

**FINNEY LAND CO.
OIL & GAS CONSULTING**

P.O. BOX 2471
DURANGO, CO 81302
PHONE (970) 259-5691
FAX (970) 259-4279

June 15, 2007

Patrick Vaughn
GFD Ignacio, LLC
160 Rockpoint Dr. Ste. E
Durango, CO 81301

RE: Elm Ridge Exploration Co. LLC
IGE 114 well
T33N-R7W, Sec. 18: NW/4SW/4

Dear Mr Vaughn:

As you are aware, Elm Ridge Exploration Co. LLC is proposing to drill the above captioned well on lands owned by GFD Ignacio, LLC.

COGCC:

This letter is being sent pursuant to the Regulation 305.b and 305.c(6) of the Rules & Regulations of the Colorado Oil & Gas Commission. Notice is given as follows:

- 1) The estimated start of drilling operations is August, 2007
- 2) Operator is Elm Ridge Exploration Co. LLC

Agent: Finney Land Co.
Box 2471
Durango, CO 81302

Contact: Tim G. Kelley (970) 385-4722 (office)
(970) 385-5424 (fax)

- 3) Well Location: T33N-R7W, Sec. 18: NW/4SW/4, (existing Ute T-2 well pad);
- 4) It is the surface owners responsibility to notify any tenant of the proposed operations;
- 5) A brochure describing surface owner rights and responsibilities has been provided to you.

This letter shall serve as the required notice for the 30 day period prior to the commencement of operations.

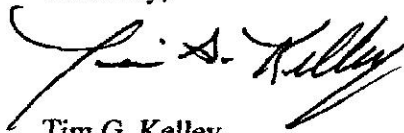
State & County Waivers, etc.:

In as much as we have negotiated a surface damage agreement with you, Elm Ridge requests that you waive the following:

- 1) Waive the state rule requiring 30 days notice before starting operations;
- 2) Waive the state notice requirements for a tenant;
- 3) Waive the state posting requirements for the notice,

If you are agreeable to granting Elm Ridge the above waivers and/or variances please acknowledge so by signing one copy of this letter and returning it for our files. Thank you for help in this matter.

Sincerely,



Tim G. Kelley
For: Elm Ridge Exploration Co. LLC

The above listed waivers and/or variances are hereby granted this 15th day of June, 2007.

GFD Ignacio, LLC

BY: 

Patrick Vaughn
Authorized Representative