

KGH Operating Company

P.O. Box 2235

Billings, MT 59103-2235

Phone (406) 259-6480 • Fax (406) 259-2124

Thomas M. Hauptman, President

May 17, 2010

Mary Light
The Preas Family Limited Liability Company
903 North Jackson Street
Huntingburg, IN 47542-1036

Re: KGH – Meagher #10-1H
Lot 3 of Sec. 10 – T1S-R104W
Rio Blanco Co., Colorado

Ladies & Gentlemen:

Following my recent conversation with Steve Price, KGH Operating Company is proposing the drilling of the above captioned well during the 2010 drilling season. A copy of the survey plat is enclosed.

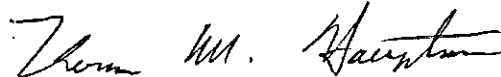
As required by the State of Colorado, we are to settle surface damages with you prior to commencing drilling operations. It has been agreed that KGH will pay a total damage payment of \$500.00. This will be for all surface activities required during drilling, completion and producing operations, including road and pipeline access routes. Please acknowledge your receipt of the enclosed funds and your concurrence with this surface damage agreement, by signing in the space below and returning one copy to this office at your earliest convenience in the enclosed self-addressed envelope. We hope to start this well in the second half of 2010.

Your prompt handling of this letter agreement will be appreciated.

You also agree that, as owners of 100% of the surface and mineral rights under the above proposed wells, you hereby agree to waive your thirty (30) day notification rights, prior to spudding, as set out in COGC rule #305 and further agree to waive your ten (10) day notification rights with regard to proposed surface disturbance and drilling plans as set out in COGC rule #306. You also give KGH Operating Company immediate authority to commence operations on the above properties to prosecute the road construction, wellsite location preparation and drilling of the above captioned wells.

Should you have any questions, please contact our office at your convenience.

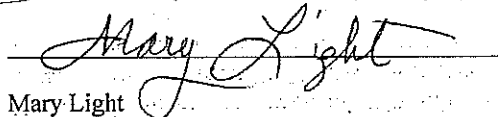
Yours very truly,
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb
Encs.

Accepted and agreed to this 19th day of May, 2010
The Preas Family Limited Liability Company


Mary Light

KGH Operating Company

P.O. Box 2235

Billings, MT 59103-2235

Phone (406) 259-8480 • Fax (406) 259-2124

Thomas M. Hauptman, President

May 17, 2010

Steven J. Price
2816 Waymon View Court
Salt Lake City, UT 84117

Re: KGH – Meagher #10-1H
Lot 3 of Sec. 10 – T1S-R104W
Rio Blanco Co., Colorado

Ladies & Gentlemen:

In accordance with our telephone conversation, KGH Operating Company is proposing the drilling of the above captioned well during the 2010 drilling season. A copy of the survey plat is enclosed.

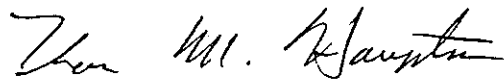
As required by the State of Colorado, we are to settle surface damages with you prior to commencing drilling operations. It has been agreed that KGH will pay a total damage payment of \$500.00. This will be for all surface activities required during drilling, completion and producing operations, including road and pipeline access routes. Please acknowledge your receipt of the enclosed funds and your concurrence with this surface damage agreement, by signing in the space below and returning one copy to this office at your earliest convenience in the enclosed self-addressed envelope. We hope to start this well in the second half of 2010.

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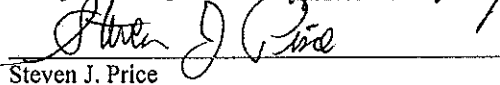
Yours very truly,
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb
Encs.

Accepted and agreed to this 17th day of May, 2010


Steven J. Price

KGH Operating Company

P.O. Box 2235

Billings, MT 59103-2235

Phone (406) 259-8480 • Fax (406) 259-2124

Thomas M. Hauptman, President

May 17, 2010

William J. Price
4616 So. Fortuna Way
Salt Lake City, UT 84124

Re: KGH – Meagher #10-1H
Lot 3 of Sec. 10 – T1S-R104W
Rio Blanco Co., Colorado

Ladies & Gentlemen:

Following my recent conversation with Steve Price, KGH Operating Company is proposing the drilling of the above captioned well during the 2010 drilling season. A copy of the survey plat is enclosed.

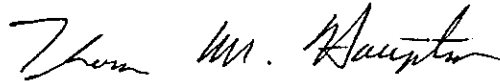
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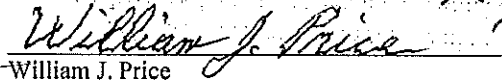
Yours very truly,
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb
Encs.

