

MATRIX ENERGY, LLC

P.O. Box 271309
Ft. Collins, CO 80527
Phone: 970-282-1211
Fax: 970-282-1233

June 1, 2011

RE: Notice of 318A.e Well Proposal
Codell/Niobrara – (New) Well
Well Name: Kuettel 14-10-16
Section 10, T5N, R65W
Weld County, Colorado

Dear Mr. Blandford:

Matrix Energy, LLC ("Matrix") intends to propose, drill and operate the referenced well pursuant to paragraph 6 of Rule 318A.e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission ("COGCC").

Additional information for this well:

1. **Wellbore Spacing Unit**
The wellbore spacing unit will be comprised of the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 10 and the E $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9 in T5N, R65W as depicted on the enclosed plat. The working interest attributable to the Codell/Niobrara formations in the contributing 40 acre quarter-quarter section will be utilized to determine the interest of the parties in the proposed 160 acres spacing unit for this well.
2. **Target Formations**
This well will be drilled to a total depth to sufficiently test the Codell/Niobrara formations.
3. **Surface and Bottom Hole Locations**
Surface Location: 467' FSL, 1016' FWL, Section 10, T5N, R65N
Bottom Hole Location: 1320' FSL, 100' FWL, Section 10, T5N, R65W
4. **Anticipated Spud Date**
Third Quarter 2011

Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Cocell/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,

MATRIX ENERGY, LLC


Dan L. Schwartz
Co-Manager

Encl.

Pursuant to the paragraph 6 of Rule 318A e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuetel 14-10-16 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

By: Andele Energy, LLC

Date: _____

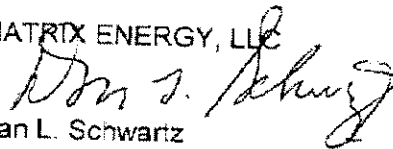
Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Code I/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,


MATRIX ENERGY, LLC


Dan L. Schwartz
Co-Manager

Encl.

Pursuant to the paragraph 6 of Rule 318A.e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuettel 14-10-16 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

Viking Production LLC


By: Christopher Schwartz

Date: 

Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Codell/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,

MATRIX ENERGY, LLC


Dan L. Schwartz
Co-Manager

Encl.

Pursuant to the paragraph 6 of Rule 318A e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuettel 14-10-16 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

By: Clayton Hartman

Date: _____

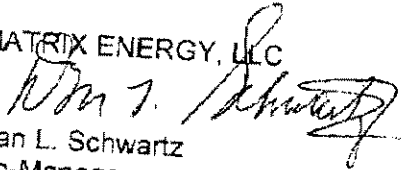
Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Codell/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,

MATRIX ENERGY, LLC


Dan L. Schwartz
Co-Manager

Encl.

Pursuant to the paragraph 6 of Rule 318A.e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuettel 14-10-16 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

Billiken Resources, LLC

Taku Resources LLC

By: _____

Date: _____

By: _____

Date: _____

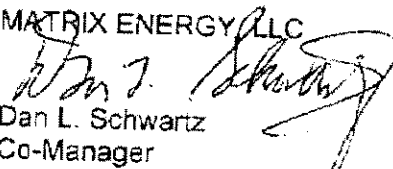
Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Codell/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,

MATRIX ENERGY, LLC


Dan L. Schwartz
Co-Manager

Encl.

Pursuant to the paragraph 6 of Rule 318A.e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuettel 14-10-24 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

By: Barry L. Snyder

Date: _____

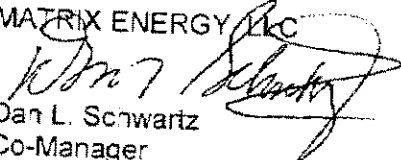
Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Codell/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,

MATRIX ENERGY LLC


Dan L. Schwartz
Co-Manager

Encl.

Pursuant to the paragraph 6 of Rule 318A.e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuettel 14-10-16 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

By: Charles King

Date: _____

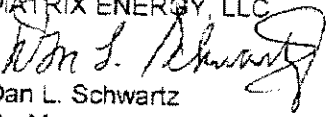
Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Codell/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,

MATRIX ENERGY, LLC


Dan L. Schwartz
Co-Manager

Encl.

