

August 4, 2010



CERTIFIED MAIL

Cannon Farming Company  
3575 Cherry Creek North Drive  
Denver, CO 80209

Re: Notice of Intent to Conduct Surface Operations  
Please see attached sheet.

Ladies and Gentlemen:

The Colorado Oil and Gas Conservation Commission ("COGCC") has adopted guidelines and procedures regarding oil and gas activities affecting the surface. These rules stipulate that an affected surface owner must be given advance notice in writing by an operator at least thirty (30) days prior to drilling an oil and gas well.

Kerr-McGee Oil and Gas OnShore LP ("KMG") intends to begin operations to drill the above captioned oil and gas well(s) upon approval of title, receipt of permits from the COGCC prior to February 28, 2011. As the surface owner, it is your responsibility to notify the tenant farmer, if applicable, of this proposed operation.

A site diagram of the proposed location of the well and any associated roads and production facilities is enclosed. Should you have any questions and/or concerns, please contact me at (303) 655-4350 or my cell at (970) 590-6249.

Very truly yours,  
**KERR-McGEE OIL AND GAS ONSHORE LP**

A handwritten signature in cursive script that reads 'David Bell'.

David Bell  
Landman

I/we waive the 30 day notice referenced above and approve of the operations commencing upon KMG's receipt of the drilling permit.

---

:cl  
Enclosure



Notice of Intent to Conduct Surface Operations

|                      |                      |
|----------------------|----------------------|
| CANNON 24-3 SW/4NE/4 | CANNON 2-3 SW/4NE/4  |
| CANNON 7-3 SW/4NE/4  | CANNON 21-3 SW/4NE/4 |
| CANNON 25-3 SW/4NE/4 | CANNON 26-3 SW/4NE/4 |
| CANNON 37-3 SW/4SE/4 | CANNON 10-3 SW/4SE/4 |
| CANNON 23-3 SW/4SE/4 | CANNON 36-3 SW/4SE/4 |
| CANNON 35-3 SW/4SW/4 | CANNON 19-3 SW/4SW/4 |
| CANNON 33-3 SW/4SW/4 | CANNON 22-3 SW/4NW/4 |
| CANNON 4-3 SW/4NW/4  | CANNON 31-3 SW/4NW/4 |
| CANNON 32-3 SW/4NW/4 |                      |

Township 2N, Range 65W, Section 3  
Weld County, Colorado