

Phone Log

Date	Time	Name	Representing	Number	Notes	COGCC
10/27	1330	Carol Light	Ken Mabe	303 246 360	Left msg that OIR	
10/27		Kathleen Weinmiller			Had trucked about angle drilling and that were set to proceed in underground well	
10/27		Carol Light			Attic to Zieher. 16-7 15-7 and Aug. ongoing consultation. Fax OIR to J. (303) 246 9583 - fax	
11/7	1000	Kathleen Weinmiller	LODDER-MER	970 667 2173	Home first 15-7 is approved 16-7 not in yet. The requested COCC document per memo 16-7 SPD and	
3/9/06	1138	Kathleen Weinmiller	Lindbom		Informed her 16-7 withdrawn	
3/10/06	1330	"	"	(970) 667 2173	16-7 RESUBMITTED AND IS IN DATABASE. Refer me to brother Ken. Zieher → (281) 460-5675 or contact attorney (no name/number yet)	
3/22	1000	Carol Light	Ken Mabe	(303) 246 360 (303) 246 360	She will have Ken Zieher contact me. Left msg to call	
4/20	1000	Ken Zieher	Lindbom	(281) 460 5675	Left msg out to call. His attorney sent signature this week.	
		Kathleen Weinmiller	Lindbom	(970) 667 2173	We will call when final location approved. <u>per</u> <u>Atticella</u> <u>Recher! Grable</u> <u>(303) 246 9021</u>	

3/20 0215 Carol Light Ken Mabe

mean to get other clear in before Zieher to remove OIR & get permit's approval

Colorado Oil and Gas Conservation Commission (COGCC)
Onsite Inspection Request Form
(Effective for APDs submitted after February 15, 2005)

As the surface owner(s) where a proposed well is being drilled, I/we are requesting that the COGCC conduct an onsite inspection. I/we did not execute a lease nor did I/we execute a surface use or other relevant agreement for the proposed well. I/we understand that good faith consultation with the operator as required under COGCC Rule 306, is required to have occurred prior to making this request to the COGCC to conduct an onsite inspection, and that this onsite inspection request must be received by the COGCC within ten (10) business days of the first day of the Rule 306 consultation.

Surface Owner Contact Information:

Name: ZEIGER FARMS, Inc. KATHLEEN WEINMEISTER
Address: 1205 Loch Mount Dr. LOVELAND, COLO 80537
Telephone No.: 970-667-2173
Cell Phone No.: — " —

Well Operator and Location Information:

Operator: KEPP MCGEE
Well Name: KMG 15-7 KMG 16-7
Location: SE 1/4 7 5N 67W
Quarter/Quarter Section Township Range
County: WELD
First date Rule 306. consultation occurred: 10/25/05
Date

Proposed two (2) dates for the COGCC onsite consultation (must be within thirty (30) days of the request)
1st date 11/25/05 2nd date 12/06/05

I would prefer to have a representative of the appropriate Local Government (COGCC Local Governmental Designee) invited to attend the onsite inspection? X yes ___no

Briefly describe the unresolved issues related to the proposed well (The onsite inspection shall not address matters of surface owner compensation, property value diminution, future use of the property or any private party contractual issues between the operator and the surface owner.)

ANKLE DRILLING.

Signature(s) OK Baker Date 12/11/05

Please fax or first class mail this request for an onsite inspection to:

Colorado Oil and Gas Conservation Commission
Attn: Permit Supervisor
1120 Lincoln Street Suite 801
Denver, CO 80203
FAX (303) 894-2109

625#
 47120
 Lat 40. 409411
 Lon -104. 408324
 927840
 9877

Lindblom, Steven

From: Rachael Gamble [Rachael@astrellalaw.com]
Sent: Thursday, April 06, 2006 2:24 PM
To: jwason@kmg.com
Cc: Lindblom, Steven; Ken
Subject: Zeiler

Jim:

The location for the proposed Zeiler well as discussed is acceptable to Mr. Zeiler. I have instructed Steve that he may withdraw the request for an on-site inspection.

