



Kerr-McGee Oil &amp; Gas Onshore LP

January 11, 2011

CERTIFIED MAIL

Farmers Reservoir & Irrigation Co.  
80 S. 27th Avenue  
Britonton, CO 80621

Re: Notice of Intent to Conduct Surface Operations (Facilities)  
FRICO 1-15HZ  
FRICO 2-15HZ  
Township 03N, Range 65W, Section 15: SW/4SW/4  
Weld County, Colorado

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 August 31, 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.

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Enclosures