

SOVEREIGN OPERATING COMPANY LLC

621 17TH STREET, SUITE 950 * DENVER, COLORADO 80293 * VOICE 303-297-0347 * FAX 303-297-9075

September 17, 2012

Mr. Jay Hardy
CCOB Oil Investments
2725 Rocky Mountain Ave, Suite 200
Loveland, Colorado 80538

Re: Notice of Intent to Conduct Surface Operations
Township 1 South, Range 68 West
Section 4: SENE
Broomfield County, Colorado

Dear Mr. Hardy:

The Colorado Oil and Gas Conservation Commission (COGCC) has adopted guidelines and procedures regarding oil and gas activities affecting the surface. COGCC rule 305 stipulates 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.

Sovereign Operating Company LLC (Sovereign) plans to begin operations on or about November 15, 2012 to drill the following oil and gas well in the SENE of Sec. 4, T1S, R68W:

Memorial 12-3

As the surface owner, it is your responsibility to notify the tenant farmer, if applicable, of this proposed operation.

Please call us if you have any questions regarding this notice.

Sincerely,

SOVEREIGN OPERATING COMPANY LLC



Stephanie Clasen, Office Manager

cc: Tami Yellico — Local Government Designee, Broomfield County