



David M. & Peggy D. McCall
1717 21st Ave.
Greeley, CO 80631

VIA CERTIFIED MAIL

ARTICLE NO. 7006 0810 0005 2692 8514

Re: Exception Location Waiver Request
McCall 33-09 1N46W
2350 feet FSL and 2400 feet FEL
of Section 9, Township 1 North,
Range 46 West, 6th PM, NWSE/4
Yuma County, Colorado

Dear Mr. & Mrs. McCall:

Per COGCC rule 318c, we would like to request an exception location waiver for the drilling of the above referenced well. The proposed well falls under WLR Rule 318B, which does not allow a well to be less than 300 feet from the boundary of said quarter section. The proposed well (if successful) would fall approximately 252' south of the Northeast quarter section line and approximately 183' east of the Southwest quarter section line.

Due to a fault running through the Niobrara formation from the NESW/4, to the SWNE/4 Augustus Energy is unable to move this proposed well to a legal location due to the risk of drilling a sub economic well or dry hole.

Please acknowledge your acceptance of this Exception Location Waiver by signing below. Our Records show that you are the surface and mineral owner of the SWNE/4 and the NESW/4 of Section 9, Township 1 North, Range 46W, of which this well would be encroaching.

If you have any questions or require additional information please do not hesitate to contact us.

Best Regards,

Augustus Energy Resources LLC

Loni J. Davis

Loni J. Davis
Operations Accounting and Regulatory Specialist

David M. McCall
David M. McCall

6-16-2014
Date

Peggy D. McCall
Peggy D. McCall

6-16-2014
Date

cc: AER Well File
COGCC