

copy

SURFACE DAMAGE AGREEMENT

THIS SURFACE DAMAGE AGREEMENT (this "Agreement") is entered into this 21st day of March, 2008, by and between Julie L. Keeler & David Keeler, 39887 County Rd. 32.5, Laird, CO 80758 ("Owner"), the owner of the surface estate in the N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 26, Township 1 North, Range 45 West, 6th P.M. (the "Property"), and Petroleum Development Corporation ("PDC").

For and in consideration of PDC's agreement to pay Owner prior to commencing the Operations referred to below, if it determines to conduct such Operations, the sum of Two Thousand Five Hundred Dollars (\$2,500.00) (the "Surface Damage Payment") per drill site. Owner hereby releases and discharges PDC, its agents, employees and contractors (the "PDC Group") from and against any claims by Owner for surface damages of whatsoever nature and character growing out of, incident to, or in connection with the drilling and completing by the PDC Group of the following oil and gas well (the "Well") or the plugging and abandoning such Well as a dry hole (the "Operations"):

Well Name: Keeler #44-26

Legal Location: Township 1 North, Range 45 West, 6th P.M.
Section 26: N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
Yuma County, CO

Subject to receipt of the Surface Damage Payment, Owner hereby gives, grants and conveys unto the PDC Group, the right to use the Property for all purposes necessary for the PDC Group to perform the Operations and all rights incident and appurtenant thereto, including the right of unimpeded ingress and egress across the Property to access the Well.

The Surface Damage Payment shall not compensate Owner for damages to improvements on Owner's land, including, without limitation, damages to buildings, fences, gates, livestock and crops and other extraordinary losses or damages caused by the PDC Group. PDC agrees to compensate Owner promptly for such extraordinary losses and damages upon mutually agreeable terms. *Fencing & Roads*

Owner shall have the responsibility of notifying any affected tenant, lessee or other party who may own or have an interest in any crops or surface improvements which could be affected by the Operations. Owner agrees that all damages claimed by a surface tenant, lessee or other party having an interest, resulting from the Operations shall be settled by Owner and Owner shall indemnify and hold the PDC Group harmless from and against any such claims.

PDC agrees to perform all necessary interim reclamation work so the land affected by the Operations is restored as nearly as commercially practicable to the original contour and vegetative state.

Concerning any matter relating to the Operations, Owner may contact:

Operator: Petroleum Development Corporation
Person to Contact: Seth Chappell
Address: 36621 Highway 385
Wray, Colorado 80758
Phone Number: 970 332-3520
Fax: 970 332-3521

Or
C/o Joe Kelloff
Petroleum Development Corporation
1775 Sherman Street, Suite 3000
Denver, CO. 80203
Phone Number: (303) 860-5800

Commencement of the Operations with heavy equipment is estimated to begin on April 15, 2008.

Owner acknowledges that they have consulted with PDC, concerning roads and location of roads, and the necessary production facilities and the location and size of the well site for the Well, or hereby waives such consultation requirements. Owner also acknowledges that Owner had an opportunity to comment to PDC regarding preferences for the timing of the Operations and preferred locations for the Well and associated facilities Owner has requested that all consultations be conducted directly with Owner and Tenant.

VARIATIONS AS FOLLOWS:

The parties further agree as follows:

- Remove topsoil prior to excavating area.
- Fence off pits if cattle are present

This Agreement shall extend to and bind Owner and PDC, and their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date referred to above.

OWNER:

