



# PELICAN HILL OIL & GAS INC.

April 6, 2005



Martha E. McKean  
43433 Road CC  
Cheyenne Wells, CO 80810

Dear Mrs. McKean,

Let me introduce myself, my name is Allen Gross, I am the President of Pelican Hill Oil & Gas, Inc. We currently hold a lease of your property in Cheyenne County, Colorado and hope to commence the drilling of a well by approximately April 20, 2005. Due to the price of oil right now, the drilling activity in Colorado and Kansas has been very intense. We have been waiting in line for over five months now to get a rig to drill. We now have the opportunity and would very much like to take advantage of it. The Colorado Oil and Gas Conservation Commission require a 30 day notice to the surface owner prior to the commencement of operations. However due to the availability of the drilling rig, waiting the full 30 days would put us out of our window and we would not be able to drill the well for some time. We do have another option, you can waive the 30 day notice requirement as the surface owner. I will attach a signature page in which you can waive the 30 day notice.

Pelican Hill Oil & Gas, Inc. will be the operator for this well. I will be the contact person for Pelican Hill Oil & Gas, Inc. You can contact me at anytime regarding this proposed operation.

-Allen Gross – O: (949) 498-2101, C: (949) 632-5789  
-Pelican Hill Oil & Gas, Inc.  
-1401 N. El Camino Real, Ste. 207  
San Clemente, CA 92672

For stated legal purposes, you are the surface and mineral rights owners of the following property. The exact location of the well is 330' FNL, 1545' FWL, NW/4 – Sec. 20-12s-44w, Cheyenne County, Colorado.

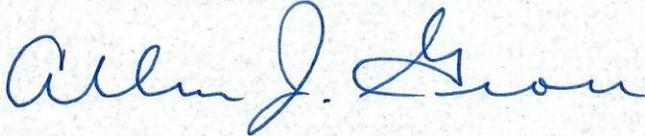
I realize that this location is in a wheat field, but I am obligated by the Colorado Oil and Gas Conservation Commission to mention that you are obligated to notify any tenants who may be affected by our drilling operations.

Again following the Colorado Oil and Gas Conservation Commission guidelines, I am obliged to mention that we can set up a drilling consultation. A consultation can be over the phone and will discuss all pertinent information regarding the drilling operations. If you do not wish to be a part of the consultation you may choose to appoint a tenant for

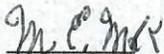
the consultation in you place. Attached with this letter will be a page for you to fill out your appointed tenant's name, address, and telephone number. Or to make things easier you can waive the drilling consultation all together. Waiving the consultation will not leave you in the dark. If you waive the consultation I will always be available to discuss the operations.

If you should have any questions, please feel free to call (949) 498-2101.

I look forward to a successful well. Wish us luck.

A handwritten signature in blue ink that reads "Allen J. Gross". The signature is fluid and cursive, with the first name "Allen" and last name "Gross" clearly legible.

Allen J. Gross  
President

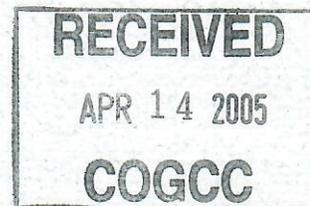
  
Initials



# PELICAN HILL OIL & GAS INC.

April 13, 2005

Allen Peterson  
PO Box 36  
Cheyenne Wells, CO 80810



Dear Mr. Peterson,

Let me introduce myself, my name is Allen Gross, I am the President of Pelican Hill Oil & Gas, Inc. We currently hold a lease in Cheyenne County, Colorado, of which you are the appointed Local Government Designee and hope to commence the drilling of a well by approximately April 20, 2005. Due to the price of oil right now, the drilling activity in Colorado and Kansas has been very intense. We have been waiting in line for over five months now to get a rig to drill. We now have the opportunity and would very much like to take advantage of it. The Colorado Oil and Gas Conservation Commission require a 30 day notice to the surface owner and the LGD prior to the commencement of operations. However due to the availability of the drilling rig, waiting the full 30 days would put us out of our window and we would not be able to drill the well for some time. We do have another option, you can waive the 30 day notice requirement as the Local Government Designee. I will attach a signature page in which you can waive the 30 day notice.

Pelican Hill Oil & Gas, Inc. will be the operator for this well. I will be the contact person for Pelican Hill Oil & Gas, Inc. You can contact me at anytime regarding this proposed operation.

-Allen Gross – O: (949) 498-2101, C: (949) 632-5789  
-Pelican Hill Oil & Gas, Inc.  
-1401 N. El Camino Real, Ste. 207  
San Clemente, CA 92672

The exact location of the well is 330' FNL, 1545' FWL, NW/4 – Sec. 20-12s-44w, Cheyenne County, Colorado.

If you should have any questions, please feel free to call (949) 498-2101.

Allen J. Gross  
President