

STATE OF MISSOURI  
DEPARTMENT OF NATURAL RESOURCES

Jeremiah W. (Jay) Nixon, Governor • Sara Parker Pauley, Director

www.dnr.mo.gov

April 27, 2011

Mr. Jerry McNay  
LaQuinta Gas Pipeline Company  
1416 Donlee St  
Quincy, IL 62305

RE: Spacing order exemption

Dear Mr. McNay:

At the January 5, 2011 State Oil and Gas Council meeting held at the Department of Natural Resources' Lewis and Clark State Office Building in Jefferson City, MO, LaQuinta Gas Pipeline Company petitioned the Council for a spacing exemption under 10 CSR 50-2.070 for two townships in Clinton County; Township 55 and 56 North, Range 30 West. This petition requested the Council reduce the spacing unit size from 640-acres to 10-acres for the townships specified where gas reservoirs occur less than 1,500 feet below ground surface.

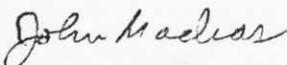
After extensive discussion by the Council, a motion was made and approved to grant the exemption request to set the spacing for the two requested townships at 10-acres.

This exception now allows operators to drill one gas well per 10-acres instead of one well per 640-acres while maintaining a 234 foot setback from the spacing unit line for reservoirs less than 1,500 feet deep. This 10-acre spacing is based on the US Public Land Survey's governmental quarter-quarter-quarter section.

If you have any questions, please contact the office of the state geologist by mail at P.O. Box 250, Rolla, MO 65402; by phone at 573-368-2100; or by fax at 573-368-2111.

Sincerely,

STATE OIL AND GAS COUNCIL



John Madras, Chair

JM:jw