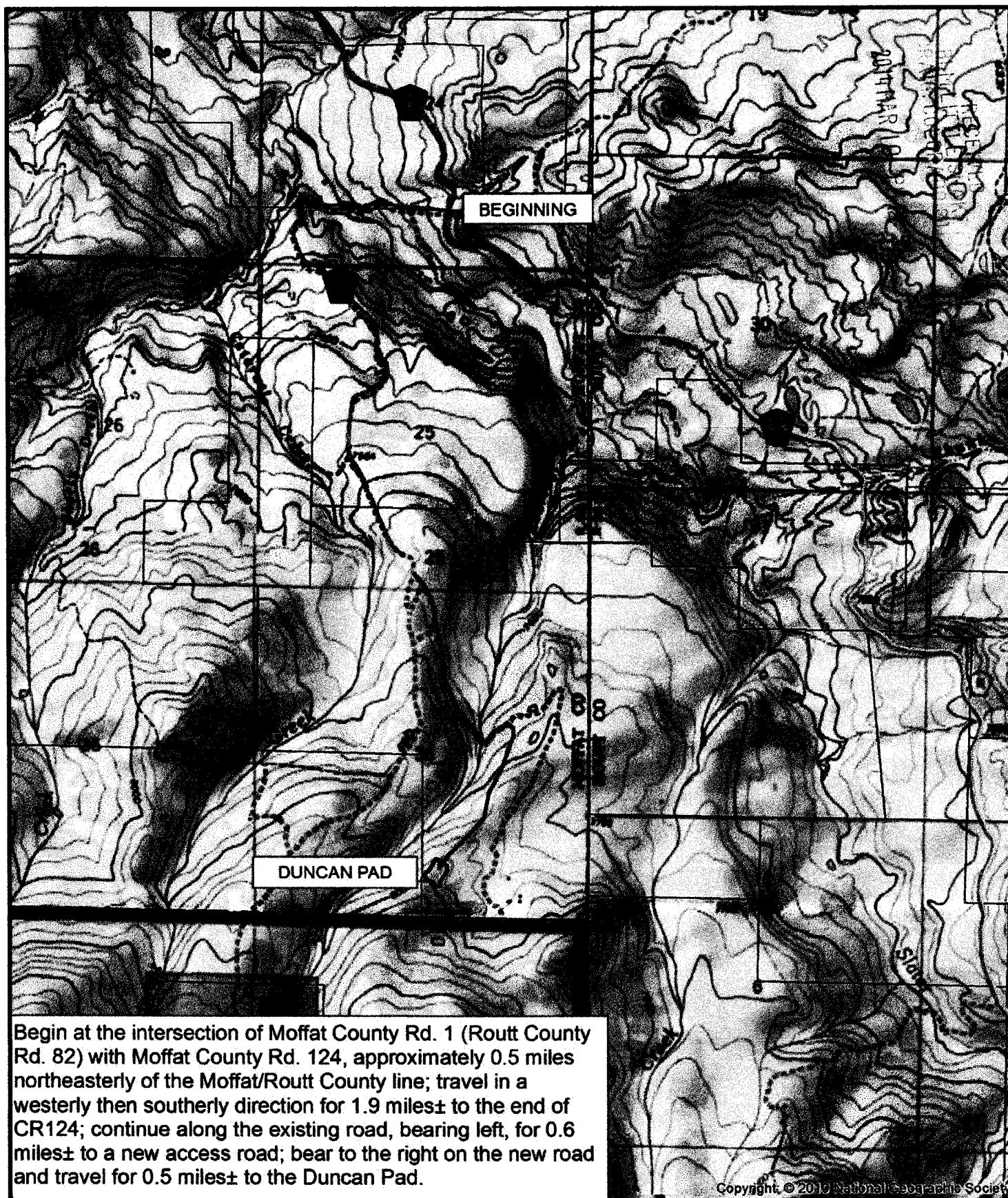
Environmental consultant and agent for Carmony Exploration LLC

BLM has reviewed the above request for an exception location for the proposed Duncan Ranch 11-89-36 #3-4 well and well pad, BLM concurs with the proposed location, and BLM approves the location as shown on the attached well plat.

