

PETROGULF

C O R P O R A T I O N



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COGCC

March 8, 2007

Sara J. Ferguson
P.O. Box 842
Trinidad, CO 81082

SENT VIA CERTIFIED MAIL

RE: Notice of Intent to Drill
St. Anthony 11-32V and St. Francis 11-32R Wells
Township 33 South, Range 68 West, 6th P.M.
Section 11: SW1/4NE1/4
Las Animas County, Colorado



Dear Mrs. Ferguson:

The following will serve as formal notification of intention to locate a gas well, road and production facilities by Petrogulf Corporation to surface owners pursuant to requirements of the State of Colorado Oil and Gas Conservation Commission (COGCC); Part 305-C, Oil and Gas Operations, Notice Requirements.

1. Petrogulf Corporation, 518 Seventeenth Street, Suite 1455, Denver, Colorado, will be the operator of the gas well and associated production facilities. The operations engineer is John Whisler and the landman is Yaroslav Andrus. Petrogulf's phone number is (303) 893-5400.
2. We estimate that construction of roads, wellsites, production facilities and the actual drilling of the wells to commence within the next 30-60 days.
3. I have included a form wherein the Surface Owner may request their preference with respect to consultation requirements. Please return to me in the postage paid envelope at your convenience.
4. Under Rule 305, the Surface owner is required to notify any Tenant of our proposed operations.
5. As per Consultation Rule 306 of Rules and Regulations of the Colorado Oil and Gas Conservation Commission, I have provided you with a diagram of the proposed drilling location. This diagram also depicts the approximate dimensions of the proposed site. If you should have any questions, I will gladly address them during the scheduled drilling consultation.
6. I have included a copy of Colorado Oil and Gas Conservation Commissions informational brochure for surface owners, containing the rules pertaining to notice of oil and gas operations and opportunities for consultation.

Please contact me at your earliest convenience to inform me of your preference for a consultation. I can be reached at 303-893-5400, ext. 143. I would like to thank you for your timely response to this matter.

Respectfully,

Yaroslav Andrus
Landman
Petrogulf Corporation

TYPICAL WELLSITE CONFIGURATION

ENTRANCE TO SITE @ 40' WIDTH**

RESERVE/EVAPORATION PIT

PC PUMP DRIVE SYSTEM

WELLSBORE
PC DRIVE HEAD

COMBINATION METER RUN AND
WATER/GAS SEPERATOR

WATER PIPELINE

GAS PIPELINE

WATER/GAS FLOW LINES

50'***

30'***

200'***

200'***

** ALL NOTED MEASUREMENTS ARE THE ANTICIPATED POST CONSTRUCTION MEASUREMENTS AND NOT TOTAL DISTURBED LAND MEASUREMENTS.



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