



December 11, 2007

Floyd Hutchinson
146 West Montezuma Avenue
Cortez, CO 81321

As per our previous conversations, please be advised that Kinder Morgan CO2 Co. L.P. plans to exercise their mineral lease and enter your property for the purpose of drilling one (1) CO2 well to be named GP #15. The entry for well GP15 will be the SE ¼ of NW ¼ Section 15, Township 36 North, Range 17 West, N.M.P.M, Montezuma County, Colorado and is currently marked by survey stakes for your viewing. The additional activities of this entry will include, building the necessary access road and adding additional Right of Way (ROW) for the connecting flow line.

Land is described as dry land pasture.

In accordance with the Colorado Oil and Gas Conservation Commission (COGCC) rule 305, please receive this 30 day intent to drill notice to this effect. Notice starting on this 11th day of December in the year 2007, as the day of this notice being hand delivered to you, at your home in Cortez, Colorado. A notice will also be posted at the property mentioned above. Work on this project is scheduled to begin as soon as all permits are in place.

Also in accordance with COGCC rule 305, please receive the following required attachments and additional information for your use:

- 1) A copy of COGCC rule 305 and 306.
- 2) Copy of 'Oil and Gas Well Notification, Consultation and Reclamation Rules'.
- 3) A copy of FAQ's.
- 4) A plat showing planned well site, access road and additional pipe line ROW.
- 5) Operator information as follows; Kinder Morgan CO2 Co. L.P., 17801 Hwy 491, Cortez, CO. 81321
- 6) Company contact as follows; Bob Clayton, Production supervisor, 970-882-5507 (address same as above) or Jeannie Johnston, 970 882-5517.
- 7) Estimated date of beginning operations; as soon as all permits are in place.
- 8) Please understand that surface owner has the responsibility for notifying any affected Tenant of the proposed operations.
- 9) A return addressed, postage prepaid envelope to meet rule 306 requirements.

Drilling operations will not begin until all required State, Federal and County permits have been issued.

No operations other than survey and on-site inspections will begin until the operator (Kinder Morgan CO2) makes a fair and reasonable payment to you as the land owner for any surface and crop damage, use and additional ROW which will all be addressed in the completed lease agreement we are currently working on.

I would like to also mention that it has been a great pleasure working with both of you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeannie Johnston". The signature is fluid and cursive, with a large loop at the beginning and end.

**Jeannie M. Johnston
Business Supervisor
Kinder Morgan CO2 Co. L.P.**

Cc. COGCC

**Montezuma County Commissioners
File at KMCO2 office**