

EDWARD MIKE DAVIS, L.L.C.
730 17TH STREET, SUITE 450
DENVER, COLORADO 80202
720-946-6700 – 720-946-6801 (FAX)



June 26, 2003

Birdsall and Darlene Young
39660 County Road 20
Akron, CO 80720

RE: NOTICE LETTER OF INTENT TO DRILL (Rule 305)
Proposed B. Young #21-11 – Edward Mike Davis, L.L.C., Operator
NE/4NW/4 of Section 11, T3S-R50W
Washington County, Colorado



Dear Mr. and Mrs. Young:

Edward Mike Davis, L.L.C. ("Operator") of 730 17th St., Suite 450, Denver, CO 80202 proposes to drill the captioned oil and gas well and by this letter hereby gives you notice of same in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"). A brochure entitled "OIL AND GAS WELL NOTIFICATION, CONSULTATION, AND RECLAMATION RULES – INFORMATION FOR OIL AND GAS OPERATORS, SURFACE OWNERS AND SURFACE TENANTS" is enclosed per Rule 305.

The Operator anticipates the drilling of this well in late June or early July 2003. Commencement of operations with heavy equipment will not begin for at least 30 days from the date of mailing of this Notice Letter.

In accordance with the COGCC regulations (Rule 306), you, as the surface owner, will have the responsibility for notifying any tenant farmer, lessee, or any other party that may own or have an interest in any crops, surface use or surface improvements that could be affected by the proposed operations.

The Operator has every intention of working with you closely during the drilling and completion operations on the captioned well. In that regard, and on behalf of the Operator, a representative has or will consult with you about the proposed operations, location and access. You may appoint a tenant for such consultation. Enclosed herewith is a form to indicate your preference of the person to contact for the consultation, together with a waiver for the 30 day notice letter. Please complete and return the form in the enclosed postage paid envelope as quickly as possible. In the meantime, if you have any questions or comments now or during the drilling operations, please contact me at the Denver address and phone number in the letterhead.

A copy of this letter will be sent to the local governmental designee (as provided by the COGCC), if one has been appointed by the county. Please note Washington County, CO has previously been notified.

Sincerely,

A handwritten signature in black ink that reads "John F. Kelly".

John F. Kelly, Landman

Enclosures

EDWARD MIKE DAVIS

5177 Richmond Avenue, Suite 740
Houston, Texas 77056

Phone (713) 629-9550
Fax (713) 629-4364

Birdsall Young Jr. and Darlene Young
39660 County Road 20
Akron, CO 80720

December 11, 2002



LETTER AGREEMENT

Birdsall Young Jr. and Darlene Young
Edward Mike Davis

This Letter Agreement is made and entered into to set out the lands owned by Birdsall Young Jr. and Darlene Young, ("Owner") and Edward Mike Davis, ("Lessee") of the Oil and Gas leases in the following described tracts of land:

Township 3 South, Range 50 West, 6th P.M.
Section 01: S/2, NE/4
Section 11: W/2, W/2E/2, SE/4SE/4
Section 13: NW/4SW/4, SW/4NW/4

Containing 1080.00 acres, more or less.

The following is agreed upon by the parties:

1. Lessee, and Lessee's assigns or designees, are hereby granted the exclusive right to re-enter any and all dry holes now located on leased premises for any purpose.
2. Lessee, and Lessee's assigns or designees, shall pay surface owner the sum of \$1000.00 per location, as payment in full for total land damages per wellsite location for drilling, completing, producing and operating of any and all such reentered wells or any and all new wells drilled by Lessee and/or Lessee's assigns or designees under the terms of this lease. Payment of said \$1000.00 per location shall be paid before actual drilling operations are commenced.
3. In the event any such well is plugged and abandoned as a dry hole, the wellsite will be restored.
4. The undersigned as Owner of the lands described in this oil and gas lease hereby waives any notices required by the State of Colorado Oil and Gas Commission and/or any other regulatory bodies for any and all re-entered wells or any new wells drilled by Lessee and/or Lessee's assigns or designees under the terms of this Letter Agreement.

EDWARD MIKE DAVIS

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Houston, Texas 77056

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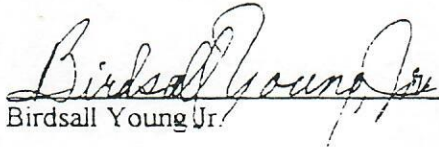
The parties hereto agree that this Letter Agreement will not be filed or put into public record with the Clerk and Recorder's Office, Washington County, CO.

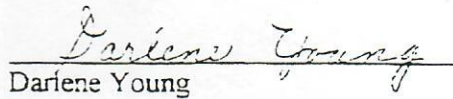
This Letter Agreement and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part of Birdsall Young Jr. and Darlene Young and Edward Mike Davis.

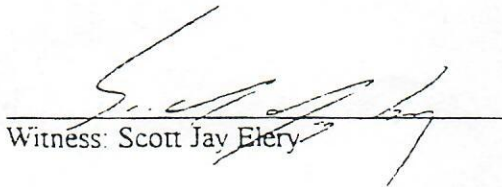
A fax copy of this letter shall be deemed the same as an original letter.

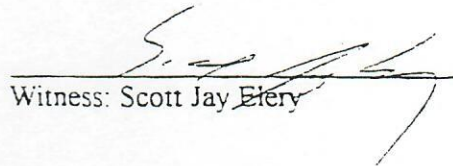
Agreed to and Accepted this 11th day of December, 2002:

Birdsall Young Jr. and Darlene Young


Birdsall Young Jr.


Darlene Young


Witness: Scott Jay Etery


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