

FINNEY LAND CO.

OIL & GAS CONSULTING

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

WAIVER

September 13, 2013

Lon Parmiter
2151 CR 334
Ignacio, CO 81137

Re: Coleman Oil & Gas, Inc. Multi-Well location
La Plata 34-7 33-1 well and La Plata 34-7 34-1 well
Township 34 North, Range 7 West, NMPM
Lot 1, Amended Plat, Vista de Los Pinos Subdivision

Dear Mr. Parmiter,

Coleman Oil and Gas, Inc. is proposing to drill the above referenced wells on a tract owned by you as set out in that certain Surface Damage Agreement & Release between you and Coleman Oil and Gas, Inc. dated June 13, 2013. In order to locate the well as closely as possible to the desired location, it may be necessary to stake one or more of the well locations closer than five hundred (500) feet of the existing building unit (your residence) on the above described lands.

In order to request an Exception Zone Setback under the Colorado Oil and Gas Conservation Commission (COGCC) Rule 604 a. (1) A. i., the Operator must to submit a waiver from a building unit owner within five hundred (500) feet of a proposed Oil and Gas location. COGCC Rule 604 a. (2) recites that no well or facility shall be located within one thousand (1000) feet of a building unit unless the operator certifies that it has complied with Rule 306.e.

Associated COGCC Rule 305. a. requires that a Notice of Intent to conduct Oil and Gas Operations to be submitted to you, 30 days prior to submission of our state permit application.

Associated COGCC Rule 305. c. requires an Oil and Gas Location Assessment Notice (OGLA Notice) be provided to you upon determination of completeness of the Form 2A of the state permit application.

Associated COGCC Rule 306. e.(1) and (2) requires an meeting between Operator and building owner within a buffer setback zone be conducted unless waived under the provisions Rule 306.e.(3)

La Plata County Regulations as recited in Chapter 90, Section 90-77 (a)(1) requires that written notice be provided to the current surface owner within 1320 feet of a wellhead or within 250 feet of a gathering line.

La Plata County LPLUC Chapter 90 Technical Revisions, Project Number 2013-2014 to Sec. 90-122(b)(1) increased the setback requirements in Chapter 90 from four hundred fifty (450) feet to five hundred (500) feet in order to comply with COGCC Rule 604a.(1)A

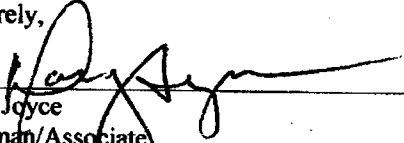
Coleman Oil & Gas, Inc. is hereby requesting a waiver pursuant to the aforementioned COGCC Rule 604a.(1)A, and La Plata County LPLUC Chapter 90 Technical Revisions, Project Number 2013-2014 to Sec. 90-122(b)(1) which would allow one or both of the proposed wells to be located closer than five hundred (500) feet to the existing building unit on the described lands.

Additionally, Coleman Oil & Gas Inc. is requesting waivers of COGCC Rule 604 a (2) along with the requirements under the aforementioned COGCC Rules 305.a, 305.c and 306 e.(1) as well a waiver of written notice as required under La Plata County Regulations recited in Chapter 90; Section 90-77 (a)(1).

Your signature to this letter will serve as an acknowledgment that one or both of the proposed wells will be located closer than five hundred (500) feet to your existing residence within a platted subdivision in La Plata County, Colorado and will constitute a waiver of the aforementioned COGCC and La Plata County Rules and Regulations.

Thank you for your courtesy and cooperation.

Sincerely,



Doug Joyce
Landman/Associate
Finney Land Co., Agent for Coleman Oil & Gas, Inc.

Waiver of five hundred (500) foot location setback and acknowledgment of location within an existing subdivision for the La Plata 34-7 33-1 well and the La Plata 34-7 34-1 well in, La Plata County, Colorado as recited in COGCC Rule 604 a.(1)A.i.

Waiver of five hundred (500) foot location setback requirements and acknowledgment of location within an existing subdivision for the La Plata 34-7 33-1 well and the La Plata 34-7 34-1 well in, La Plata County, Colorado as recited in La Plata County LPLUC Chapter 90 Technical Revisions, Project Number 2013-2014 to Sec. 90-122(b)(1)

Waiver of one thousand (1000) foot location setback under COGCC Rule 604 a.(2)

Waiver of COGCC Rules 306.e.(1) and (2) as allowed under COGCC Rule 306.e.(3).

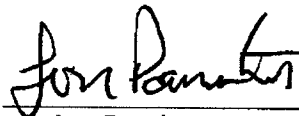
Waiver of Operator's notice and meeting requirements as set out in COGCC Rules 305 a. and 305 c.

Waiver of written notice as required under La Plata County Regulations recited in Chapter 90, Section 90-77 (a)(1).

Dated

8-13-13

By:



Lon Parmiter