

FINNEY LAND CO.

OIL & GAS CONSULTING

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

WAIVER

March 11, 2015

Mr. Don Gosney
c/o
Matt Barnett
497 Sower Dr.
Bayfield, CO 81122

RE: Elm Ridge Exploration Co., LLC.
Proposed IGE 132 Well location
Township 33 North, Range 8 West, NMPM

Dear Mr. Gosney and Mr. Barnett,

Elm Ridge Exploration Co., LLC. is proposing to drill the above referenced well on a tract owned by you as set out in that certain Surface Damage Agreement & Release dated December 11, 2007, Recorded under Reception # 970954 of the records of the Clerk and Recorder of La Plata County, CO. This location is on the same pad and offsetting the existing IGE 107 well on Parcel Number 595310100031

There are a number of old buildings within 500' of the well location. These are in disrepair, are uninhabited and appear to be uninhabitable. Since these are visible on 2007 aerial photos, are indicated to be structures according to the county mapping criteria and are within 500' of the proposed well location, they are considered to be within an Exception Zone under COGCC Rule 603.a.(1).

In order to request an Exception Zone Setback under the Colorado Oil and Gas Conservation Commission (COGCC) Rule 603 a.(1), the Operator must to submit a waiver from a building unit owner within five hundred (500) feet of a proposed Oil and Gas location.

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.

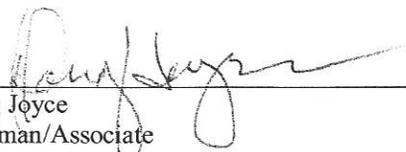
La Plata County LPLUC Chapter 90 Technical Revisions, Project Number 2013-2014 to Sec. 90-122(b)(1) increased the setback requirements in Chapter 90 from four hundred fifty (450) feet to five hundred (500) feet in order to comply with COGCC Rule 603.(1).

Elm Ridge Exploration Co., LLC. is hereby requesting a waiver pursuant to the aforementioned COGCC Rule 603a.(1), COGCC Rule 305.c and La Plata County LPLUC Chapter 90 Technical Revisions, Project Number 2013-2014 to Sec. 90-122(b)(1) which would allow the proposed well to be located closer than five hundred (500) feet to the existing building unit on the described lands.

Your signature to this letter will serve as an acknowledgment that these structures are currently uninhabited, will be uninhabited at the time proposed drilling operations are to be conducted on the proposed well location and will constitute a waiver of the aforementioned COGCC and La Plata County Rules and Regulations.

Thank you for your courtesy and cooperation.

Sincerely,



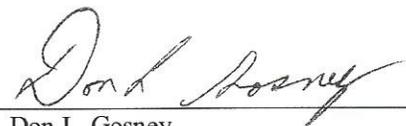
Doug Joyce
Landman/Associate
Finney Land Co., Agent for Elm Ridge Exploration Co., LLC

Waiver of five hundred (500) foot location setback for the Elm Ridge IGE 132 well as recited in COGCC Rule 603 a. (1).

Waiver of OGLA Notice under COGCC Rule 305. c.

Waiver of five hundred (500) foot location setback for the Elm Ridge IGE 132 well as recited in La Plata County LPLUC Chapter 90 Technical Revisions, Project Number 2013-2014 to Sec. 90-122(b)(1)

Dated 3-12-2015

By: 

Don L. Gosney