



March 8, 2011

Mr. Claude D. Cathcart
Erma Cathcart Trust A
P.O. Box 523
Holly, CO. 81047

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
#7010-3090-0002-8119-8663

RE: COGCC Rule 305.e. (1).B & 306.a
Cathcart #1-5
SWSW, Sec. 5-T23S-R41W
Prowers County, Colorado

Dear Mr. Cathcart:

In accordance with Rule 305.e.(1).B of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"), this letter serves as a 30-day notice by VAL Energy, Inc. (VAL) of its intention to commence operations for the drilling of a well on the above-referenced location. VAL operations are estimated to begin within the next 90+ days from the date of this letter, pending receipt of required permits and drilling rig availability. COGCC regulations provide that the surface owner may waive the 30-day notice requirement.

In accordance with Rule 306.a of the Rules and Regulations of the COGCC requires written notice from the surface owner to request or waive a consultation meeting with VAL concerning the location of the above-referenced well and all associated equipment, or designate a representative for surface consultation.

Enclosed is a waiver and request for consultation form. Please read and fill out the form stating your decision on the thirty (30) day notice and consultation meeting as required by Rule 305 and Rule 306. Return the fully executed form in the envelope provided within the next 10 days.

Also enclosed is a copy of the COGCC's brochure describing surface owner rights and responsibilities.

3/8/2011
mailed to Surface
Owner
cc - LGD, Val Energy

Cathcart #1-5

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As the surface owner, it is your responsibility to notify any affected tenant farmer, lessee or other party that may own or have an interest in any crops or surface improvements that could be affected by these proposed operations.

If you have any questions, please do not hesitate to contact me at (303) 250-0619.

Thank you,

ROCKY MOUNTAIN PERMITTING, LLC



Terry L. Hoffman
Permit Agent

Enclosures: Waiver Form
Well Location Plat
Access Road Map
Surface Owner Brochure
Return Envelope

Cc: Mary Root – Prowers County LGD

WAIVER AND REQUEST FOR CONSULTATION FORM

Mr. Claude D. Cathcart
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Cathcart #1-5
SWSW, Sec. 5-T23S-R41W
Prowers County, Colorado

Thirty-Day Notice Waiver (Rule 305)

The undersigned waive / does not waive (circle one) the 30-day notice period for drilling operations on the above-referenced location.

Request for Consultation Meeting (Rule 306)

The undersigned request / does not request (circle one) a consultation meeting.

Surface Owner

Erma Cathcart Trust A

By: Claude D. Cathcart
Claude D. Cathcart

Date: March 18, 12