

# 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

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.

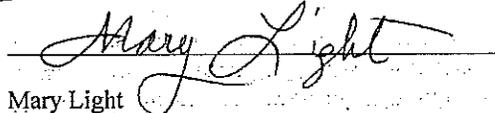
Yours very truly,  
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb  
Encs.

Accepted and agreed to this 19<sup>th</sup> 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.

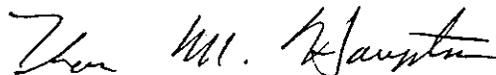
As required by the State of Colorado, we are to settle surface damages with you prior to commencing drilling operations. It has been agreed that KGH will pay a total damage payment of \$500.00. This will be for all surface activities required during drilling, completion and producing operations, including 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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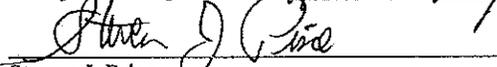
Yours very truly,  
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb  
Encs.

Accepted and agreed to this 17<sup>th</sup> 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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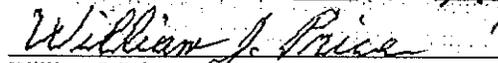
Yours very truly,  
KGH OPERATING COMPANY



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:

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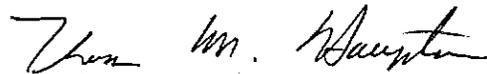
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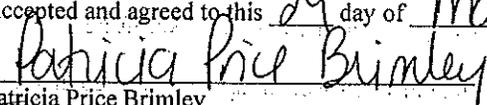
Yours very truly,  
KGH OPERATING COMPANY



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.

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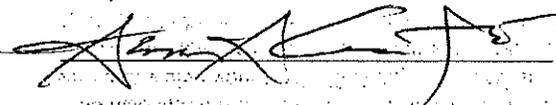
Yours very truly,  
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb  
Encs.

Accepted and agreed to this 28<sup>th</sup> 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:

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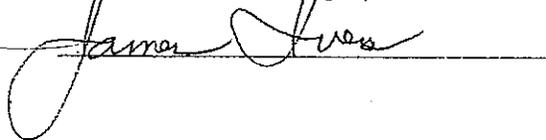
Yours very truly,  
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb  
Encs.

Accepted and agreed to this <sup>SI</sup> 21 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

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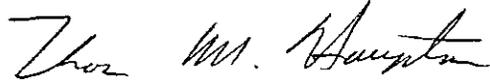
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Yours very truly,  
KGH OPERATING COMPANY



Thomas M. Hauptman

TMH:jb  
Encs.

Accepted and agreed to this 3<sup>rd</sup> day of June, 2010

  
Dale A. Meagher

*[Faint, illegible text, likely bleed-through from the reverse side of the page]*