



1331 17th Street, Suite 400  
Denver, CO 80202

Phone: 303-407-6500  
Fax: 303-407-6501

October 3, 2014

Mr. Matt Lepore, Director  
Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

**RE: Request for Exception Locations under Rule 318.c.**

Gaede 9S-55W-08-12 Well

Bottomhole location: NENW of Section 8, Township 9 South, Range 55 West, approximately 940' FNL and 1,880' FWL

Dear Director Lepore:

Please allow this correspondence to serve as Cascade Petroleum LLC's ("Cascade") request for the administrative approval of an exception location pursuant to Rule 318.c. for the above-captioned oil and gas well.

Due to engineering, geologic, and topographic conditions, Cascade proposes to locate the bottom hole of the Gaede 9S-55W-08-12 well at a location which is approximately 971' from the bottom hole location for the Gaede 9S-55W-08-16 well, located in the NWNE of Section 8 of Township 9 South, Range 55 West. As proposed, the bottom hole location for the subject well is located within the 1,200' setback from another drilling location as required by Rule 318.a. However, based on review of its proprietary 3D seismic covering these locations, Cascade firmly believes the proposed location offers the best opportunity for success, and moving it to accommodate the 1,200' setback would cause Cascade to eliminate this well from its drilling plans.

Based on Cascade's mineral research, the mineral ownership affected by the two wells mentioned above is as follows:

Gaede 9S-55W-08-12 Well

1. C. Andrew Gaede, individually and as Trustee of the CFG Exempt Trust f/b/o C. Andrew Gaede – 100% of all of Section 8 of Township 9 South, Range 55 West.

- a. This property is leased exclusively to Cascade by virtue of Oil and Gas Lease recorded as Instrument No. 334188 in the Lincoln County records, with a Correction of Lease recorded as Instrument No. 334490 in the Lincoln County records.

**Gaede 9S-55W-08-16 Well**

1. Please note the mineral interests in this well were pooled by contractual right, with support by the two affected parties, to cover the SWSE of Section 5 of Township 9 South, Range 55 West and the NWNE of Section 8 of Township 9 South, Range 55 West. Please see the Wellbore Specific Declaration of Pooling for the Gaede 9S-55W-08-16 Well attached hereto.
2. Anadarko E&P Onshore LLC and Anadarko Land Corporation – 100% of all of Section 5 of Township 9, Range 55 West.
  - a. This property is leased exclusively to Cascade by virtue of an Oil and Gas Lease, a Memorandum of which is recorded as Instrument No. 344110 in the Lincoln County records.
3. C. Andrew Gaede, individually and as a Trustee of the CFG Exempt Trust f/b/o C. Andrew Gaede – 100% of all of Section 8 of Township 9 South, Range 55 West
  - a. This property is covered by the same lease listed above.

Due to the proximity of the proposed Gaede 9S-55W-08-12 well to the Gaede 9S-55W-08-16 well, and in accordance with Rule 318.c., Cascade has obtained a waiver from Anadarko E&P Onshore LLC and Anadarko Land Corporation for support of the proposed bottom hole location. Additionally, Cascade has consulted with the sole surface owner and mineral owner for the Gaede 9S-55W-08-12 well (C. Andrew Gaede) in compliance with Rule 306 and the Surface Notification and Consultation Acknowledgements signed by Mr. Gaede are enclosed herewith.

Should you have any questions, please do not hesitate to give the undersigned a call. Thank you for your assistance and attention to this matter.

Sincerely,

Cascade Petroleum LLC



---

Jason D. Dean  
VicePresident, Land

Enclosures