



February 24, 2010

Gary and Thersa Newton  
194731 County Road 35  
Yuma, CO 80759

VIA CERTIFIED MAIL  
ARTICLE NO 7005 3110 0003 1597 9351

RE: NOTICE OF THE INTENT TO DRILL  
Newton 22-02 1N46W SENW/4  
Yuma County, Colorado

Dear Mr. and Mrs. Newton,

This letter is to advise you, as Surface Owner it is our intent to commence drilling operations for a natural gas well in the above referenced location. If you have a tenant leasing this location, please notify them of this operation. Should you and/or your tenant desire to be present during the staking process, please contact Loni Davis at the Wray office @ 970-332-3585. If you are not the Surface Owner of the Southeast of the Northwest quarter of Section 2, Township 1 North, Range 46 West, we ask that you please notify this office immediately so that the proper land owner may be notified.

We hope to commence drilling operations during the 4th quarter of 2010. We will contact you prior to moving onto location as we learn the approval date of the APD, rig availability and title approval.

Colorado State rules require a thirty-(30) day notice to landowners prior to commencement of drilling operations. COGCC Rule 305 gives you the right to request an onsite inspection by a Local Government Designee and must be received by the COGCC within 10 business days of the first day of the Rule 306 Consultation. Mr. Gary Timmer will contact you for a surface owner consultation per COGCC Rule 306. Augustus Energy Partners, LLC is requesting a waiver from you to disallow this time restriction on both the 30 days notice and the onsite inspection. Should you agree to waive these, please sign, date and return this document to the above referenced address. For your convenience, a self addressed, stamped envelope is enclosed.

Please find attached a drawing of the proposed location to include placement of pipelines and facilities. We are also requesting a waiver of COGCC rule 305e(1)A which requires us to forward to you the Form 2A, the major equipment list, A plat showing visible improvements within 400' of location and the topo map showing surface waters and riparian areas within 1000' of location. Once we are notified by the COGCC that the Form 2A is complete we will notify you of the Location Assessment # so you may review the document and all attachments on the COGCC website and post any comments to the Director at <http://cogcc.state.co.us/>.

If you have any questions regarding this information, please do not hesitate to contact me. Enclosed is a pamphlet from the Colorado Oil and Gas Conservation Commission that explains many of the rules and regulations that apply to operators regarding surface owners and tenants and the Onsite Inspection request form. Your time and assistance regarding this matter is greatly appreciated.

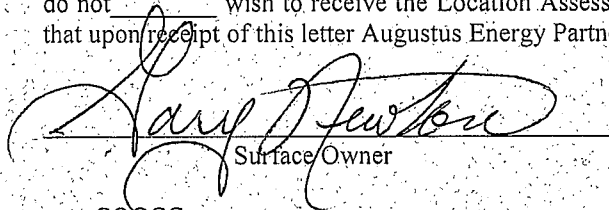
Very truly yours,

Augustus Energy Partners, LLC

Loni J. Davis

Operations Accounting and Regulatory Specialist

I, Gary Newton, as Surface Owner of the above referenced property,  
do hereby waive the thirty (30) day rule for notification prior to commencement of drilling operation.  
Yes ☒ No. And do hereby waive the Onsite inspection Yes ☒ No. And do hereby  
waive the receipt of documents under COGCC rule 305.e.(1).A ☒ Yes, ☐ No. And I do ☒  
do not ☐ wish to receive the Location Assessment # for review. By signing below, I acknowledge  
that upon receipt of this letter Augustus Energy Partners, LLC may proceed with drilling at their discretion.

  
Surface Owner

2-22-2010  
Date

cc: COGCC  
AEP Well File

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<b>U.S. Postal Service™</b> <b>CERTIFIED MAIL™ RECEIPT</b> (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Postage \$	\$1.22
Certified Fee	\$2.80
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees \$	\$6.32

0345  
 FEB 25 1110  
 Postmark Here  
 WRAY CO 80727  
 02/25/2010  
 22.02

Sent To Gary & Theresa Newton Street, Apt. No., or PO Box No. 19473 CR 35 City, State, ZIP+4 Eckley CO 80727-9708
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PS Form 3800, June 2002 See Reverse for Instructions

<b>SENDER: COMPLETE THIS SECTION</b>	<b>COMPLETE THIS SECTION ON DELIVERY</b>
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee B. Received by (Printed Name) Gary Newton C. Date of Delivery 2-27 D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No
1. Article Addressed to: Gary and Theresa Newton 19473 County Road 35 Eckley, CO 80727-9708	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
2. 7005 3110 0003 1597 9351	