



COPY COPY

12/13/2012

To: Dolores County LGD

Re: Landowner Notifications / Request for rule 603.(a)(2) variance from COGCC Director

Subject: DC-#11, #12 and #13 CO2 wells

Method; Personally Hand Delivered

Ernie Williams,

As required by the Colorado Oil and Gas Conservation Commission (COGCC) Rule 305 (e) please receive this hand delivered letter with the attached copies of all written Landowner Notifications concerning the development of three (3) CO2 wells to be named the DC-#11, DC-#12 and the DC-#13 which are scheduled to be drilled on privately owned properties within your County jurisdiction. Scheduled operations are expected to begin in early January 2012 and run thru late April 2012.

Also according to COGCC Rule 603.a.(2) stating:

603. DRILLING AND WELL SERVICING OPERATIONS AND HIGH DENSITY AREA RULES
a. Statewide setbacks. Subparagraph (1) below shall apply to all areas of the state except as provided under subparagraphs b. and e. of this rule. Subparagraph (2) below shall apply to all areas of the state.
(2) A well shall be a minimum distance of one hundred fifty (150) feet from a surface property line. An exception may be granted by the Director if it is not feasible for the operator to meet this minimum distance requirement and a waiver is obtained from the offset surface owner(s). An exception request letter stating the reasons for the exception shall be submitted to the Director and accompanied by a signed waiver(s) from the offset surface owner(s). Such waiver shall be written and filed in the county clerk and recorder's office and with the Director.

Please receive a copy of my letter to David Neslin, COGCC Director, and a copy of the affected landowners Affidavit of Consent concerning this request.

Thank You,

A handwritten signature in black ink, appearing to read 'Bob Clayton', is written over a faint, illegible background.

Bob Clayton
Operations Superintendent

Attachments; 8 'Landowner Notification' letters
COGCC Director Letter
Landowner Waiver

COPY

AFFIDAVIT OF CONSENT

STATE OF Colorado)
) ss.
COUNTY OF Dolores)

Grandkids Ranch, LLC, affiant, Janice Toles, of lawful age and being first duly sworn, upon their oath deposes and says:

That we are the surface property owners of a tract of land located in Dolores County, Colorado, to wit:

The SE1/4 of Section 15, Township 40 North, Range 18 West, N.M.P.M., Dolores County, State of Colorado (the "Property").

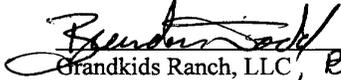
That, affiant has been informed that Kinder Morgan is proposing to drill the Doe Canyon #11 Well upon the property adjacent to and west of our Property, at a surface location which is 2389 feet from the south line and 969 feet from the west line of Section 15, Township 40 North, Range 18 West, N.M.P.M., Dolores County, Colorado.

That, the Colorado Oil & Gas Conservation Commission Rules & Regulations, Section 603, set forth the following, (a) Statewide setbacks:

- (2) A well shall be a minimum distance of one hundred fifty (150) feet from a surface property line.

That, the Doe Canyon #11 Wellhead is located less than one hundred fifty (150) feet from the Property surface line.

Now therefore, affiant, as the affected surface Property owner, hereby voluntarily consents to the location set forth above in an effort of reducing impacts on farming operations.


Grandkids Ranch, LLC, Brendan Todd
~~Janice Toles~~
KJT

STATE OF Colorado)
) ss.
COUNTY OF Montezuma

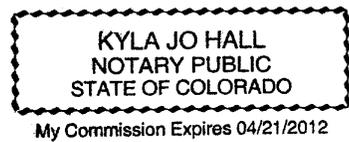
Subscribed and sworn to before me this 19 day of December, 2011,
By: Grandkids Ranch, LLC. / Janice Toles KJT
& Brendan Kyle Todd

WITNESS my hand and official seal.

My commission expires: 4/21/2012



Notary Public



AFFIDAVIT OF CONSENT

COPY

STATE OF Colorado)
) ss.
COUNTY OF Dolores)

Janice Marie Toles, affiant, of lawful age and being first duly sworn, upon her oath deposes and says:

That I am the surface property owners of a tract of land located in Dolores County, Colorado, to wit:

The SE1/4 of Section 15, Township 40 North, Range 18 West, N.M.P.M., Dolores County, State of Colorado (the "Property").

That, affiant has been informed that Kinder Morgan is proposing to drill the Doe Canyon #11 Well upon the property adjacent to and west of my Property, at a surface location which is 2389 feet from the south line and 969 feet from the west line of Section 15, Township 40 North, Range 18 West, N.M.P.M., Dolores County, Colorado.

That, the Colorado Oil & Gas Conservation Commission Rules & Regulations, Section 603, set forth the following, (a) Statewide setbacks:

- (2) A well shall be a minimum distance of one hundred fifty (150) feet from a surface property line.

That, the Doe Canyon #11 Wellhead is located less than one hundred fifty (150) feet from the Property surface line.

Now therefore, affiant, as the affected surface Property owner, hereby voluntarily consents to the location set forth above in an effort of reducing impacts on farming operations.

Janice Marie Toles
Janice Marie Toles

STATE OF Colorado)
) ss.
COUNTY OF Montezuma)

Subscribed and sworn to before me this 16 day of DECEMBER, 2011,
by Janice Marie Toles.

WITNESS my hand and official seal.

My commission expires: 2/23/2015

Brenda Marguy

Notary Public

