

## SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement") is made and entered into this 1<sup>st</sup> day of April, 2010, by and between Rubicon Oil & Gas, LLC, a Texas limited liability company with an address of 508 West Wall, Suite 500, Midland, Texas 79701 ("Rubicon") with an address of and Janet P. Haines whose address is c/o Opdyke Agency, 710 11<sup>th</sup> Avenue, Suite 110, Greeley, CO 80631 ("Surface Owner").

WHEREAS, Owner represents that they are the surface owners and in possession of an interest in part or all of the surface estate for the following described lands in Weld County, Colorado, said land herein called "Lands", to wit;

TOWNSHIP 10 NORTH, RANGE 67 WEST, 6<sup>th</sup> P.M.  
Section 36: NW/4NW/4

WHEREAS, Owner recognizes that Rubicon has the right to conduct operations on the Lands pursuant to Oil & Gas Lease covering Lands and Owner and Rubicon desire to minimize any surface damage to the Lands and to reach an agreement regarding such surface damage;

NOW, THEREFORE, in consideration of the ten dollars and other valuable consideration, the sufficiency of which is hereby acknowledged, Owner and Rubicon agree as follows:

1. Payment to Owner. Prior to commencement of drilling operations on the Lands, Rubicon shall pay Owner an agreed upon sum of money as full settlement and satisfaction of all damages growing out of, incident to, or in connection with the usual and customary exploration, drilling, completion, deepening, refracing, recompletion, reworking, equipping and production operations, unless otherwise specifically provided herein.
  - A. Rubicon shall for the proposed wellsite as shown in Exhibit "A" ("Wellsite"), attached hereto be located on the Lands in which the Owner owns the entire surface estate, together with any lands used for road purposes, production facilities, pipelines, flowlines or other necessary facilities in connection with the wellsite.
  - B. If by reasons directly resulting from the operations of Rubicon, there is damage to real or personal property upon the Lands which is not associated with usual and customary operations, including, but not limited to, damages to livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, and natural water ways, such damages will be repaired or replaced by Rubicon, or Rubicon will pay reasonable compensation to Owners for such additional actual damage or an amount equal to the reasonable costs to repair such actual damages.
  - C. Owner agrees to notify any surface tenant that may be affected by Rubicon's operations on the Land and Owner may allocate the payments made hereunder with such surface tenant as they shall mutually determine between themselves and Rubicon shall have no liability therefore.

2. Consultation. If requested by Owner, prior to heavy equipment operations on each wellsite, Rubicon's representative will meet and consult with Owner (or Owner's representative) as to the location of the wellsite, access road, flowlines, tank batteries and other associated production facilities.
3. Rubicon Obligations. In conducting operations on the Lands, Rubicon shall:
- A. Locate the wellsite, access road, flowlines, tank batteries and other associated production facilities as depicted on Exhibit "A" attached hereto and by this reference made a part of this agreement.
  - B. Limit the size of each wellsite to approximately 325 feet by 325 feet during any drilling, completion, recompletion or workover operations and shall be no more than a ½ acre size during other periods. The area required for any tank battery location associated with each well shall be limited to approximately one-half (1/2) acre in size upon completion of construction. Access roads shall be limited to approximately 30 feet in width during drilling, completion, deepening, refracing, recompletion, reworking, equipping and production operations. The permanent access roads to the wellhead and tank battery location shall be limited to 15 feet in width.
  - C. If, by reason of Rubicon's operations on the Property, there is damage in excess of the damage caused by the normal, reasonable use of the of the Surface of the Property by Rubicon for its oil and gas operations, Rubicon shall be liable to Surface Owner and its successors and assigns, as the case may be, for such damage, provided, however, Rubicon shall not be liable for any such damage caused by the negligence or willful misconduct of Surface Owner and his successors and assigns. In addition, Rubicon shall indemnify and hold harmless Surface Owner and its successors and assigns from all claims asserted against them by any third party, whether for bodily injury, property damage or otherwise, arising directly by reason of Rubicon's operations, if such claims are the result negligence on the part of Rubicon in the exploration, drilling, re-drilling, testing, development, completion, recompletion, reworking, deepening, re-entry, fracturing, refracturing, stimulation, production and maintenance operations on the Property, provided, however, Rubicon shall not be liable for such third party claims arising directly or indirectly from the negligence or willful misconduct of Surface Owner.
  - D. Use of reasonable effort to keep the well, Lands and production facilities free of weeds and debris.
  - E. With the prior written consent of Rubicon, which consent will not be unreasonably withheld, Surface Owner may install and maintain ground cover, landscaping and watering systems ("Landscaping") within the Wellsite Area at its own expense and risk, acknowledging that Rubicon's normal operation may from time to time disturb or destroy said installed Landscaping. Surface Owner hereby agrees to install and maintain said Landscaping in such a way as to not violate COGCC regulations or impede Rubicon's access and/or operations. Surface Owner hereby accepts all responsibility for cost of installation, repair and/or



