

October 14, 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jason Lilley, CPL
K. P. Kauffman Company, Inc.
1675 Broadway, Suite 2800
Denver, CO 80202-4628

Re: Front Range 11-17-11, 11-17-25 and 12-
17-22R Wells,
Section 17, Township 4 North, Range 66
West, Weld County, Colorado

Dear Mr. Lilley:

We are writing on behalf of our client, Front Range Land and Livestock, LLC, to request a formal meeting with representatives of K. P. Kauffman Company, Inc. to discuss their intentions regarding the drilling of the captioned wells in the N/2SW/4 of Section 17, Township 4 North, Range 66 West.

As you may be aware, in the Fall of 2007 Front Range Land & Livestock, LLC ("Front Range") was contacted by Mr. Michael L. Tucker on behalf of K. P. Kauffman & Company, Inc. ("Kauffman") for the purpose of negotiating a Surface Damage Agreement covering the lands in question. The negotiations proceeded for a number of weeks and a draft of an agreement was produced, containing provisions suggested by both parties. However, before the Agreement was signed, Mr. Tucker's relationship with Kauffman ended and the Surface Damage Agreement has remained in limbo ever since. Since then, Front Range has received numerous notices regarding impending drilling operations and has attempted to contact Kauffman on several occasions to discuss surface damage and surface use arrangements. However, none of Front Range's phone calls to Mr. Mehler either by Front Range or by this office have been returned.

Jason Lilley, CPL
K. P. Kauffman Company, Inc.
October 14, 2009

Page 2

As you may be aware, the lands in question straddle the South Platte River and contain environmentally sensitive wetland areas. Front Range maintains the surface estate as a wildlife refuge for migrating birds and duck hunting area and has a number of unique concerns regarding your access to and use of its surface estate. These concerns were addressed in the proposed 2007 Surface Damage Agreement, a copy of which is enclosed. Among them is paragraph 6(g) on page 3 which provides for a drilling period between February 16 and September 29 of any given year in order to allow the owners of the property to have undisturbed access to the surface during the duck hunting season. COGCC Form 2A which accompanied Kauffman's letter of October 8, 2009 concerning the Front Range 12-17-22R Well indicates that Kauffman intends to commence construction activities on the captioned property on December 1, 2009. Such operations during the middle of the duck hunting season will undoubtedly cause a significant adverse impact upon the surface owner's intended use of the property and may represent a violation of the operator's duty of reasonable accommodation under CRS § 34-60-127. Moreover, Kauffman's proposed activities may also impose an unnecessary risk to Kauffman's drilling contractor and its employees.

In order to save time and to facilitate the orderly development of our client's property, we ask that you review the provisions of the enclosed Surface Damage Agreement and then contact the undersigned for the purpose of establishing a meeting with our client so that issues involving surface access, location of facilities and timing of operations can be addressed in a manner which is satisfactory to all parties. Your immediate response to this letter would be gratefully appreciated.

Very truly yours,

POULSON, ODELL & PETERSON, LLC

Stephen M. Thompson

SMT/csd

Enclosure

cc: Robert Schulein

Colorado Oil & Gas Conservation Commission,

Attention Dennis Ahlstrand, Permitting Supervisor w/o enclosure

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Coler, Larry

From: Coler, Larry
Sent: Friday, February 19, 2010 10:28 AM
To: 'Sherry Glass'
Subject: RE: Front Range #12-17-22R SUA and retraction of objection

I received it. Thank You. I think I will hold this permit until you can send me the executed copy of the SUA. Please send it as soon as possible. Thanks

From: Sherry Glass [mailto:SGlass@kpk.com]
Sent: Tuesday, February 16, 2010 11:15 AM
To: Coler, Larry
Cc: Kelsey H. Wasylenky; Jason Lilley; Kent Gilbert
Subject: RE: Front Range #12-17-22R SUA and retraction of objection

I wasn't included in the email. I just called Mr. Thompson to remind him of this email to you, but had to leave a voicemail. He promised our in-house counsel, Kelsey, that he would do this at his earliest convenience. I hope he gets this to you today. I'll let you know if I hear from him. Thanks.

From: Coler, Larry [mailto:Larry.Coler@state.co.us]
Sent: Tuesday, February 16, 2010 11:10 AM
To: Sherry Glass
Subject: RE: Front Range #12-17-22R SUA and retraction of objection

I have not found the email from Mr Thompson yet. That does not mean he has not sent it. I may have deleted it by mistake. I would appreciate forwarding another copy of the email if that is possible. Thanks.

From: Sherry Glass [mailto:SGlass@kpk.com]
Sent: Tuesday, February 16, 2010 10:50 AM
To: Coler, Larry
Cc: Kelsey H. Wasylenky; Jason Lilley
Subject: Front Range #12-17-22R SUA and retraction of objection

By now, you should have received an email from Stephen Thompson, attorney for Dr. Schulein, manager of the Front Range Land and Livestock, LLC retracting their objection to our permit. I'm attaching an un-executed copy of the SUA because the executed copy is in transit from Montana to us and we haven't received it yet. If you haven't received this email from Mr. Thompson, please let me know. You will notice there are going to be a large number of wells on the SE pad, so designated in the SUA. These are in the process of being staked. The permit applications will be submitted when the plats are available. Thank you.

Sherry Glass
Engineering Technician
K. P. Kauffman Company, Inc.
303-825-4822 X116

Coler, Larry

From: Steve Thompson [sthompson@popllc.com]
Sent: Tuesday, February 16, 2010 12:29 PM
To: Coler, Larry
Cc: Bob Schuelein; Kelsey H. Wasylenky
Subject: Front Range 11-17-11, 11-17-25 and 12-17-22R Wells, Section 17, T. 4N., R66W., Weld County, Colo.
Attachments: Final 09 10 14 ltr J Lilley.doc

Dear Mr. Coler:

We are advised that you are processing permits for one or more of the captioned wells or other wells which are to be located on the surface of the N/2SW/4 of Section 17, T. 4N., R. 66W. In Weld County. We represent the surface owner, Front Range Land and Livestock, LLC. Last October we copied the Colorado Oil and Gas Conservation Commission with the attached letter which was addressed to the Operator of the above proposed wells, KP Kauffman Company, Inc., evidencing our frustration at being unable to complete negotiations for a surface damage agreement with the Operator. Please be advised that since that time we have completed our negotiations with KP Kauffman Company, Inc. and that our client has no objection to the drilling of the captioned wells so long as they are drilled in compliance with the recently executed Surface Use Agreement.

<<Final 09 10 14 ltr J Lilley.doc>>

Stephen M. Thompson, Esq.

(Direct: 303/264-4419 – SThompson@popllc.com)

Poulson, Odell & Peterson, LLC

1775 Sherman Street, Suite 1400

Denver, CO 80203

Phone: 303/861-4400

Fax: 303/861-1225

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