



DEPARTMENT OF NATURAL RESOURCES

Bill Owens, Governor
1120 Lincoln St., Suite 801
Denver, CO 80203
Phone: (303) 894-2100
FAX: (303) 894-2109
www.oil-gas.state.co.us



02357444

September 8, 2000

Mr. Donald R. Hembre
Lewis & Clark Exploration Company
1100 W Littleton Blvd., Suite 101
Littleton, CO 80120

RE: **Withdrawal of "O" Sand Re-completion Permit**
Dubois #5, Padroni West Field
NE NW S7 - T9N - R52W 6th P.M.
Logan County, Colorado

Dear Sir:

Effective immediately the permit to complete the Dubois #5 in the "O" Sand Formation is hereby withdrawn. Any work to complete this well in the "O" sand formation is to be stopped immediately. Based on information that was received today, the Dubois #5 was found to be located less than 1200 feet from Advantage Resources' Dickinson #2. This is in violation of the minimum distance between wells completed in the same formation required in COGCC Rule 318 a.

On the original "J" Sand application to drill, a waiver was signed by Advantage Resources, which provided approval to drill the well less than 600 feet from the lease line. When the "O" Sand Formation re-completion application was approved it was represented in your letter to the COGCC that the only well located within 1200 feet of the Dubois #5 was the Dubois #2. After the COCC was contacted by Advantage Resources, it was discovered that the Dickinson #2 was located approximately 1000 feet from the Dubois #5. The original waiver by Advantage Resources did not waive or make exception to the 1200 foot distance between wells completed in the same formation requirement of COGCC Rule 318.

This letter is being faxed and sent to your office today. COGCC Northeast field inspector Ed Binkley has been sent to the Dubois #5 site to shut down "O" sand re-completion operations and to prevent unnecessary expenditures.

If you have any questions please contact me @ (303)-894-2100 ext. 106

Sincerely,

A handwritten signature in cursive script that reads "Ed DiMatteo".

Ed DiMatteo
Supervising Engineer

**LEWIS & CLARK EXPLORATION COMPANY**

1100 W. Littleton Blvd, Ste 101
Littleton, Colorado 80120-2232
Phone (303) 797-8592
Fax (303) 797-8573

September 8, 2000

Mr. Edward J. Ackman, President
Advantage Resources, Inc.
1775 Sherman Street, Ste 1900
Denver, Colorado 80203

Re: Confirmation of Agreement
Offset Consent to DuBois #5
Padroni West Field,
Logan County, Colorado

This letter confirms our mutual understanding that the Advantage Resources, Inc. concurrence with the O sand re-completion of the DuBois #5 well, which is located 330 feet from the north line of the lease offsetting your Dickinson lease, shall in return be supported by the Lewis & Clark Exploration Company, its successors and assigns, consent and waiver to your well location to test and produce all depths at a similar distance from the lease line.

Yours truly,

Donald R. Hembre,
President

RE: **Withdrawal of "O" Sand Re-completion Permit**
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 Logan County, Colorado

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Ed DiMatteo

Ed DiMatteo
 Supervising Engineer

DEPARTMENT OF NATURAL RESOURCES: Greg E. Walcher, Executive Director
 COGCC COMMISSION: Tom Ann Casey - Brian Cree - Bruce Johnson - Michael Kish - Abe Phillips - Daniel Skrabacz - Stephen Sonnenberg
 COGCC STAFF: Richard T. Griebeling, Director - Brian J. Macke, Deputy Director - Morris Bell, Operations Manager
 Patricia C. Beaver, Hearings Manager - Thomas J. Kerr, Information Manager

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Fax:303-894-2109

COGCC

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Fax:303-894-2109

COGCC