

K.P. KAUFFMAN COMPANY, INC.

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January 10, 2012

Mr. Gary Hunter
SunMarke Investments, LLC
5105 DTC Parkway, Suite 240
Greenwood Village, Colorado
80111

RE: Intent to Enter Into Surface Use Agreement

Township 4 North, Range 67 West, 6th P.M.
Section 28: part of the N/2 and part of the SW/4
Weld County, Colorado
(The "Property")

Dear Mr. Hunter:

As you are aware, K.P. Kauffman Company, Inc. ("KPK") is the assignee of certain oil and gas leasehold rights and as such, KPK has the right to explore for, develop and produce certain oil, gas and other hydrocarbons that underlie the Property described above. SunMarke Investments, LLC ("SunMarke") owns and has the right to develop the surface estate of the above-described Property in a manner compatible with KPK's rights and obligations to produce oil and gas from beneath the surface. KPK desires to produce oil and gas from beneath the surface of the Property in a manner that will allow SunMarke to develop the surface of the Property. This letter agreement is intended to confirm the parties' mutual intent to negotiate in good faith to finalize and enter into a surface use agreement covering both parties' interests in the Property as soon as reasonably possible and prior to KPK's drilling operations on the Property.

KPK and SunMarke (the "Parties") have mutually determined that they will negotiate in good faith to enter into a surface use agreement between them in order to resolve their competing uses in a manner that will allow each party to maximize use of their respective rights and at the same time provide maximum safety for uses of the Property. The Parties intend that the surface use agreement shall satisfy the obligations and requirements of KPK pursuant to Colorado Oil and Gas Conservation Commission ("COGCC") rules and regulations and Colorado statutes to consult in good faith with the surface owner regarding existing and proposed oil and gas operations on the Property. The Parties also intend that the surface use agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligations of KPK to accommodate the existing and future use of the surface of the Property by SunMarke and SunMarke shall waive any statutory and common law claims to the contrary, including, but not limited to, any claims pursuant to C.R.S. 34-60-127.

K.P. KAUFFMAN COMPANY, INC.

Upon your agreement and acceptance of the terms hereof, as indicated by your dated signature below, SunMarke and KPK do hereby agree that they will negotiate diligently and in good faith in order to finalize and execute a Surface Use Agreement covering the Property prior to KPK drilling operations on the Property, to include such terms and provisions as are mutually acceptable to both Parties.

If the foregoing correctly states your understanding of our agreement on this matter, please so indicate by signing, dating and returning one fully executed copy of this letter to the attention of the undersigned.

Very truly yours,

Kevin P. Kauffman


Chairman and C.E.O.

AGREED TO AND ACCEPTED this 19 day of January, 2012

SUNMARKE INVESTMENTS, LLC


Gary Hunter
Manager

Cc: J. Michael Morgan
Lohf Shaiman Jacobs Hyman & Feiger PC