replacement of said Landscaping within the Wellsite Area, and Rubicon shall not be responsible for damage to said Landscaping resulting from its future access or operations. Prior to commencing installation of the Landscaping, Surface Owner shall consult with and obtain written approval from Rubicon to ensure that there are no adverse impacts upon Rubicon's ability to perform future operations, which consent shall not be unreasonably withheld. Rubicon's consent to the installation of such Landscaping shall not constitute nor be construed as a waiver of Rubicon's rights pursuant to this Paragraph 3.

F. Reimburse Surface Owner for any costs, expenses, losses or penalties to Surface Owner resulting from Rubicon's operations on any portion of the leased lands which are covered by a Conservation Reserve Program contract. Upon non-use of any portion of the lands use for drilling operations Rubicon agrees to restore and reseed the surface of the lands as required by the Conservation Reserve Program.

4. Waiver of Thirty Day Notice. Owner hereby waives the minimum thirty day written notice requirement described in the Notice letter provided by Rubicon to Owner when it initially gave notice of its intent to drill on the Lands.

5. Successors and Assigns. When Rubicon is used in this Agreement, it shall also mean the successors and assigns of Rubicon, as well as its employees and officers, agents, affiliates, contractors, subcontractors and/or purchasers. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of owner and Rubicon and may be executed in counterparts.

6. Confidentiality. Owner agrees to keep the amount of consideration paid hereunder by Rubicon confidential and shall not disclose such information without the advance written consent from Rubicon.

7. Governing law/Venue. This Agreement shall be interpreted according to the laws of the State of Colorado. Venue for any dispute shall be Weld County, Colorado.

8. Written Modifications/Notices. This Agreement may only be amended in writing signed by both parties. All notices to either party shall be in writing addresses to the parties at the address first set forth above.

AGREED TO AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE.

Rubicon Oil & Gas, LLC

By: \_\_\_\_\_

John P. Watson as Power of Attorney  
For Janet P. Haines

By: John P. Watson as P.O.A.  
for Janet P. Haines

STATE OF TEXAS            )  
                                      ) ss.  
COUNTY OF                )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by \_\_\_\_\_ as \_\_\_\_\_ of Rubicon Oil and Gas, LLC, on behalf of said company.

My commission expires: \_\_\_\_\_  
Notary Public

STATE OF COLORADO        )  
                                      ) ss.  
COUNTY OF Weld        )

