



640 Plaza Drive, Suite 290, Highlands Ranch, CO 80129

9/7/2012

To: Colorado Oil and Gas Conservation Commission

Re: Consequences of a setback change

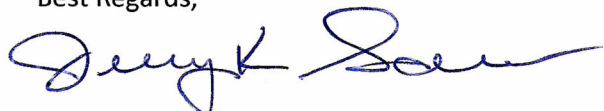
After 30 years of saving, my partners and I launched a business nearly two years ago. As you may recall, it wasn't the most comfortable time to take a risk on something new but we were confident we would survive and hopefully thrive like hundreds of other small, Colorado oil and gas businesses. We were fortunate to meet a northern Colorado landowner/developer who had smartly reserved several drilling pads to develop his minerals in a southern area of the beautiful town of Windsor, Colorado. In addition to the developer's acreage, we leased an additional 115 mineral owners ranging from individual home owners, local farmers and business owners with the promise that we'd conduct ourselves in a professional, neighborly way and utilize the small available drilling windows to access their minerals. We've begun to keep that promise by drilled nine directional wells in the area without incident while spending considerable money to minimize the neighborhood impact of our efforts.

The promise of horizontal well potential seemed like a perfect next step for our Windsor project with improved capital efficiency and a lighter footprint visible to our neighbors. To further our horizontal plan, we conducted 3D seismic with the cooperation of Town officials and over 1000 neighbors. In parallel with the seismic, we went through a four month long drilling approval process which included neighborhood meetings, a Windsor Planning Commission meeting and finally a Windsor Town Board meeting. Last Monday night, we received Windsor's permission to drill 55 wells from our next four drilling pads inside the Town. COGCC approval will be sought after final seismic interpretation. The offsets from the nearest building or home are 350', 390', 470' and 1000' for these four pads. We have few if any options to relocate these wells as drilling windows disappear with larger setbacks. This circumstance is no-doubt repeated all over Colorado with numerous other operators. We're concerned that we may be at risk of being put out of business by a political decision designed to solve a problem we and the Town of Windsor don't have.

To be sure, we have had our share of encounters with those who oppose our business. We've attempted to engage these people and others through hundreds of one-on-one conversations with neighbors, multiple drilling rig and facility tours and educational presentations to community organizations and local officials. Thankfully, the leaders of Windsor and the people of Windsor did not want us to leave. They just want to insure their town is safe and their community thrives. We hope to be a part of that effort for many years to come.

Lastly, we recognize that political pressures are real. Our hope is that any change to setback rules will also be anchored in reality: real science, real safety concerns and honoring existing pad locations, existing contracts and private arrangements such as Surface Use Agreements and existing town approvals. We also encourage the COGCC to retain the waiver option so that setbacks from willing landowners can be reduced. We note that existing Colorado setback requirements are very similar to those in place around the country, have been proven safe for decades and from our perspective, are appropriate as they stand. If you believe some change is necessary, we ask that you please consider the ripples that flow out from any decision you make. Many of us have bet our life savings that Colorado will continue to be a stable, business friendly state. After three decades of doing business all over the world, we can't think of a better place to be.

Best Regards,

A handwritten signature in blue ink, appearing to read "Jerry Sommer". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jerry Sommer

CEO/President

Tekton Energy LLC