

HRM RESOURCES, LLC

555 17th Street, Suite 950, Denver, Colorado 80202
(303) 893-6621 – FAX (303) 893-6892

February 4, 2011

4-H Operating Corporation
518 17th St., Suite 640
Denver, CO 80202
Attn: DJ Land Department

RE: **Notice of Intent to Propose IR-100 318A(e) Boundary Line Well**
Fritzler 8-8-17
Township 6 North, Range 66 West, Section 17
Weld County, Colorado

Dear Working Interest Owner:

HRM Resources, LLC (HRM) intends to propose to drill and operate the above referenced well pursuant to paragraph 6 of Rule 318A(e), Order IR-100 of the Colorado Oil and Gas Conservation Commission (COGCC). HRM will propose the well as follows:

1. **SURFACE AND BOTTOMHOLE LOCATIONS:**
SHL: 658' FSL, 608' FEL, Section 17, T6N-R66W
BHL: 50' FSL, 50' FEL, Section 17, T6N-R66W
2. **WELLBORE SPACING UNIT:**
The wellbore spacing unit for the Codell and Niobrara formation will be comprised of a roving 160 acre unit consisting of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 16, the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 17, the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 20 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 21. The well spacing unit is depicted on the enclosed plat.
3. **TARGET FORMATIONS AND GEOLOGIC STATEMENT:**
The well will be drilled to a total depth sufficient to test the Niobrara and Codell formations. The Niobrara and Codell will be designated the primary objective zones. The proposed bottom-hole location for this well lies outside a minimum 800' radial drainage from all existing wells.
4. **ANTICIPATED SPUD DATE AND SURFACE USE:**
The anticipated spud date for this well is April 1, 2011. Currently, the surface is unimproved dry land.

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5. PRELIMINARY WORKING INTEREST OWNERSHIP AND REQUEST FOR TITLE:

A review of available records indicates that you own an interest in one or more wells producing from one or more of the target formations within the wellbore spacing unit(s). HRM requests you provide a copy of all title opinions, your division of interest decks and contact information for your partners applicable to your leasehold within the wellbore spacing unit(s) so that we may have title updated and a drilling opinion rendered for the benefit of all participating and non-participating interest owners.

Pursuant to the referenced COGCC rules, you have twenty (20) days from receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed 160 acre spacing unit set forth herein shall be established. However, should you have no objection to this proposal, your cooperation of a written reply would be greatly appreciated.

A formal well proposal, including AFE, JOA, and Stipulation of Interest and Pooling Declaration will be forthcoming under separate cover.

If you should have any questions, please contact Walt Lunsford at 720-381-7759.

Sincerely,



Michael L. Tucker
Landman

mlt

Enc: 318A(e) Twenty-Day Waiver
Roving 160-acre Spacing Unit Map

SENT VIA CERTIFIED MAIL.

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318A(e) TWENTY-DAY WAIVER *(Please Complete and Return to HRM)*

Fritzler 8-8-17

Township 6 North, Range 66 West, Section 17
Weld County, Colorado

The undersigned hereby waives the minimum twenty (20) day written notice requirement for the referenced well, the Fritzler 8-8-17, as specified in paragraph 6 of Rule 318A(e), Order 1R-100 of the Colorado Oil and Gas Conservation Commission.

By:

Printed Name: _____

Title: _____

Date: _____

Please return this sheet to:

