



October 12, 2016

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

Re: Reclamation Variance for the Bull 42-4, API No. 043-06158

Dear Director Lepore:

Pursuant to Rule 502.b, Pine Ridge Oil & Gas, LLC requests a variance from the surface reclamation requirements of Rule 1004 for the Bull 42-4 well location, API No. 043-06158, so that the site can continue to serve as storage yard as specified by the surface owner and authorized by Fremont County.

According to the Form 2A (Document No. 1880696), the location was originally rangeland and the predominant pre-existing plant community was disturbed grassland (cactus, yucca, cheat grass, rye, and thistle). In August 2008, the well was drilled to a depth of 4267 feet, and in September 2008 it was temporarily abandoned and plugged back to 2840 feet (Documents No. 1665107 & 1987303). It was a dry hole, which was never hydraulically fractured or otherwise completed. No oil or gas was ever produced, nor was any produced water discharged. Final plugging work was completed in October 2009, and the Form 6, Well Abandonment Report was filed in November 2009 and approved in July 2010 (Document No. 1665100).

In late 2008, the location was converted to a storage yard and it has been openly and continuously used for this purpose by Pine Ridge and its successor Incremental Oil & Gas (Florence), LLC at all times during the past eight years. In connection with this change in use, the drilling pit was filled, the liner was removed, and the site was regraded and fenced. The surface owner, the Glenn E. & Betty Hopkins Trust C/O Keith B. Cramer, Sole Trustee, authorized the use of the location "for a storage yard and field office" in return for monthly compensation through a 2008 amendment to the surface use agreement (amendment attached). The Fremont County Planning and Zoning Department was formally notified of this land use in 2009, and the Department authorized Pine Ridge to use the site for this purpose (correspondence attached).

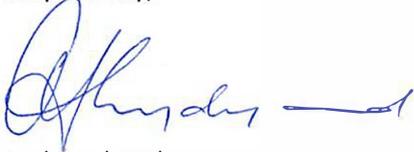
In May 2012, Pine Ridge conveyed various Fremont County assets to Incremental, including its interest in the storage yard and its rights under the surface use agreement. Since that time, Pine Ridge has had no access to or legal rights in the former Bull Yard location, nor any involvement in the operation of the storage yard. But Pine Ridge understands that Incremental continues to use the site as a storage yard and has maintained the surface use agreement for the property with the surface owner. Pine Ridge recently attempted to contact the surface owner and learned that a successor trustee has been appointed in California. Pine Ridge has attempted to contact the successor trustee, but has received no response to date.

Pine Ridge Oil & Gas, LLC  
1153 Bergen Parkway, Suite I-185  
Evergreen, CO 80439  
720.606.3405

Reclamation of the site would require closure of the storage yard, which has operated without incident for the past eight years and provides a safe and convenient site for storing equipment and supplies which is remote from residences and close to existing wells. This use of the site is specifically authorized by and provides additional monthly income to the surface owner, and it has been approved by the County Planning and Zoning Department. To our knowledge, neither the surface owner nor the County is seeking the closure of this ongoing operation or the conversion of the property to disturbed grassland. Nor is such action necessary to protect public health, safety, or welfare or the environment, none of which is at risk from the storage yard. We also lack any legal right to access or undertake work on the property for this purpose.

For these reasons, Pine Ridge respectfully requests that you grant the Bull 42-4 location a variance from the surface reclamation requirements of Rule 1004 so that the site can continue to serve as a storage yard as it has for the past eight years. Pine Ridge believes that such a variance will be consistent with the policy behind Rule 1001.c, which allows surface owners to waive the surface reclamation requirements of Rule 1004 under analogous circumstances.

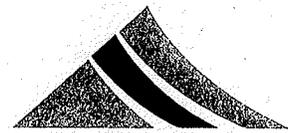
Respectfully,

A handwritten signature in blue ink, appearing to read "Andy Lydyard", followed by a horizontal line.

Andy Lydyard  
Authorized Person  
Pine Ridge Oil & Gas, LLC

Attachments:

Pine Ridge Oil & Gas, LLC  
1153 Bergen Parkway, Suite I-185  
Evergreen, CO 80439  
720.606.3405



Comet Ridge Resources

October 15, 2008

Glenn E. & Betty Hopkins Trust  
C/O Keith B. Cramer, Sole Trustee  
PO Box 2944  
Paso Robles, CA 93447-2944

805-239-4141

Re: Amendment to Surface Use and Damages Agreement of March 5, 2008  
Florence Project Area  
Fremont County, Colorado

Dear Mr. Cramer:

The purpose of this letter is to amend and clarify the referenced Surface Use and Damages Agreement ("SUA"), as follows:

1. Comet Ridge USA, Inc. shall be replaced by Pine Ridge Oil & Gas, LLC ("Pine Ridge"), 600 17<sup>th</sup> Street, Suite 800-S, Denver, CO 80202-5402. Comet Ridge USA, Inc. has conveyed all its assets in the State of Colorado to Pine Ridge and is an owner of Pine Ridge. Comet Ridge USA, Inc. no longer operates in the State of Colorado. All of the employees of Comet Ridge USA, Inc. are now employed in the same positions at Pine Ridge. The State of Colorado operator number for Pine Ridge is 10276. Enclosed please find a Certificate of Good Standing from the Colorado Secretary of State for Pine Ridge.
2. The Referenced Lands are hereby amended to include:  
  