Accepted and agreed to this 24 day of May, 2010


William J. Price

KGH Operating Company

P.O. Box 2235

Billings, MT 59103-2235

Phone (406) 259-8480 • Fax (406) 259-2124

Thomas M. Hauptman, President

May 17, 2010

Patricia Price Brimley
4616 So. Fortuna Way
Salt Lake City, UT 84124

Re: KGH - Meagher #10-1H
Lot 3 of Sec. 10 - T1S-R104W
Rio Blanco Co., Colorado

Ladies & Gentlemen:

Following my recent conversation with Steve Price, KGH Operating Company is proposing the drilling of the above captioned well during the 2010 drilling season. A copy of the survey plat is enclosed.

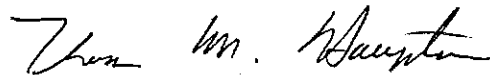
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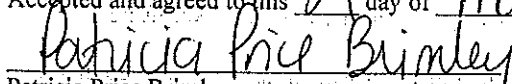
Yours very truly,
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb
Encs.

Accepted and agreed to this 24 day of May, 2010


Patricia Price Brimley

KGH Operating Company

P.O. Box 2235

Billings, MT 59103-2235

Phone (406) 259-8480 • Fax (406) 259-2124

Thomas M. Hauptman, President

May 17, 2010

A-M, Inc.
7350 Island Queen Dr.
Sparks, NV 89436

Re: KGH – Meagher #10-1H
Lot 3 of Sec. 10 – T1S-R104W
Rio Blanco Co., Colorado

Ladies & Gentlemen:

Following my recent conversation with Steve Price, KGH Operating Company is proposing the drilling of the above captioned well during the 2010 drilling season. A copy of the survey plat is enclosed.

As required by the State of Colorado, we are to settle surface damages with you prior to commencing drilling operations. It has been agreed that KGH will pay a total damage payment of \$500.00. This will be for all surface activities required during drilling, completion and producing operations, including road and pipeline access routes. Please acknowledge your receipt of the enclosed funds and your concurrence with this surface damage agreement, by signing in the space below and returning one copy to this office at your earliest convenience in the enclosed self-addressed envelope. We hope to start this well in the second half of 2010.

Your prompt handling of this letter agreement will be appreciated.

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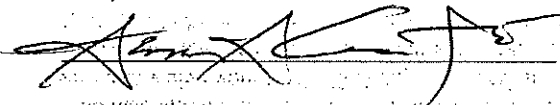
Yours very truly,
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb
Encs.

Accepted and agreed to this 28th day of May, 2010
A-M, Inc.



KGH Operating Company

P.O. Box 2235

Billings, MT 59103-2235

Phone (406) 259-8480 • Fax (406) 259-2124

Thomas M. Hauptman, President

May 17, 2010

Emerald Phoenix Oil Company
111 East Lincoln Road #4
Spokane, WA 99208

Re: KGH – Meagher #10-1H
Lot 3 of Sec. 10 – T1S-R104W
Rio Blanco Co., Colorado

Ladies & Gentlemen:

Following my recent conversation with Steve Price, KGH Operating Company is proposing the drilling of the above captioned well during the 2010 drilling season. A copy of the survey plat is enclosed.

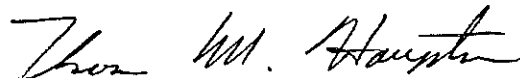
As required by the State of Colorado, we are to settle surface damages with you prior to commencing drilling operations. It has been agreed that KGH will pay a total damage payment of \$500.00. This will be for all surface activities required during drilling, completion and producing operations, including road and pipeline access routes. Please acknowledge your receipt of the enclosed funds and your concurrence with this surface damage agreement, by signing in the space below and returning one copy to this office at your earliest convenience in the enclosed self-addressed envelope. We hope to start this well in the second half of 2010.

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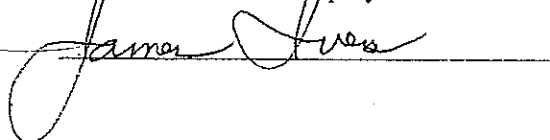
Yours very truly,
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb
Encs.

Accepted and agreed to this 21st day of May, 2010
Emerald Phoenix Oil Company



KGH Operating Company

P.O. Box 2235

Billings, MT 59103-2235

Phone (406) 259-8480 • Fax (406) 259-2124

Thomas M. Hauptman, President

May 17, 2010

Dale A. Meagher
1163 South 500 West
Vernal, UT 84078

Re: KGH -- Meagher #10-1H
Lot 3 of Sec. 10 -- T1S-R104W
Rio Blanco Co., Colorado

Ladies & Gentlemen:

Following my recent conversation with Steve Price, KGH Operating Company is proposing the drilling of the above captioned well during the 2010 drilling season. A copy of the survey plat is enclosed.

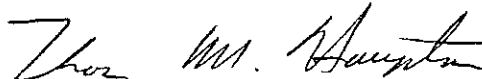
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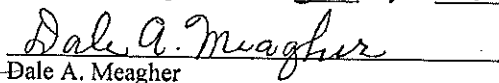
Yours very truly,
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb
Encs.

Accepted and agreed to this 3rd day of June, 2010


Dale A. Meagher

[Faint, illegible text, likely a carbon copy or bleed-through from the reverse side of the page.]