

Petron Development Company
1899 W. Littleton Blvd.
Littleton, Colorado 80120
Telephone (303) 794-5300

October 14, 2011
VIA CERTIFIED MAIL
Article # 2006 2150 0002 0523 3094

George H. Peaker and
Nancy E. Peaker
1231 Terri
Wray, Colorado 80758

RE: NOTICE OF INTENT TO DRILL

Peaker 2-8
SE1/4 NW ¼ Sec. 8-T1N-R45W
Yuma County, Colorado

Ladies & Gentlemen:

Walker Energy holds an oil and gas lease covering lands in which you own the surface. Pursuant to Rule 305 of the Colorado Oil and Gas Conservation Commission, this letter is to give you notice that Petron Development Company (operator for the property) intends to conduct operations for drilling of a Niobrara gas well. Please be advised of the following:

1. Operations with heavy equipment are estimated to commence on approximately December 01, 2011
2. The operator is:
Petron Development Company
1899 W. Littleton Blvd.
Littleton, Colorado 80120
Contacts are:
Jim Walker or Ron Walker
Telephone 303-794-5300
Fax 303-794-5356
3. Pursuant to Rule 305 (e)(1)(A) a list of major equipment components includes, but may not be limited to: Drilling Rig with Diesel Engine, Catwalk, Doghouse with Diesel Engine, Mud Tank, Mud Pump with Diesel Engine, Water Tankers, Tractors with Diesel Engines, Travel Camper, Trash Trailer, Portable Toilet, Storage Trailer, wellhead[Christmas tree], flow line & water line, meter shed and associated metering equipment.
4. Pursuant to Rule 305 (e)(1)(A) attached is a drawing showing all visible improvements within (400') four hundred feet of the proposed location. [see attached exhibit]
5. Pursuant to Rule 305 (e)(1)(A) an 8-1/2" x 11" vicinity or U.S. Geological Survey map showing the access road into location. [see attached exhibit]

6. Pursuant to Rule 305 (e)(1)(A), be advised that the complete Permit Application will be available on the COGCC web site at <http://cogcc.state.co.us> for your review and the submittal of comment to the Director should you desire to do so.
7. Enclosed is a brochure describing surface owner rights and responsibilities from the Colorado Oil and Gas Conservation Commission along with rules and procedures concerning a request for an onsite inspection from the C.O.G.C.C.
8. In addition, we have enclosed a return addressed, postage prepaid envelope upon which you (the surface owner) may request your preference with respect to a consultation with the operator under Rule 306. Please include the attached election form.
9. The surface owner has responsibility for notifying any affected tenant of the proposed operations.

Thank you for your cooperation and please feel free to contact us with any question, comments, or concerns you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "J Walker", written in a cursive style.

Jim Walker

Enclosures:

Surface Owner Election
Drawing of improvements
Map with access road
COGCC Brochure

SURFACE OWNER ELECTION

Peaker 2-8
SE1/4 NW ¼ Sec. 8-T1N-R45W
Yuma County, Colorado

We have included a plat which describes the approximate well and lease road locations. Please review all material before responding.

Please check where if applicable:

_____ As the surface owner of the NW1/4 of Section 8 T1N R45W, I would like to meet with the operator concerning the drilling or other proposed operations. I would be available to meet with the operator on the following dates and times (please list three possible times and a contact phone number):

1. _____
2. _____
3. _____

_____ I waive the 30 day rule for notification prior to commencement of drilling operations.

Signed - Surface Owner

Dated

***** PLEASE KEEP ONE (1) COPY FOR YOUR RECORDS *****