Township 20 South, Range 69 West, 6<sup>th</sup> PM, Fremont County, Colorado  
Section 4: S/2NE/4
3. The following paragraph is hereby added to the SUA as Article 19:

19. **Surface Lease:** Effective November 1, 2008, it is hereby agreed that Pine Ridge may use the Referenced Lands for a storage yard and field office at a monthly rate of [REDACTED] payable in advance at quarterly intervals. This payment is in addition to other payments provided for in this Agreement. Pine Ridge will be allowed at its expense and election to fence all or portions of the Referenced Lands, to construct a building or buildings thereon and to have electricity and phone service brought onto the Referenced Lands. Pine Ridge will be responsible for obtaining all permits and other approvals required for such improvements and shall comply with all applicable rules, regulations and statutes of any governmental entity having jurisdiction. This surface lease shall be

Comet Ridge Resources, LLC | St. Helens Energy, LLC | Pine Ridge Oil & Gas, LLC

600 17th Street, Suite 800-S, Denver, Colorado 80202 | Telephone: +1 (303) 226 1300, Facsimile: +1 (303) 226 1301 | www.cometridgeresources.com

Glenn E. & Betty Hopkins Trust  
C/O Keith B. Cramer, Sole Trustee  
October 15, 2008

for a minimum term of eighteen (18) months and shall thereafter be subject to termination by Surface Owner or Pine Ridge with six (6) months advance written notice. Within thirty (30) days of the termination of this surface lease, Pine Ridge, at the election of Surface Owners, shall remove all improvements or shall convey and assign same to Surface Owner, subject to the consent, if necessary, of the public utility and any governmental entity having jurisdiction.

Pine Ridge shall maintain the portion of the Referenced Lands used by Pine Ridge in a good state of repair. Pine Ridge assumes all risks of personal injury or property damage to itself and its employees, agents, and contractors in connection with use of the Referenced Lands.

Pine Ridge shall obtain and maintain, or cause its agent to obtain and maintain, in full force and effect for the period during which Pine Ridge or its successors, agents, and contractors are on the Referenced Lands, at Pine Ridge's sole expense, the following insurance coverages on Pine Ridge's operations:

- (A) 
- (B) 
- (C) 

Pine Ridge will furnish Grantor with Certificates of Insurance evidencing such coverage no later than thirty (30) Days after execution of the Amendment, and Pine Ridge will require its insurance carriers to give Surface Owner at least thirty (30) days written notice prior to any change in or cancellation of coverage, in whole or in part.

Should you agree with and accept the above amendment and clarification please so indicate by dating and signing in the places provided for below and return one fully executed original of this letter to the undersigned in the enclosed stamped envelope. As amended hereby, the Surface Use and Damages Agreement of March 5, 2008 is in full force and effect.

Glenn E. & Betty Hopkins Trust  
C/O Keith B. Cramer, Sole Trustee  
October 15, 2008

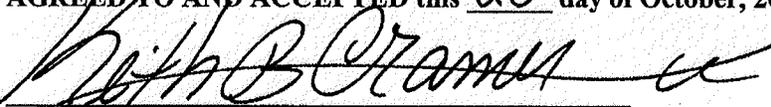
Please give me a call if you have any questions. Thanks very much.

Sincerely,



Michael E. Cuba  
Vice President of Land and Business Development  
303-226-1306

AGREED TO AND ACCEPTED this 22<sup>ND</sup> day of October, 2008.



By: Keith B. Cramer, Sole Trustee  
The Glenn E. & Betty Hopkins Trust, U/A/D August 15, 1988



Pine Ridge Oil & Gas

December 17, 2009

VIA Registered mail:  
#7010 1870 0000 4539 8517

Mr. Bill Giordano  
Fremont County Planning and Zoning Department  
615 Macon Ave., Room 210  
Cañon City, Colorado 81212

Attn: Mr. Bill Giordano

Re: Existing Contractor's Yard

Dear Mr. Giordano,

Upon your recommendation, I am writing to inform the Fremont County Planning and Zoning Department of our prior use of the below mentioned lands as a contractor's yard. It is my understanding that that any prior use will be "Grandfathered" by the just passed resolution and will permit our continued use of the lands as a contractor's yard unless or until the lands are conveyed in title or the size of the contractor's yard is increased. Our Contractor's Yard is located in the SE1/4 of the NE1/4 of section 4, Township 20 South, Range 69 west, 6<sup>th</sup> P.M. and is further described by the attached "Bull Yard - Site Plan" survey plats. The lands are currently owned by the Glen E. Hopkins and Betty Hopkins Trust U/A/D August 15, 1988.

If you have any questions or concerns, please feel free to contact me.

Very truly yours,

Carl A. Boecher  
Senior Landman  
303-226-6861 (direct line)

Enclosures: Survey plats (2 pages)

CC: Keith B. Cramer, Trustee  
Glenn E. & Betty Hopkins trust  
P.O. Box 2944  
Paso Robles, CA 93446-2844

7010 1870 0000 4539 8517

<b>U.S. Postal Service</b>	
<b>CERTIFIED MAIL RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Postage	\$ 1.05
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.85</b>
Postmark Here	
Sent To	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006	
See Reverse for Instructions	

Pine Ridge Oil & Gas, LLC  
600 17<sup>th</sup> St., Suite 800-S  
Denver, CO 80202-5402  
Phone: 303.226.1300  
Fax: 303.226.1301