



July 21, 2011

HAND DELIVERED

Kerbs Land & Cattle
Attn: Ms. Kerbs
1950 Arlyn Court
Wray, CO 80758

RE: NOTICE OF THE INTENT TO DRILL
Kerbs L & C 08-06 1S45W SENW/4
Yuma County, Colorado

Dear Ms. Kerbs,

This letter is to advise you, as Surface Owner it is our intent to commence drilling operations for a natural gas well in the above referenced location. If you have a tenant leasing this location, please notify them of this operation. Should you and/or your tenant desire to be present during the staking process, please contact Loni Davis at the Wray office @ 970-332-3585. If you are not the Surface Owner of the Southeast of the Northwest quarter of Section 8, Township 1 South, Range 45 West, we ask that you please notify this office immediately so that the proper land owner may be notified.

We hope to commence drilling operations prior to September 30, 2011. We will contact you prior to moving onto location as we learn the approval date of the APD, rig availability and title approval.

Colorado State rules require a thirty-(30) day notice to landowners prior to commencement of drilling operations. COGCC Rule 305 gives you the right to request an onsite inspection by a Local Government Designee and must be received by the COGCC within 10 business days of the first day of the Rule 306 Consultation. Mr. Gary Timmer will contact you for a surface owner consultation per COGCC Rule 306. Augustus Energy Partners, LLC is requesting a waiver from you to disallow this time restriction on both the 30 days notice and the onsite inspection. Should you agree to waive these, please sign, date and return this document to the above referenced address. For your convenience, a self addressed, stamped envelope is enclosed.

Please find attached a drawing of the proposed location to include placement of pipelines and facilities. We are also requesting a waiver of COGCC rule 305e(1)A which requires us to forward to you the Form 2A, the major equipment list, A plat showing visible improvements within 400' of location and the topo map showing surface waters and riparian areas within 1000' of location. Once we are notified by the COGCC that the Form 2A is complete we will notify you of the Location Assessment # so you may review the document and all attachments on the COGCC website and post any comments to the Director at <http://cogcc.state.co.us/>.

If you have any questions regarding this information, please do not hesitate to contact me. Enclosed is a pamphlet from the Colorado Oil and Gas Conservation Commission that explains many of the rules and regulations that apply to operators regarding surface owners and tenants and the Onsite Inspection request form. Your time and assistance regarding this matter is greatly appreciated.

Very truly yours,

Augustus Energy Partners, LLC

Loni J. Davis
Loni J. Davis

Operations Accounting and Regulatory Specialist

I, Deborah Kerbs PRESIDENT of Kerbs Land & Cattle, as Surface Owner of the above referenced property,
do hereby waive the thirty (30) day rule for notification prior to commencement of drilling operation.
☒ Yes, ☐ No.
☒ Yes I do, ☐ No I do not, hereby waive the Onsite inspection.
☒ Yes I do, ☐ No I do not, hereby waive the receipt of documents under COGCC rule 305.e.(1).A.
☒ Yes I do, ☐ No I do not, wish to receive the Location Assessment # for review.

By signing below, I acknowledge that upon receipt of this letter Augustus Energy Partners, LLC may proceed with drilling at their discretion.

Deborah Kerbs
Surface Owner

8/25/11
Date

cc: COGCC
AEP Well File