

**GRAND  
MESA****OPERATING COMPANY**

(316) 265-3000  
FAX: (316) 265-3455

1700 N. WATERFRONT PARKWAY  
BLDG. 800  
WICHITA, KANSAS 67208-5514

October 10, 2012

Mr. Timothy J. Kelly  
Minerals Leasing Manager  
Colorado State Board of Land Commissioners  
1127 Sherman Street, Suite 300  
Denver, CO 80203-2206

Re: Notification of Drilling Operations  
Punkin-State #1-4 Well  
Township 10 South, Range 55 West  
Section 4: SE/4 (877 FSL 1419 FEL)  
Lincoln County, Colorado

Dear Mr. Kelly:

In accordance with Rule 305 of the COGCC, notice is hereby given that Grand Mesa Operating Company (GMOC) plans to drill a well on Colorado State Board of Land Commssioners' land on or before November 15, 2012. We are enclosing herewith various forms which are required by the Colorado Oil and Gas Conservation Commission (COGCC).

COGCC regulations provide that the surface owner may waive the 30-day notice requirement as well as request a consultation meeting with representatives of GMOC. You may also designate a representative to attend this consultation meeting. The Waiver and Request for Consultation Form is being signed by Mr. John Valentine, District Manager, and will be a part of the permit package submitted to COGCC.

We are enclosing herewith a Surface Damage Agreement for your signature. Please sign this form before a Notary Public and have the Notary complete the acknowledgement at the bottom of the form. This form should be returned to our office for further use.

Also enclosed is a copy of the COGCC's Oil and Gas Well Notification, Consultation and Reclamation Rules: Information for Oil and Gas Operators, Surface Owners and Surface Tenants. As Operator we are required to furnish this document to the surface owner.

As surface owner, it is your responsibility to notify any effected tenant farmer, lessee or other party that may own or have an interest in any crops or surface improvements that could be effected by these proposed operations.

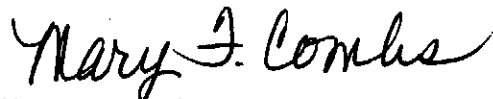
Drilling Notification Letter  
October 10, 2012  
Page Two

Also enclosed is the original Irrevocable Letter of Credit in the amount of \$5,000,00 No. 12708658 from Emprise Bank. Please review same and verify that this LOC meets the criteria necessary for drilling on State of Colorado lands.

If you have any questions regarding any of these forms or have questions regarding the upcoming drilling operations, please do not hesitate to call Mary Combs, Land Manager, at 316-265-3000. Your cooperation is greatly appreciated.

Very truly yours,

GRAND MESA OPERATING COMPANY

A handwritten signature in black ink that reads "Mary F. Combs". The signature is written in a cursive style with a large, stylized "M" and "C".

Mary F. Combs  
Land Manager

Enclosures