



January 5, 2010

CERTIFIED MAILLarry Pancost & Carol Berger
10730 Weld County Road 24 ½
Ft. Lupton, CO 80621

Re: Notice of Intent to Conduct Surface Operations
PANCOST 10-2 PANCOST 23-2 PANCOST 36-2
PANCOST 37-2
Township 02N, Range 67W
Section 2, NW/4SE/4
Weld County, Colorado

Dear Mr. Pancost & Mrs. Berger:

The Colorado Oil and Gas Conservation Commission ("COGCC") has adopted guidelines and procedures regarding oil and gas activities affecting the surface. These rules stipulate 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.

Kerr-McGee Oil and Gas OnShore LP ("KMG") intends to begin operations to drill the above captioned oil and gas well(s) upon approval of title, receipt of permits from the COGCC prior to October 31, 2010. As the surface owner, it is your responsibility to notify the tenant farmer, if applicable, of this proposed operation.

A site diagram of the proposed location of the well and any associated roads and production facilities is enclosed. Should you have any questions and/or concerns, please contact me at (303) 655-4350 or my cell at (970) 590-6249.

Very truly yours,
KERR-MCGEE OIL AND GAS ONSHORE LP

A handwritten signature in black ink that reads 'David Bell'.

David Bell
Landman

I/we waive the 30 day notice referenced above and approve of the operations commencing upon KMG's receipt of the drilling permit.

:cl
Enclosures