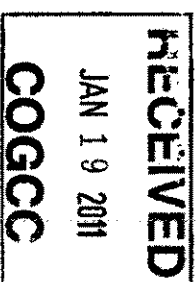




02586477

Waiver



December 8, 2010

Ed Schifferms
Cottonwood Grazing Association
62630 Rd. 44
Arriba, CO 80804


Re: Waiver of Surface Owner Rights
Well: Cottonwood Grazing #2-22
Location: 660' FSL, 600' FWL
Section 22, Township 12 South, Range 52 West, of the 6th P. M.
Lincoln County, Colorado

I am the Surface Owner of the above captioned lands. I acknowledge that I have been consulted as to the proposed well site for the Cottonwood Grazing #2-22 well, which is 660' FSL, 600' FWL, on said lands.

I further acknowledge that I have entered into a Surface Use and Rental Agreement with CJ Nolte, LLC, Operator of the proposed well, under which terms CJ Nolte, LLC, will conduct drilling operations on said land

Because CJ Nolte, LLC's use and occupancy of the surface of said lands are provided for and agreed to under terms of the aforementioned Surface Use and Rental Agreement, I agree to waive all rights as Local Government Designee, with regard to Notices, Comment Periods, Consultations and Appeal of a Decision of Approval, specifically as they relate to the Application for Permit-to-Drill, provided for under Colorado Oil Gas Conservation Commission Rules 305 and 306. It is understood that this waiver is intended solely to expedite the Application for the Permit-to-Drill process, thus enabling CJ Nolte, LLC, to commence drilling operations as soon as possible, and shall in no way act as a waiver of any terms provided for in the referenced Surface Use and Rental Agreement.

This Agreement and Waiver is executed this 9th day of Dec, 2010, to be effective the date first above written


Ed Schifferms, Surface Rights Owner


Cottonwood Grazing