David L. Keeler
David Keeler
Julie L. Keeler
Julie L. Keeler

Petroleum Development Corporation

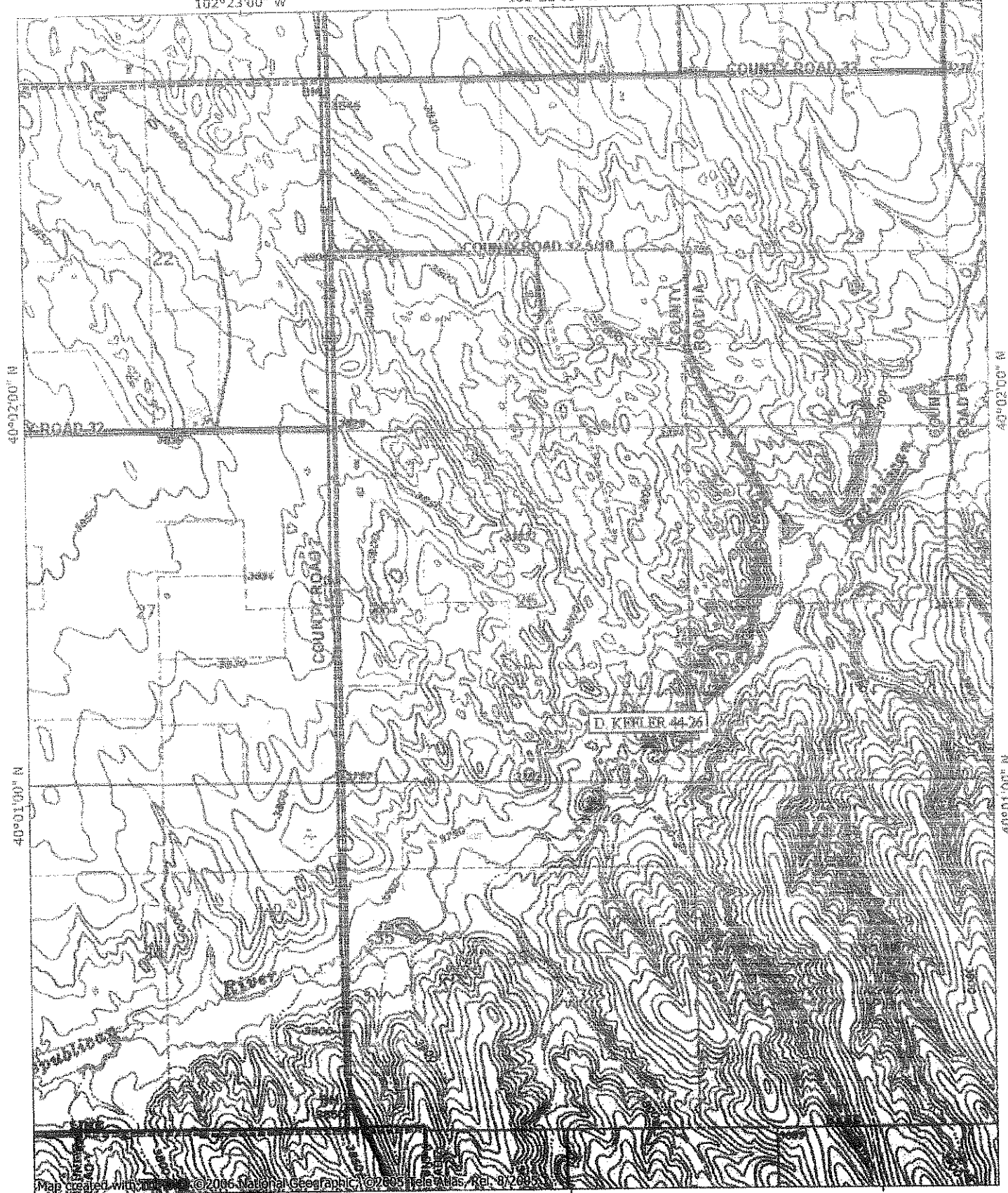
Jere A. Pugh
By: Jere A. Pugh (Agent)

TOPOI map printed on 04/18/08 from "Untitled.tpo"

102°23'00" W

102°22'00" W

WGS84 102°21'00" W

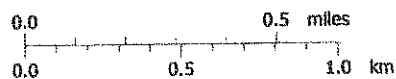


Map created with: <http://www.nationalgeographic.com> ©2005 National Geographic. All rights reserved. Rel. 8/2005.

102°23'00" W

102°22'00" W

WGS84 102°21'00" W



TN MN

8°

04/18/08

R 45 W

FOUND 2 1/2"
ALUMINUM CAP

S 88°40'28" E 5286.70'

FOUND FENCE
CORNER

BASIS OF BEARINGS: THE SOUTH LINE OF SECTION 26, AS SHOWN HEREON.

N 00°18'04" E 5295.07'

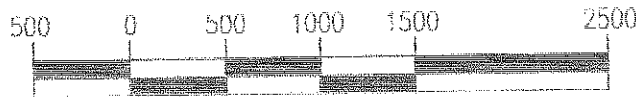
26

N.A.D. 83
LAT = 40.01887°N
LONG = 102.36226°W
P.D.O.P. = 2.48
G.P.S. OPERATOR = M. ROBERT

FOUND #6
REBAR

N 88°45'28" W 5276.79'

FOUND FENCE
CORNER



SCALE 1"=1000'

POWER SURVEYING COMPANY, INC. OF FREDERICK, COLORADO HAS IN ACCORDANCE WITH A
REQUEST FROM WARREN DUNLAP OF PETROLEUM DEVELOPMENT CORPORATION
DETERMINED THE LOCATION OF D. KEELER 44-26
TO BE 480' FSL & 541' FEL OF SECTION 26
TOWNSHIP 1 NORTH, RANGE 45 WEST OF THE 6th PRINCIPAL MERIDIAN,
COUNTY OF YUMA, STATE OF COLORADO

LOCATION NOTES:

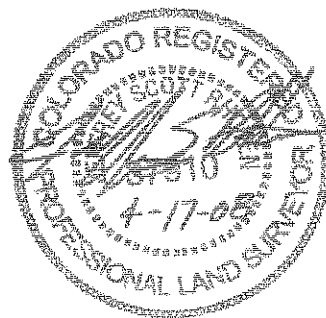
LOCATION FALLS IN: NATURAL GROUND
IMPROVEMENTS: NONE WITHIN 200' OF LOCATION

ELEVATION DETERMINED FROM NAVD 1988
DATUM. GROUND ELEVATION = 3741'

DISTANCES AND BEARINGS ARE FIELD
MEASURED UNLESS NOTED OTHERWISE.

LEGEND:

- SECTION CORNER (AS NOTED)
- ▼ PROPOSED WELL LOCATION



7800 MILLER DRIVE, UNIT C
FREDERICK, CO 80504
(303) 702-1617, FAX (303) 702-1488
JEFFREY SCOTT RHOTEN
COLORADO P.L.S. # 37910
WORK ORDER # 501-06-211
FIELD DATE: 4-7-08
DATE OF COMPLETION: 4-15-08