Pursuant to the paragraph 6 of Rule 318A.e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuettel 14-10-16 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

Paragon Investment Group LLC

By: Byron Collins

Date: _____

Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Codell/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,

MATRIX ENERGY, LLC


Dan L. Schwartz
Co-Manager

Encl.

Pursuant to the paragraph 6 of Rule 318A.e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuettel 14-10-16 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

LJ Schwartz Trust

By: Leorial Schwartz

Date: _____

Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Codell/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,

MATRIX ENERGY LLC


Dan L. Schwartz
Co-Manager

Encl.

Pursuant to the paragraph 6 of Rule 318A.e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuettel 14-10-16 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

RT Energy, LLC

By: Roger Tollefson

Date: _____

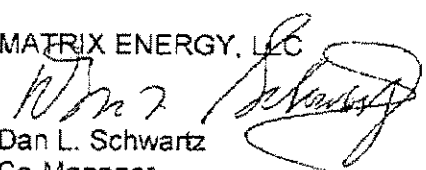
Pursuant to the aforementioned rule, you have twenty (20) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit for the Codell/Niobrara formation set forth herein shall be established. However, should you have no objection to this proposal, please so indicate by signing in the space provided below and returning one copy to the undersigned at your earliest convenience. Your cooperation in this matter is greatly appreciated so the Matrix may timely continue the permitting process for this well.

A formal well proposal, including Matrix's proposed AFE and JOA will be forthcoming under separate cover.

Thank you in advance for your timely consideration and response to this proposal. Please feel free to contact me at 970-282-1211 should you have any questions.

Yours truly,

MATRIX ENERGY, LLC


Dan L. Schwartz
Co-Manager

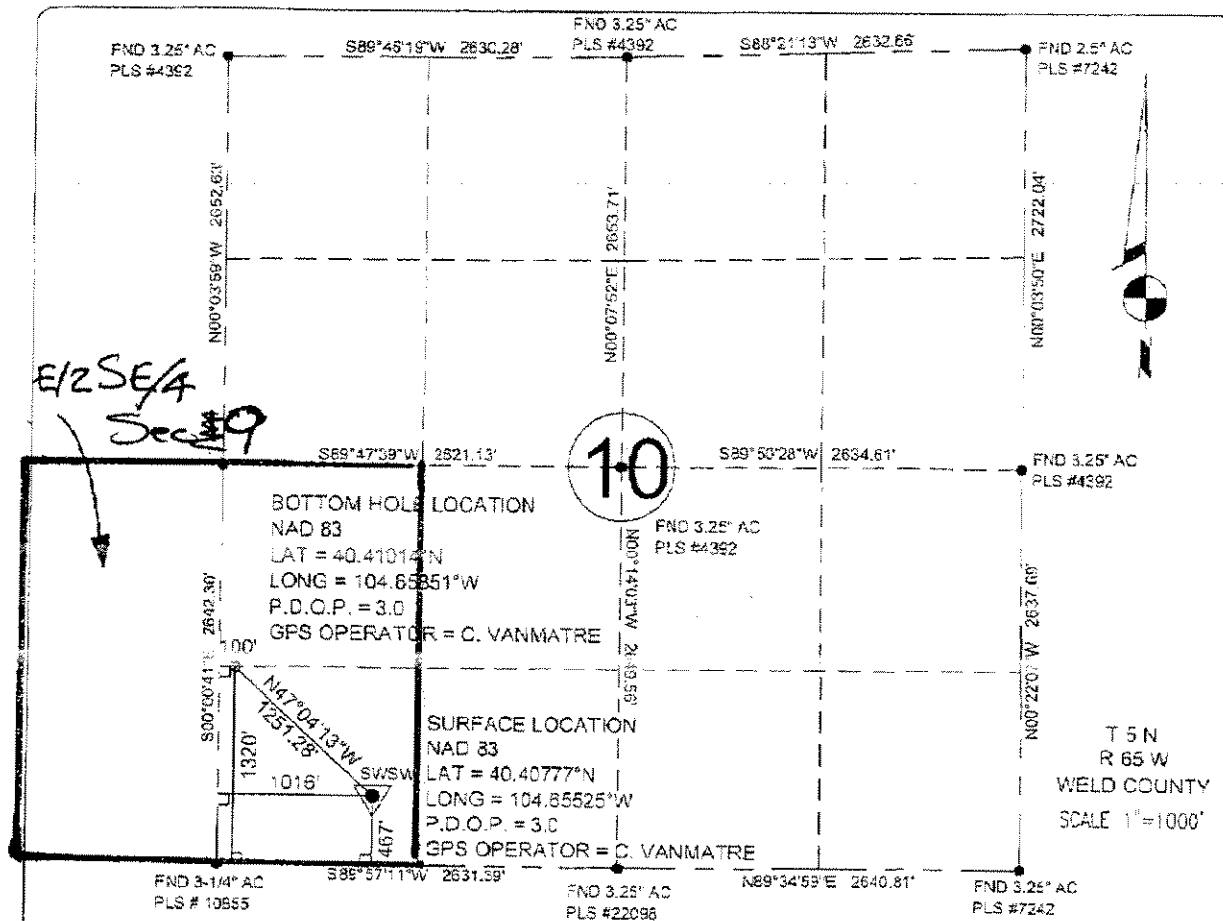
Encl.

