

STATE OF MISSOURI
DEPARTMENT OF NATURAL RESOURCES

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

www.dnr.mo.gov

November 4, 2011

Mr. Kenton Hupp
IGWT, Inc.
155 North Market Street
Suite 500
Wichita, KS 67202

RE: Location exemption appeal

Dear Mr. Hupp:

The State Oil and Gas Council addressed IGWT's location exemption appeal at their October 19, 2011 meeting in Jefferson City. IGWT requested a location exemption from the state geologist for five oil wells in separate drilling units in Ray County. The spacing units for which the location exemptions were requested are:

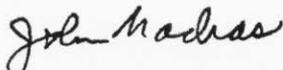
- SE ¼ NE ¼ Sec 32, T54N, R28W
- NE ¼ NW ¼ Sec 8, T53N, R28W
- SE ¼ NE ¼ Sec 20, T54N, R28W
- NE ¼ SE ¼ Sec 29, T54N, R28W
- SW ¼ NW ¼ Sec 8, T54N, R28W

The state geologist denied this request. Therefore, the council entertained the appeal of this decision.

After extensive discussion, the location exemption request for these five oil wells has been approved. You may submit your applications to the state geologist at the proposed locations for these five oil wells only. Additional location exemptions must be requested should you wish to drill wells in other 40-acre drilling units within the 500 foot setback distance from that unit boundary.

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,



John Madras, Chair
State Oil and Gas Council

JM:jw