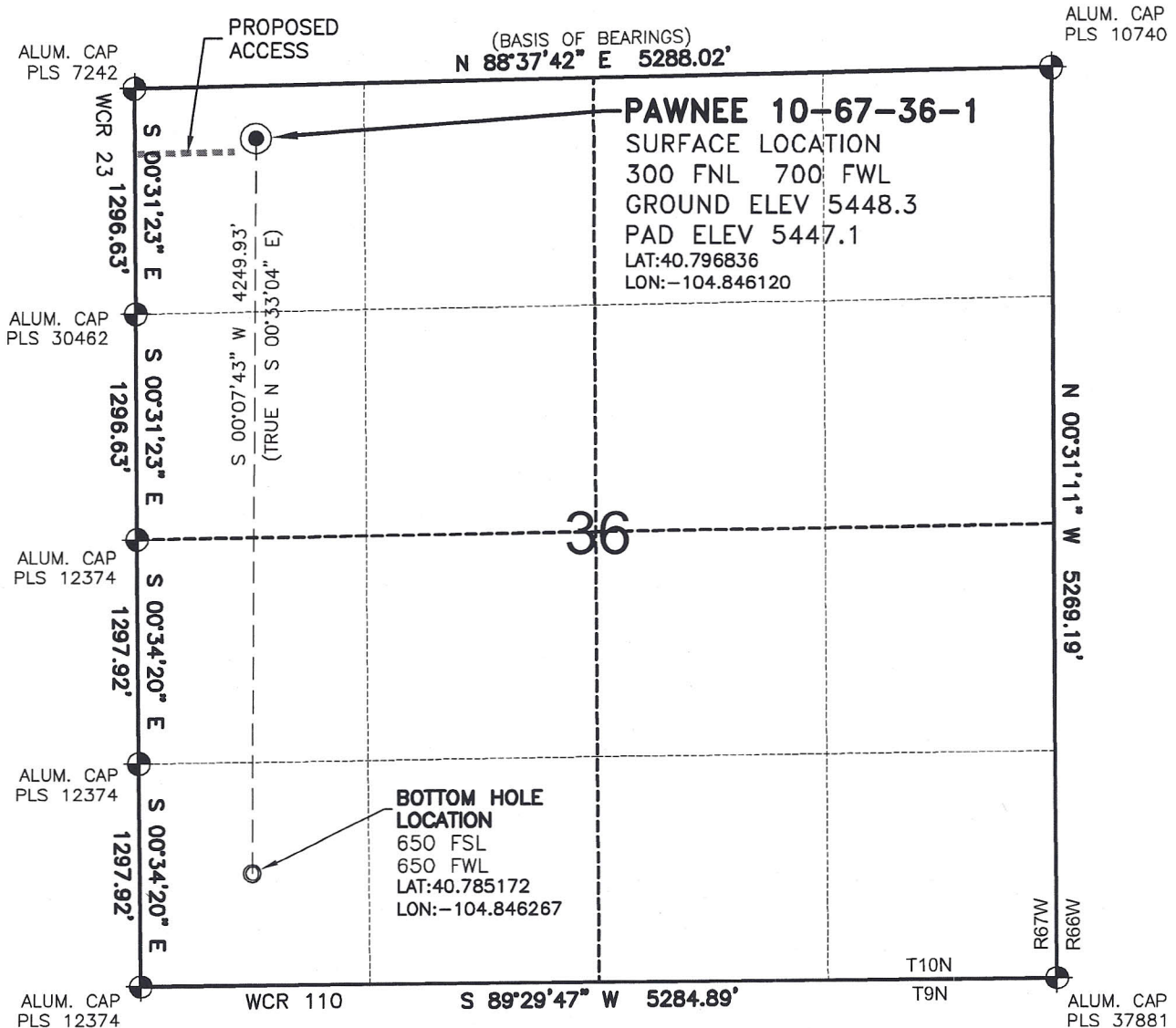
The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of April, 2010, by John P. Watson with Power of Attorney for Janet P. Haines, as his voluntary act.

My commission expires: 6-5-11 \_\_\_\_\_  
Notary Public



# WELL LOCATION MAP

PAWNEE 10-67-36-1 PAD



## SURVEYOR'S STATEMENT

The undersigned hereby states that the well location shown hereon was staked on the ground based on existing monumentation and/or physical evidence found in the field and is correct to the best of my knowledge, information and belief.

## NOTES

- 1.) Horizontal coordinates based on NGS control point "HORA" and vertical datum based on NGS control point "P 390" with an elevation of 5199.21. NAVD 1988.
  - 2.) All directions, distances, and dimensions shown hereon are based on coordinates from the "Colorado coordinate system of 1983 north zone" (article 52 of title 38, C.R.S.).
  - 3.) All section line dimensions shown hereon are based on field measurements of existing monuments and/or physical evidence found in the field unless otherwise indicated. Refer to land survey plats deposited in Weld County.
  - 4.) Physical features shown hereon are for graphical representation only.
  - 5.) See Form 2A for visible improvements within 400' of wellhead.
  - 6.) Distances to nearest section lines are measured perpendicularly.
  - 7.) This is not a land survey nor land survey plat.
  - 8.) Date of Survey 3/3/10; Date of Drawing 3/4/10. REV 0
- PDOP Reading: 2.8 Instrument Operator: DJM