Pursuant to the paragraph 6 of Rule 318A.e., Order 1R-100 of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Matrix Energy, LLC of its intention to drill and operate the Kuettel 14-10-16 well in Section 10, T5N, R65W, 6th P.M. Weld County, Colorado and the undersigned hereby waives the minimum twenty (20) day written notice requirement as provided by said rule.

Eclipse Energy LLC


By: Dan Schwartz

Date: _____



WELL: KUETTEL 14-10-16 TO BE LOCATED 467' REL AND 1016' FWL IN SECTION 10, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M. LOCATION FALLS IN NATURAL GROUND GROUND ELEVATION = 4645' IMPROVEMENTS: SEE SHEET 2 OF 2

LEGEND

- SECTION CORNER (AS NOTED)
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION

500 0 500 1000 1500 2500

NOTES:

- THIS SURVEY WAS DONE BY GPS METHODS AND CONFORMS TO THE MINIMUM STANDARDS AS SET BY THE C.O.G.C.C. RULE NO. 215.
- ELEVATIONS SHOWN AT THE WELL HEAD, AS WELL AS HORIZONTAL CONTROL, ARE BASED ON GPS-RTK VALUES DERIVED FROM DOING 2-HOUR STATIC GPS SESSIONS AND REDUCTIONS USING O.P.U.S. SOLUTIONS.
- VERTICAL = NAVD83 HORIZONTAL = NAD83/82
- THE BEARINGS AS SHOWN HEREON ARE BASED ON GPS OBSERVATIONS BETWEEN THE MONUMENTS SHOWN HEREON AS FOUND IN THE FIELD DATE BELOW.
- DISTANCES SHOWN ARE AT GROUND LEVEL, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED AT A PERPENDICULAR TO SECTION LINES.

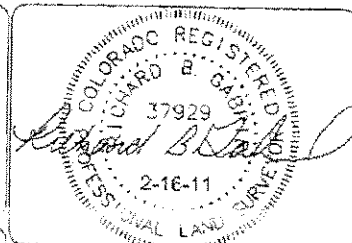
I, RICHARD B. GABRIEL, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO:

MATRIX ENERGY THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WAS DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL KUETTEL 14-10-16

THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

RICHARD B. GABRIEL P.L.S. #37929
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF POWER SURVEYING CO., INC.

NOTES: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED ON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THIS DATE OF THIS CERTIFICATION. SIGNATURE



120 W. 84TH AVENUE
THORNTON, COLORADO 80260
PH. 303-762-1617
FAX. 303-762-1488

WWW.POWERSURVEYING.CO

DATE OF FIELD WORK: 3-15-11

DATE OF COMPLETION: 3-15-11

PROJECT NUMBER: 501-11-325

SHEET 1 OF 2