

SURFACE USAGE AGREEMENT

THIS AGREEMENT is made and entered into this 7th day of April, 2001, by and between Lance H. Witte, whose address is 23273 County Road AA, Vernon, CO 80755, hereinafter referred to as OWNER, and Samedan Oil Corporation, 12600 Northborough, Suite 250, Houston, Texas 77067, hereinafter referred to as OPERATOR.

WITNESSETH:

For and in consideration of the covenants and agreements herein contained and other valuable considerations, the parties hereto agree:

1. That OPERATOR intends to drill oil and/or gas wells on the following described lands located in Yuma County, Colorado, to wit:

Township 2 South, Range 44 West, 6th P.M.

Section 6: Lot 5; SENW (aka S/2NW/4)

Township 2 South, Range 45 West, 6th P.M.

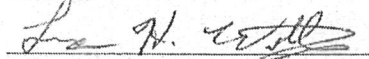
Section 1: S/2

2. That in order for OPERATOR to enter, drill, test, complete and produce its proposed wells, it is necessary that OPERATOR cross and use certain property of OWNER, and the parties hereby agree as to the damages, entry and surface use therefore.
3. OWNER hereby gives, grants and conveys unto OPERATOR, its agents, employees and assigns, a non-exclusive right to enter upon and use the above property of OWNER for the purpose of drilling, testing, completing and producing the proposed wells, together with the right-of-way and easement across the above lands to construct, maintain and use (for each well) an access road, a well site, a storage tank, a pipeline and any other related facilities which are necessary to operate the subject well. As consideration for this grant and in full payment, settlement and satisfaction for all reasonable damages or detriments caused to OWNER'S property of whatsoever nature or character, growing out of, incident to or in connection with the hereinabove referenced wells, OPERATOR shall pay unto OWNER a total of _____ each well drilled by OPERATOR on OWNER'S property, or OWNER'S property that is accessed.
4. In the event that OPERATOR installs pipeline across OWNER'S property, OPERATOR shall pay unto OWNER an amount which totals _____ 0 per net lineal rod based on the distance across OWNER'S property which is traversed by said pipeline. Said payment shall be made upon determination of the net lineal rods traversed by the subject pipeline.
5. OPERATOR will indemnify and hold OWNER harmless from all liability or claims of others, should any claims result from OPERATOR'S operations on the property of OWNER.
6. In consideration of the hereinabove referenced payments, OWNER hereby releases, acquits and discharges OPERATOR of and from any and all claims for reasonable detriment, injuries and damages, with the exception of damages to personal property of OWNER. It is understood that OWNER is not hereby waiving any rights, which may be based upon negligent operations by OPERATOR.
7. OWNER hereby releases and waives all rights of dower and/or homestead in the above identified lands insofar as the same may affect the purpose for which this grant is made.
8. OWNER hereby agrees to provide any necessary compensation to a tenant farmer or contractual successor in interest, as to the consideration herein recited.

The terms, conditions and provisions hereof shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

OWNER



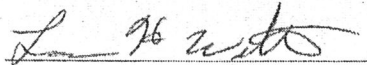
Lance H. Witte

EXHIBIT "A"

Attached to and made a part of that certain Surface Usage Agreement dated April 7th, 2001, by and between Lance H. Witte, "OWNER", and Samedan Oil Corporation, as "OPERATOR"

- 1) All drilling site pits shall be filled within 90 to 120 days after completion of any well drilled on the described lands, subject to pits drying properly.
- 2) OPERATOR agrees to remove the top soil from all pits and keep separate from the sub soil, and to backfill such pits accordingly, to return as much of the top soil to the surface as is nearly possible.
- 3) On all locations drilled on crop growing lands, OPERATOR agrees to restore the surface, as nearly as possible, to the condition which existed prior to commencement of drilling operations.
- 4) On all locations drilled on grass or pasture lands, location sites shall be reclaimed and reseeded as to SCS specifications, and fenced until a reasonable vegetation cover of grass is established, and or reimburse owner with the costs attributed to replanting as OPERATOR'S option.
- 5) Access roads shall be reasonably maintained, and only one access road per well shall be used. OPERATOR agrees to consult with OWNER as to routes of ingress and egress for any wells drilled on the above described lands, in an attempt to minimize damages to the above described lands. OWNER agrees not to unnecessarily withhold his consent as to routes of ingress and egress.
- 6) As stated in paragraph #3, a _____ payment shall be paid prior to any drilling operations on the described lands, unless said location is located on cultivated and irrigated lands, in which event said payment shall be _____

Signed for identification:


Lance H. Witte

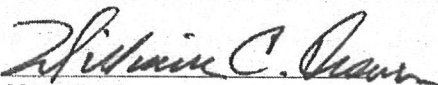
ACKNOWLEDGEMENT

STATE OF COLORADO §
§
COUNTY OF YUMA §

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 7th day of MAY, 2001, personally appeared Lance H. Witte, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires: 6-2-2003


Notary Public

ACKNOWLEDGEMENT

STATE OF COLORADO §
§
COUNTY OF YUMA §

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 2001, personally appeared _____, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires: _____

Notary Public