

FINNEY LAND CO.

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COGCC

March 7, 2014

796 Megan Ave.
Ste. 201
Rifle, CO 81560
ATTN: Dave Kubeczko
Elm Ridge IGW 122 Well
T33N, R8W, NMPM

Dear Mr. Kubeczko,

Prior to mailing preapplication notices for this well, I contacted and met personally with Charles Thompson and Jan Herrera, two landowners whose property lines lie within 500' of the proposed Elm Ridge IGW 122 well. The reason for the meeting was to request permission for our surveyor to access their properties to shoot distances to existing structures and to inform them that preapplication notices would be sent to them by registered mail.

During this initial meeting there were lengthy and detailed discussions regarding Elm Ridge's intent to drill the IGW 122 infill well. I also explained to them the stages of the permitting process and the OGLA noticing they would receive subsequent to filing the application and prior to permit approval and the beginning of operations on the location.

At the time both Mr. Thompson and Mrs. Herrera expressed concerns about future development on this location. They both requested that I notify them of the date and time we would be holding an onsite for the IGW 122 well so they could be present and express their concerns. I agreed to notify them. I also emphasized that at any point subsequent to receiving their preapplication notice, they should be proactive in contacting the LGD, COGCC, me and/or Elm Ridge to schedule a meeting.

Due to Rule 604.a(1). creating a scenario wherein the proposed well will be located in an Exception Zone (473' from a mobile home occupied by her daughter, Tammy Herrera) and Rule 604.a(2) which placed Mrs. Herrera's residence within a Buffer Zone, I contacted Mrs. Herrera again prior to my submitting the Form 2 and Form 2A and requested a waiver which she refused. At this time I again discussed the idea of scheduling a meeting with any or all parties involved in permit approval and operations and again emphasized that she should be proactive in this respect. She indicated at that time that she had retained an attorney and that she had been instructed not to sign any paperwork. She further stated that the attorney would be "handling any future dealings" with the permitting process.

I met personally with Mrs. Herrera and Mr. Thompson again yesterday, March 6 to inform them of the onsite with La Plata County that has been confirmed for 1:30 PM on Monday, March 10. At this time I also hand delivered the OGLA notices to Mrs. Herrera, Mr. Thompson and also to Mrs. Gantt, the surface owner of the tract where the IGW 122 is proposed. All three of these individuals signed receipts stating that they had received the notices by hand delivery. Mrs. Herrera wrote on her receipt that she was not in approval of any new drilling or refracking of the existing well.

During this meeting we again discussed her concerns. She stated that she believed her attorney had contacted COGCC regarding the permitting of the IGW 122 well. I again requested that she or her attorney schedule a meeting and indicated my willingness to contact her attorney in order to facilitate this. She refused to tell me the name of the attorney or give permission to contact this individual.

For the record, during every meeting or contact I have had with Mrs. Herrera and Mr. Thompson, I have emphasized that they must be proactive in contacting the County, State and/or Operator to schedule a meeting in the interim prior to permit approval and have offered to arrange this myself, at their convenience, if need be.

Neither Mr. Thompson nor Mrs. Herrera can be present at the meeting on Monday, March 10. Mrs. Gantt did not express any objections to the proposed well.

I contacted Mrs. Herrera again this morning to inform her of the onsite you will be conducting on the morning of March 18th. She has indicated that she can attend. The specific complaints are as follows:

Mrs. Herrera stated that subsequent to the pumping unit being started on the existing F. W. Terrell Gas Unit #2, the flow rate of her water well was substantially reduced and the quality of the water was impacted. She says she has kept records of the water levels and flow rates of her well over many years. She believes these indicate changes in flow rates, water levels and water quality in direct relation to the starting and stopping of the existing pumping unit. She also objects to the noise levels of the existing pumping unit on the location.

Mr. Thompson's concerns are similar but related to the drilling of the Samson Resources Olson 33-8-8 well to the Northeast of his property. He contends that subsequent to the pump being started on this well, his well water levels eventually dropped to the point that the well is no longer viable and he has to haul potable water to his home. As I understand it, his interest in this well has to do with the possibility of his being unable to successfully drill a new water well in the future.

I have contacted Mr. Thompson by voicemail and notified him of the onsite on the 18th. When he confirms, I will notify you.

Very best regards,


Doug Joyce, Agent
Finney Land Co.
970-769-0488