Approved: , Acting Field Manager - LSFO


Date: 3/13/14

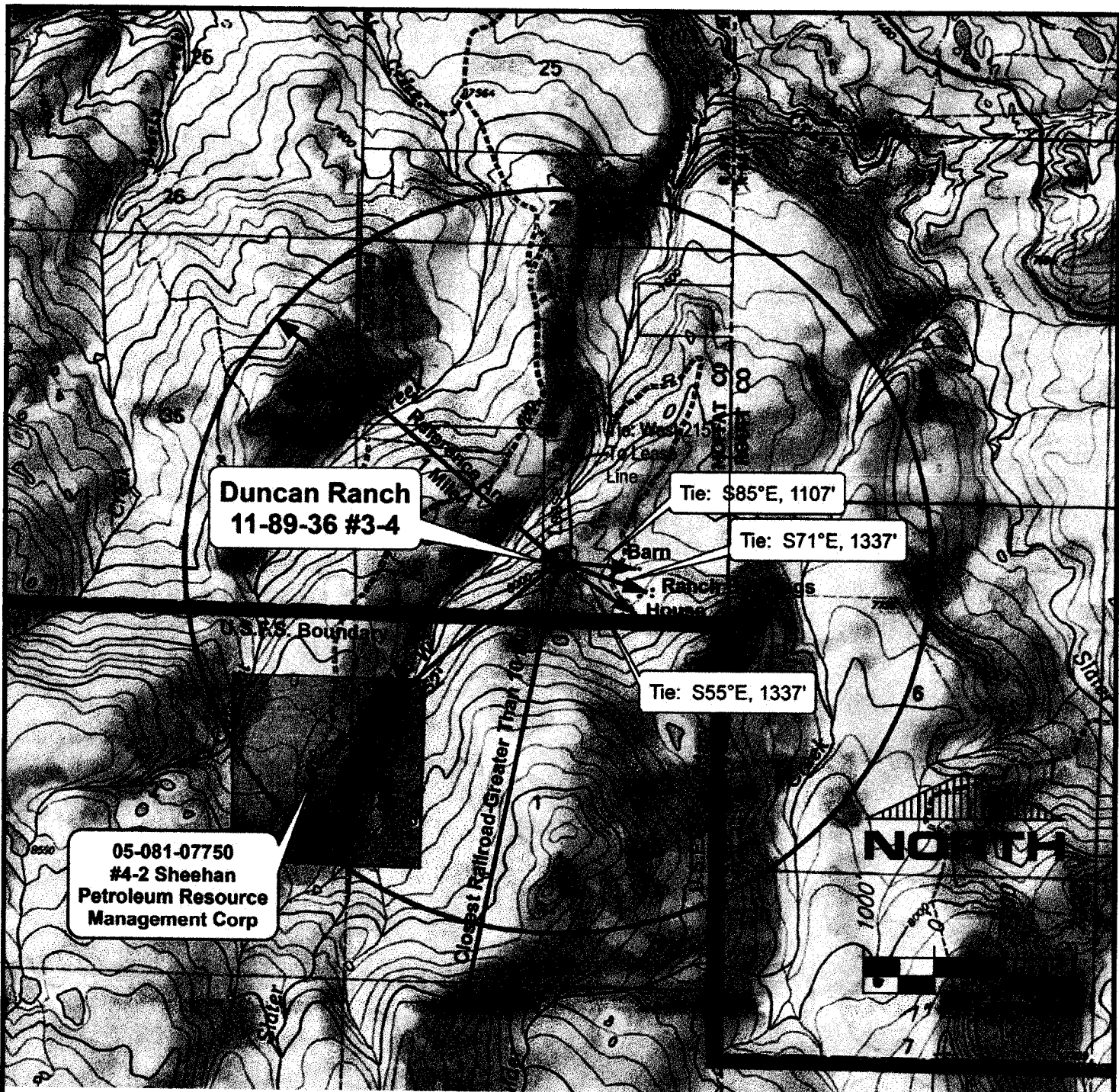




Begin at the intersection of Moffat County Rd. 1 (Routt County Rd. 82) with Moffat County Rd. 124, approximately 0.5 miles northeasterly of the Moffat/Routt County line; travel in a westerly then southerly direction for 1.9 miles± to the end of CR124; continue along the existing road, bearing left, for 0.6 miles± to a new access road; bear to the right on the new road and travel for 0.5 miles± to the Duncan Pad.

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<b>Petroleum Resource Management Corp.</b>	 118 West Sixth Street, Suite 200 Glenwood Springs, CO 81601 970.945.1004 www.sgm-inc.com	NO SCALE Sheet 7 of 7 Duncan Ranch SE	ACCESS MAP AND DRIVING DIRECTIONS PETROLEUM RESOURCE MANAGEMENT CORP., DUNCAN RANCH SOUTHEAST PAD Job# 2013-379.001 Date: 7.2.13 By: REB File: DUNCAN_APD
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**PETROLEUM RESOURCE MANAGEMENT CORP.  
PROPOSED DUNCAN RANCH SOUTHEAST PAD**

Reference Point = DUNCAN RANCH 11-89-36 #3-4 =

Lat.: 40.860331°N

Long.: 107.325012°W

NAD83

**Petroleum  
Resource  
Management Corp.**

**SGM**

118 West Sixth Street, Suite 200  
Glenwood Springs, CO 81601  
970.945.1004 www.sgm-inc.com

Scale: 1" = 2000'

Sheet 3 of 7

Duncan Ranch SE

TOPOGRAPHIC AND REFERENCE AREA MAP

PETROLEUM RESOURCE MANAGEMENT CORP., DUNCAN RANCH SOUTHEAST PAD

Job#: 2013-379.001

Date: 2.24.14

By: REB

File: dUNCAN\_APD

2014 MAR 10 PM 12:50

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BULLITE SHAW  
MAY 10 2014  
COLORADO STATE