



November 9, 2004

TO: Royalty Interest Owners
West Padroni Field
Logan County, Colorado



Dear Owner:

✓ Meritage Energy Partners, LLC has staked four well locations, two in Section 31 and two in Section 6. Colorado Oil and Gas Conservation Commission Rule 318 addresses the issue of well locations. The locations Meritage has staked require a waiver from offsetting mineral interest owners because they do not meet the setback requirements of Rule 318(a). I have enclosed two separate Consent to Exception Location letters describing the four well locations in detail. One letter covers the Section 31 locations and one letter describes the Section 6 locations. These exception locations are still within the pooled area and will, therefore, not affect your correlative rights, but will only serve to increase field production.

Meritage Energy Partners, LLC respectfully requests that you sign each of the enclosed Consent to Exception Location letters and return them in the enclosed self-addressed, stamped envelope at your earliest convenience. These letters, when submitted to the Colorado Oil and Gas Conservation Commission, will allow the Director to approve our well locations and will allow Meritage to begin drilling operations without the expense and time involved in obtaining a variance.

Please contact me at 720-932-0220, ext. 19 if you have any questions in this regard.
Thank you for your cooperation.

Sincerely,

MERITAGE ENERGY PARTNERS, LLC

Rhonda Deimer
Land Administration Manager

1600 Broadway
Suite 1360
Denver, CO 80202-4913
ph: 720.932.0220
fax: 720.932.0224

MERITAGE ENERGY PARTNERS LLC
Division of Interest - Statement of Lease Ownership (RV3210)

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Property # 200047	Property name WEST PADRONI	Operator MERITAGE ENERGY PARTNERS L
County Logan	State Colorado	Product All
Division order # 255	Effective date 10/01/04	



Owner number	Owner name and address	Int Pay typ code	Decimal interest	Inflated interest
1	MERITAGE ENERGY PARTNERS LLC 1600 BROADWAY STE 1360 DENVER, CO 80202-4913	WI I	0.87500000	
1768	ARTHUR E AND INEZ M SINDT 1410 S 10TH AVE STERLING, CO 80751	RI M	0.07871998	
1761	FAIRVIEW LAND & CATTLE CO IN 18141 COUNTY ROAD 48 STERLING, CO 80751	RI M	0.02642665	
1766	ROSE V PARKE ESTATE 910 S 11TH AVE STERLING, CO 80751-3714	RI S1	0.01572031	
1762	FLAME ROYALTIES INC BOX 702281 TULSA, OK 74170	RI M	0.00269436	
1767	ROSE ROYALTY LLC BOX 702320 TULSA, OK 74170-0630	RI M	0.00059228	
1763	KATHRYN P KEATING 1724 S GESSNER HOUSTON, TX 77063	RI M	0.00041998	
1764	LARRY J MANION TRUSTEE UNDER THE WILL OF C MANION 366 S YORK ST DENVER, CO 80209	RI M	0.00021322	
1765	MITTON FAMILY LLC 848 25 ROAD GRAND JUNCTION, CO 81505	RI M	0.00021322	

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