

**JAMES C KARO  
ASSOCIATES**  
LAND SERVICES

OIL AND GAS LAND SERVICES  
1750 Lafayette Street  
Denver, Colorado 80218  
303.279.0789  
fabrianna@jameskaro.com

May 30, 2012

Peter D. Gooch, Individually,  
And as Attorney-In-Fact for  
Belinda Gooch and John D. Gooch  
1524 York Place  
Victoria, B.C. V8R5X2

VIA: FEDEX

Re: **Exception Location Notice and Waiver**  
Jones 2-12-4-60 well NE/4SW/4 of Section 2, Twsp 4 North, Range 60 West  
Morgan County, Colorado

Mr. Gooch:

Please find this notice and waiver as required by Rule 318c of the Colorado Oil and Gas Commission. On or about the 1st day of August 2012, and subject to drilling rig availability, Esenjay Operating Inc. intends to drill the captioned well to a depth sufficient enough to test the J Sand.

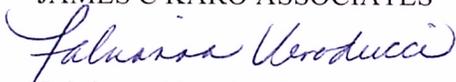
Said well is to be drilled approximately 1,963 feet from the West line and 2,304 feet from the South line of Section 2, Township 4 North, Range 60 West, 6<sup>th</sup> PM located in Morgan County, Colorado. This location is 282.29 feet from the lease line, which encroaches approximately 317.71 feet toward your mineral estates to the north (the rules require a well to be no closer than 600' from the lease line).

Please acknowledge your understanding of this encroachment and, in addition, we request your waiver of this 600' rule as set out in 318a. and your authority to proceed with the drilling of said well at the stated location. Please sign the enclosed copy of this letter and return it to me in the envelope provided.

Feel free to contact me should you have any questions or comments at 303-279-0789.

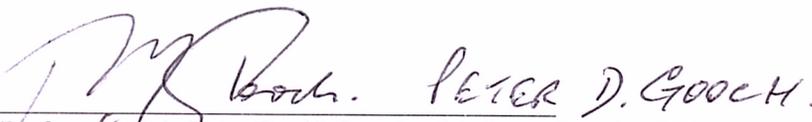
Sincerely,

JAMES C KARO ASSOCIATES



Fabrianna Venaducci  
Contract Landman for Esenjay Operating Inc.

I/We hereby waive the 600' rule 318a for the captioned well and hereby grant our authority for Esenjay Operating Inc. to drill said well in the location so proposed.

x  *PETER D. GOOCH.* *June 4<sup>th</sup> 2012*  
By: Peter D. Gooch a/k/a Peter David Gooch a/k/a Peter Gooch a/ka/ P.D. Gooch, Individually and  
as Attorney-In-Fact for Belinda G. Ash a/k/a Belinda Gooch and for J. D. Gooch a/k/a John D. Gooch a/k/a John  
Daniel Gooch

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May 25, 2012

Drake Land Farms, LLC  
c/o Robert Birdsong  
7752 E 4th Ave, Loft 1B  
Denver, CO 80230

VIA: CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: **Exception Location Notice and Waiver**  
Jones 2-12-4-60 well NE/4SW/4 of Section 2, Twsp 4 North, Range 60 West  
Morgan County, Colorado

Mr. Birdsong:

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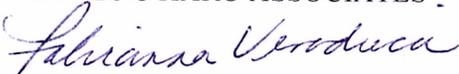
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Sincerely,

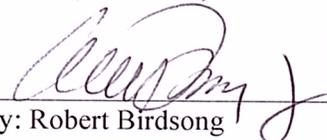
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Fabrianna Venaducci  
Contract Landman for Esenjay Operating Inc.

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Drake Land Farms, LLC

x   
By: Robert Birdsong