

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

October 13, 2011

Midnight Sun Inc.
c/o Hall & Hall
Mr. Randy Clavel
1559 Logan Street
Denver, Colorado 80203

VIA CERTIFIED MAIL
Article # 2008 0500 0000 1226 4004

RE: NOTICE OF INTENT TO DRILL

YCO 12-10
NW ¼ NE ¼ Sec. 10 T4N-R46W
Yuma County, Colorado

YCO 13-10
NE ¼ NE ¼ Sec. 9 T4N-R46W
Yuma County, Colorado

Ladies & Gentlemen:

Yuma County Oil owns the minerals under the tracts of land referenced above 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 two Niobrara gas wells at these locations. 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)(I)(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,



Jim Walker

Enclosures:

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