

**GRAND  
MESA****OPERATING COMPANY**

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WICHITA, KANSAS 67206-5514

May 31, 2016

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

RE: The Searchers #1-25 Well NE/4 Sec. 25 T5S-R54W  
Washington County, Colorado

Mr. Lepore:

The proposed well site for The Searchers #1-25 well is located 52 feet north of the property line shared by the NE/4 and the SE/4 of Section 25 Township 5S, Range 54W (2598 feet FNL and 2051 feet FEL).

Grand Mesa Operating Company (GMOC) is the legal owner and/or operator of record of the following Oil and Gas Leases located in Washington County, Colorado, described as follows:

Lessor:	Eddie Don Bowen and Linda Dian Bowen as trustees of the Bowen Family Trust of August 2000
Lessee:	Tim Herian
Date:	August 14 <sup>th</sup> , 2013
Memo Recorded:	Reception No. 858540
Description:	<u>Township 5 South, Range 54 West</u> Section 25: NE/4
Lessor:	First National Bank Custodian of the Darwin Meurisse Roth IRA
Lessee:	Tim Herian
Date:	August 14 <sup>th</sup> , 2013
Memo Recorded:	Reception No. 858539
Description:	<u>Township 5 South, Range 54 West</u> Section 25: NE/4
Lessor:	Larry D. Buethe and Gayla M. Buethe, husband and wife
Lessee:	Diamond Resources Co.
Date:	September 9 <sup>th</sup> , 2011
Memo Recorded:	Reception No. 852578
Description:	<u>Township 5 South, Range 54 West</u> Section 25: S/2

GMOC has reviewed the 3-D seismic data over the above lands and the proposed location of this well is in the best interest of all parties to give the highest degree of success in locating oil and/or gas in producing quantities on these lands.

Larry D. and Gayla M. Buethel have signed the attached Waiver, waiving the 150 feet from a property line requirement in Rule 603.a.(2) in the Colorado Oil and Gas Conservation Commission rules.

An exception to the 150 feet from a property line rule is hereby requested for the drilling of The Searchers #1-25 Well in the NE/4 Sec. 25 T5S-R54W, Washington County, Colorado.

Sincerely,

GRAND MESA OPERATING COMPANY



Michael J. Reilly  
President

MJR:ap