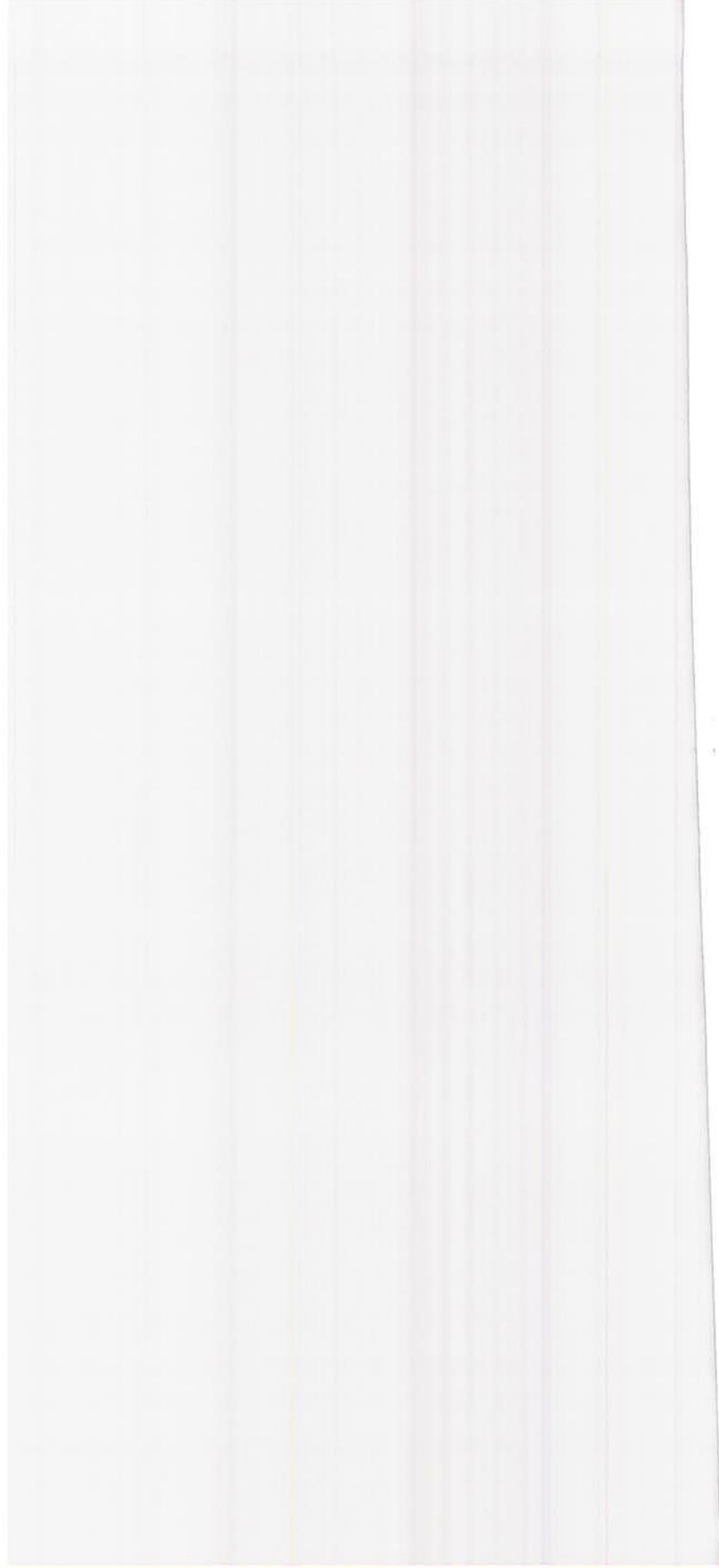
Let me know if you need anything else.

Thanks,
Rachael

Rachael B. Gamble, Esq
Astrella & Rice PC
1801 Broadway, Suite 1600
Denver, Colorado 80202
(303) 292-9021
(303) 296-6347 (fax)
rachael@astrellalaw.com

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4/7/2006





KERR-McGEE ROCKY MOUNTAIN CORPORATION

1999 BROADWAY, SUITE 3700 • DENVER, COLORADO 80202

RECEIVED
NOV -4 05
COGCC

November 1, 2005

PHONE: 303-296-3600
FAX: 303-296-3601

Ms. Kathleen Y. Weinmeister
ZEILER FARMS, INC.
1205 Lochmont Drive
Loveland, CO 80537-4536

Re: Directional Drilling on SE/4 Section 7-T5N-R67W, Weld County Colorado

Dear Members of the Zeiler Family:

Kerr-McGee Rocky Mountain Corporation ("KMRMC") holds oil and gas leases under the above-captioned property, on which Zeiler Farms, Inc., ("Zeiler") is the surface owner. KMRMC recently sought and received a permit from the Colorado Oil and Gas Conservation Commission ("COGCC") to drill the KMRMC Zeiler Farms 15-7 well vertically in the SW/4 SE/4 Section 7, T5N R67W. On August 18, 2005, representatives of KMRMC and Zeiler had held surface consultations for the Zeiler Farms 15-7 well as required under COGCC rules. KMRMC's mineral rights and the issuance of the COGCC permit give KMRMC the right to drill the Zeiler Farms 15-7 well on the permitted location, with accompanying reasonable rights of ingress and egress to develop its property.

