

**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.*

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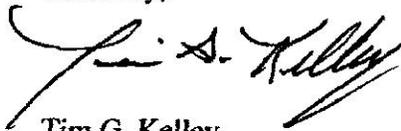
**State & County Waivers, etc.:**

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.

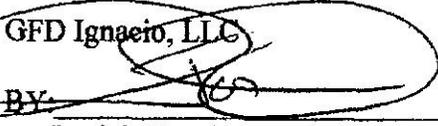
Sincerely,



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

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

GFD Ignaeio, LLC

BY: 

Patrick Vaughn  
Authorized Representative