



MERIT ENERGY COMPANY

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**RETURN RECEIPT REQUESTED**

July 21, 2009

Harold B. Craven  
19747 WCR 46  
LaSalle, CO 80645

Re: Notice of Intent to Conduct Surface Operations  
**Peschel 34-71**  
NE SW, Sec. 20, T4N-R65W  
Weld County, CO

Batch #: 33  
Article #: 71605470475340001039  
Date/Time: 7/20/2009 4:52:33 PM  
Code:  
Code2:  
File #:  
Internal File #:  
Internal Code #:

Dear Mr. Craven:

The Colorado Oil & Gas Conservation Commission (COGCC) has specific guidelines and procedures regarding surface activities.

Rule 305.b.(1) Notice of drilling stipulates, in part, before an operator commences operations for the drilling of any well, such operator shall evidence its intention to conduct such operations by giving the surface owner written notice thereof. Such notice of drilling shall be mailed or hand delivered to the surface owner not less than thirty (30) days prior to the date of estimated commencement of operations. The operator shall confirm that the surface owner notice requirements of this Rule 305.b. have been completed or waived before the Director approves an Application for Permit-to-Drill, Form 2.

It is Merit Energy Company's intentions to drill the above referenced oil and gas well at the location described above. It is your responsibility to notify the tenant farmer, if applicable, of this proposed operation.

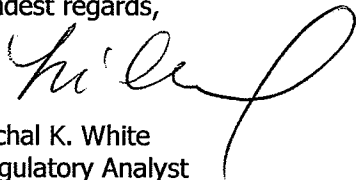
Enclosed please find the following information:

- a brochure describing surface owner rights and responsibilities from the COGCC;
- a form to request an onsite inspection with the COGCC;
- the policies for a consultation with Merit (COGCC Rule 306); and
- a self-addressed, stamped postcard with your preference for a consultation with Merit. **PLEASE RETURN THIS POSTCARD IN ANY CASE.**

A Merit Energy Company representative will meet with you, prior to beginning operations with heavy equipment, to discuss the location of the well sites, access roads, production facility and reclamation.

**If you have any questions concerning Merit's plans, please contact Glenn Markgraf at 303.857.6766 or Mitzi Court at 972.628.1026.**

Kindest regards,

  
Michal K. White  
Regulatory Analyst

I/we hereby waive the notice requirement and hereby authorize Merit Energy Company to begin operations upon receipt of the drilling permits from the Colorado Oil & Gas Conservation Commission.

Date: \_\_\_\_\_