Subsequent to COGCC's issuance of the Zeiler Farms 15-7 well permit, Zeiler representatives filed two protests with the COGCC, one on the 15-7 well permit and one on the 16-7 well permit, which has not been issued yet. Zeiler representatives sought an additional consultation with KMRMC, and requested that KMRMC change the location of the Zeiler Farms 15-7 well. Zeiler representatives proposed that KMRMC drill that well and two others, the 10-7 and the 16-7 wells, directionally from an area that the Zeiler representatives designated.

James P. Wason, Dirk Baysinger, Duane Haley and Alvin Kirkpatrick of KMRMC and Kathleen Weinmeister, Ken Zeiler & Rich Zeiler of Zeiler Farms, Inc. discussed this proposal at a second onsite meeting held on October 25, 2005. The parties reached general agreement on the Zeiler representatives' preferred location, and on the conditions that would have to be satisfied for KMRMC to restrict itself to directional drilling in the designated area. Following is a summary of those terms.

Zeiler requests that KMRMC restrict its operations to a designated Oil and Gas Operations ("OGO") area generally described as the strip of land south of the Great Western Railway Company tracks and north of the BCL Ditch, and drill the 15-7, 10-7 and 16-7 wells directionally from that location. Zeiler proposes that KMRMC access the OGO area by crossing the BCL Ditch with the installation of a culvert and constructing a bridge for the purpose of accessing this location. Zeiler requests that KMRMC place its surface equipment (wellheads, treaters, separators, tanks and meter houses) in the OGO area, and place its gathering lines in or adjacent to the access right of way.

KMRMC is willing to accommodate Zeiler's request, subject to the following conditions.

Zeiler will compensate KMRMC for the \$250,000 incremental cost of drilling the three wells directionally. The incremental directional drilling costs will be placed in escrow until the wells are actually drilled. Zeiler will assist KMRMC in obtaining needed waivers from the BCL Ditch, the Great Western Railway Company, and Ms. Sorenson, the owner of the property adjacent to the OGO area. KMRMC cannot drill in the OGO area without all three waivers. Zeiler Farms will assist KMRMC in obtaining a ditch crossing agreement from BCL Ditch, under terms acceptable to KMRMC.

In addition, the parties will execute a recordable Surface Use and Directional Drilling Agreement, with Exhibits describing with particularity the OGO areas, access routes, flowlines and gathering lines. Zeiler's will waive any rights to surface damages.

When all of these conditions have been satisfied and the parties have executed mutually satisfactory agreements as described above, and KMRMC is assured that it can gain access to and drill from the proposed OGO area, then KMRMC will move to amend its permit for the Zeiler Farms 15-7 vertical well, and ask the COGCC for approval of a directional drilling location for the 15-17 well, the 10-7 well and the 16-7 well.

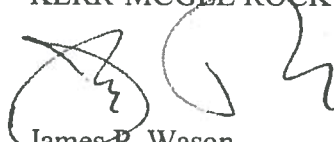
Time is of the essence in this arrangement. Therefore, all payments, third party agreements and waivers must be in hand, and the Surface Use and Directional Drilling Agreement executed, no later than November 18, 2005.

Zeiler Farms, Inc.
November 1, 2005
Page 3

If this letter accurately reflects your understanding of the deal points discussed and agreed to at our last meeting, and if Zeiler is willing to proceed under these terms, please so indicate by signing in the space below. This letter may be executed in any number of counterparts, each of which shall be considered an original.

Very truly yours,

KERR-MCGEE ROCKY MOUNTAIN CORPORATION



James P. Wason,
Attorney-in-Fact

Agreed and Accepted this _____ day of November, 2005.

ZEILER FARMS, INC.

By: _____
Kathleen Y. Weinmeister

cc: **Colorado Oil & Gas Conservation Commission**
Dirk Baysinger
Duane Haley
Alvin Kirkpatrick
Ken Zeiler
Rich Zeiler