HRM Resources, LLC
555 17th Street, Suite 950
Denver, Colorado 80202

ATTN: Walt Lunsford

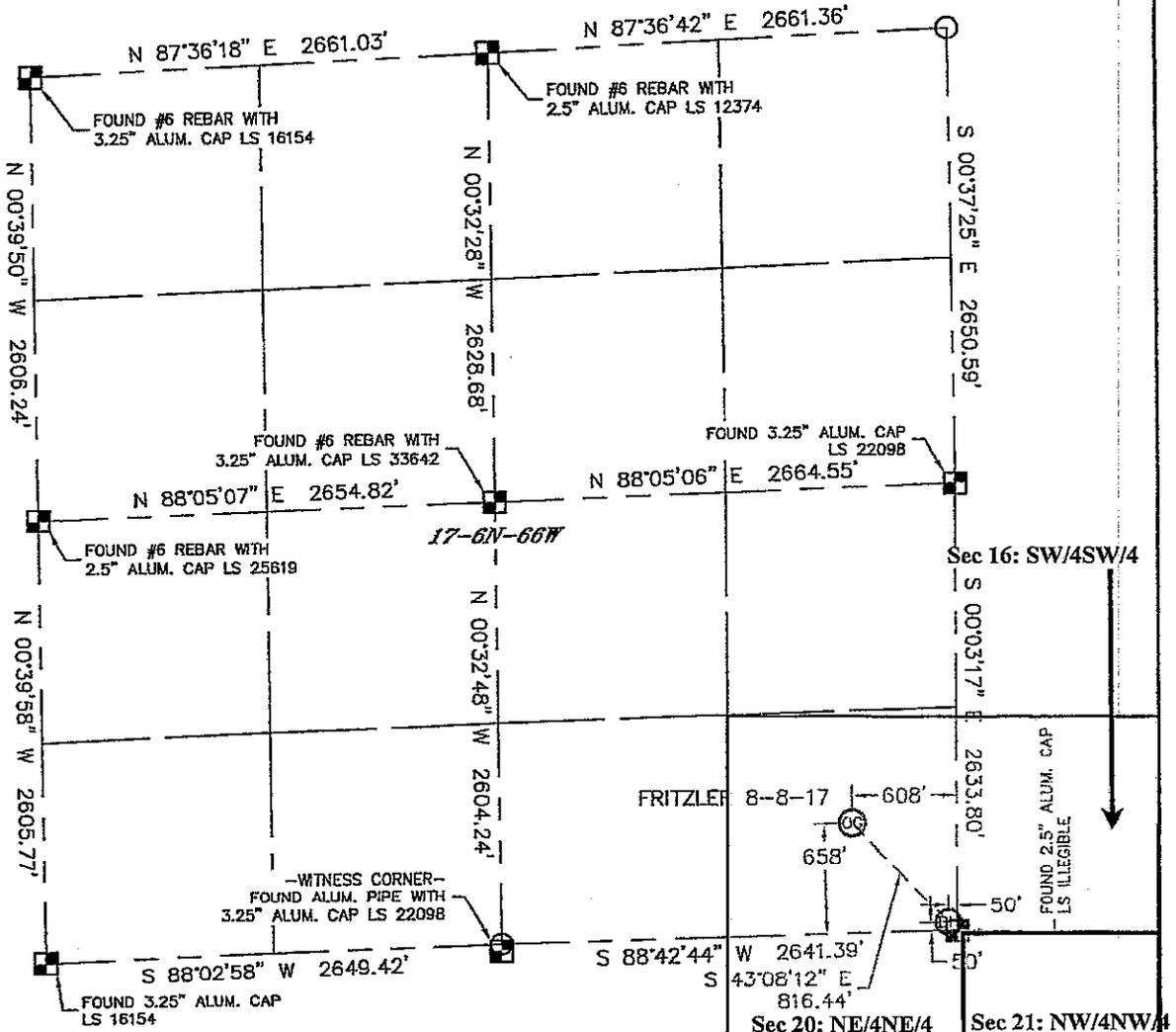
160 ACRE ROVING SPACING UNIT PLAT FRITZLER 8-8-17

Lat40°, LLC 1635 Foxtrail Drive, Suite 325 Loveland, CO 80538

WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY

SECTION: 17
TOWNSHIP: 6N
RANGE: 66W



In accordance with a request from **ANDY PETERSON**, with **HRM RESOURCES, LLC**, Lat40°, LLC has determined the surface location of the **FRITZLER 8-8-17** to be 658' from the SOUTH line and 608' from the EAST line and the bottom hole to be 50' from the SOUTH line and 50' from the EAST line as measured at right angles from the section lines of **Section 17, Township 6 North, Range 66 West** of the Sixth Principal Meridian, County of Weld, State of Colorado.

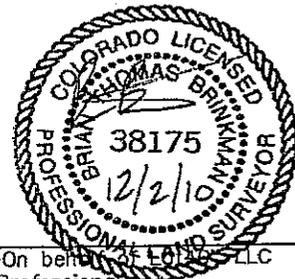
I hereby state that this Well Location Certificate was prepared by me, or under my direct supervision, that the fieldwork was completed on 11-23-10, for and on behalf of **HRM RESOURCES, LLC**. That this is not a Land Survey Plat or an Improvement Survey Plat, and that it is not to be relied upon for establishment of fence, building, or other future improvement lines.

NOTE:

- 1) Bearings shown are Grid Bearings of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2007. The lineal dimensions as contained herein are based upon the "U.S. Survey Foot."
- 2) Ground elevations are based on an observed GPS elevation (NAVD 1988 DATUM).
- 3) IMPROVEMENTS: See LOCATION DRAWING for all visible improvements within 400' of disturbed area.
- 4) SURFACE USE: CROP FIELD
- 5) INSTRUMENT OPERATOR: BRIAN BRINKMAN

SURFACE LOCATION
 LATITUDE: 40.48269°N
 LONGITUDE: 104.79462°W
 PDOP: 2.1
 ELEV: 4770'
 1/4, 1/4: SE1/4SE1/4
 NEAREST PROPERTY LINE: 247' NW

BOTTOM HOLE
 LATITUDE: 40.48104°N
 LONGITUDE: 104.79263°W



NOTE:

According to Colorado law, you must commence any legal action based upon any defect in this W.L.C. within three years after you discover such defect. In no event, may any action based upon any defect in this survey be commenced more than ten years after the date of the certificate shown hereon. (13-80-105 C.R.S.)

LEGEND

- = ALIQUOT MONUMENT AS DESCRIBED
- = CALCULATED POSITION

Brian T. Brinkman—On behalf of **Lat40°, LLC**
 Colorado Licensed Professional
 Land Surveyor No. 38175 PROJECT#: 2010144