3/4/10



RUBICON OIL & GAS LLC  
PAWNEE 10-67-36-1

SL NW1/4 NW1/4 SEC. 36 T10N R67W  
BL SW1/4 SW1/4 SEC. 36 T10N R67W  
6th PM WELD COUNTY COLORADO

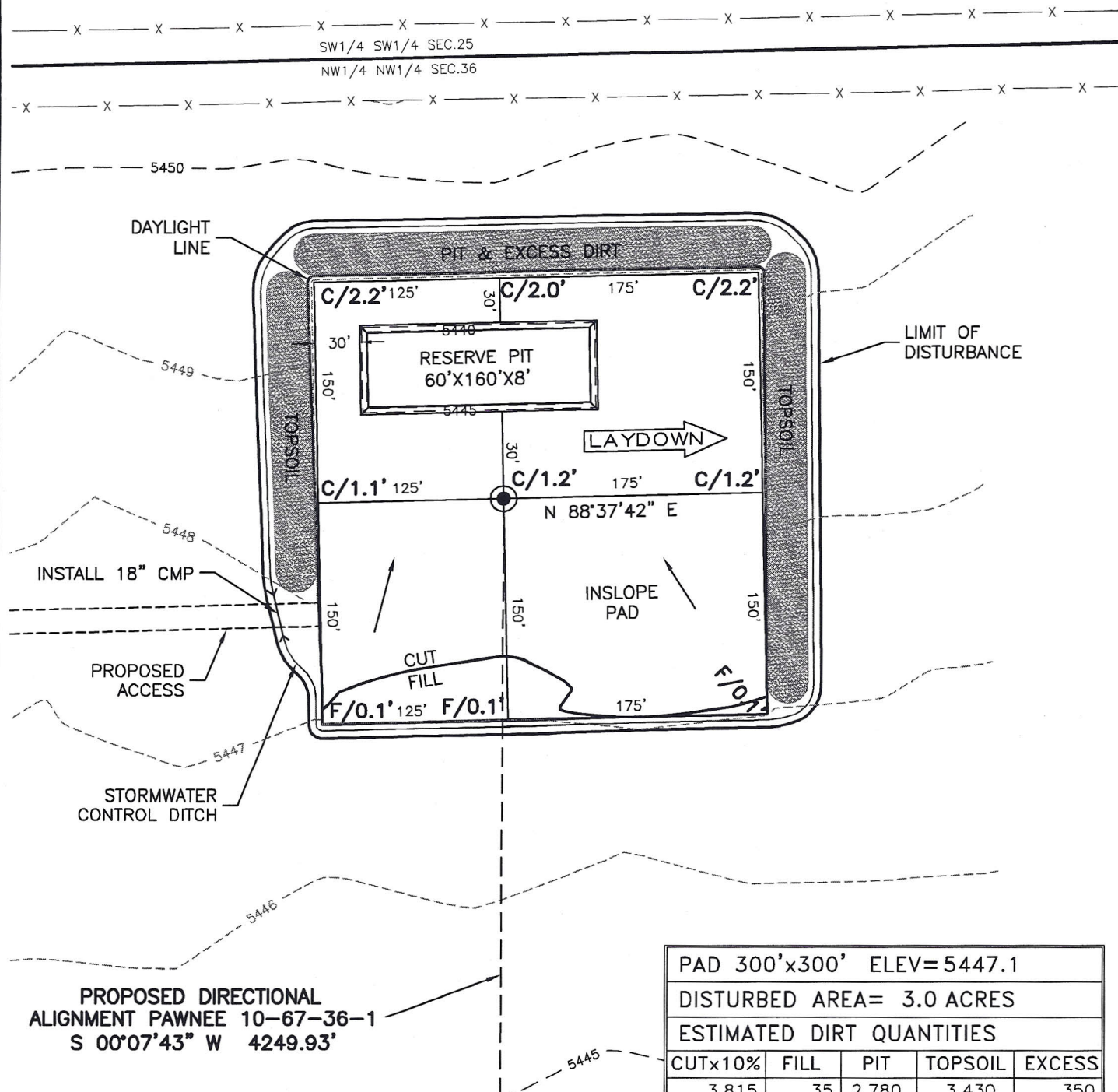


VEGETATION:  
CRP-DRY FARM LAND

## PAD LAYOUT

PAWNEE 10-67-36-1 PAD

SURFACE USE:  
AGRICULTURAL-FALLOW FIELD

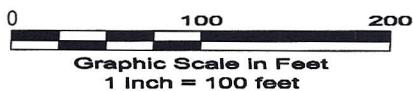


### NOTES:

- 1) 10% ALLOWANCE IS MADE FOR SOIL EXPANSION.
- 2) PIT LOCATION & SIZE TO BE DETERMINED AT TIME OF CONSTRUCTION.

3/4/10

PAD 300'x300' ELEV=5447.1				
DISTURBED AREA= 3.0 ACRES				
ESTIMATED DIRT QUANTITIES				
CUTx10%	FILL	PIT	TOPSOIL	EXCESS
3,815	35	2,780	3,430	350
NOTE: VOLUMES IN CUBIC YARDS. TOPSOIL INCLUDED IN VOLUMES AT A DEPTH OF 12". PIT NOT INCLUDED IN TOTAL EXCESS.				



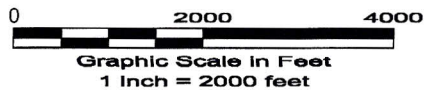
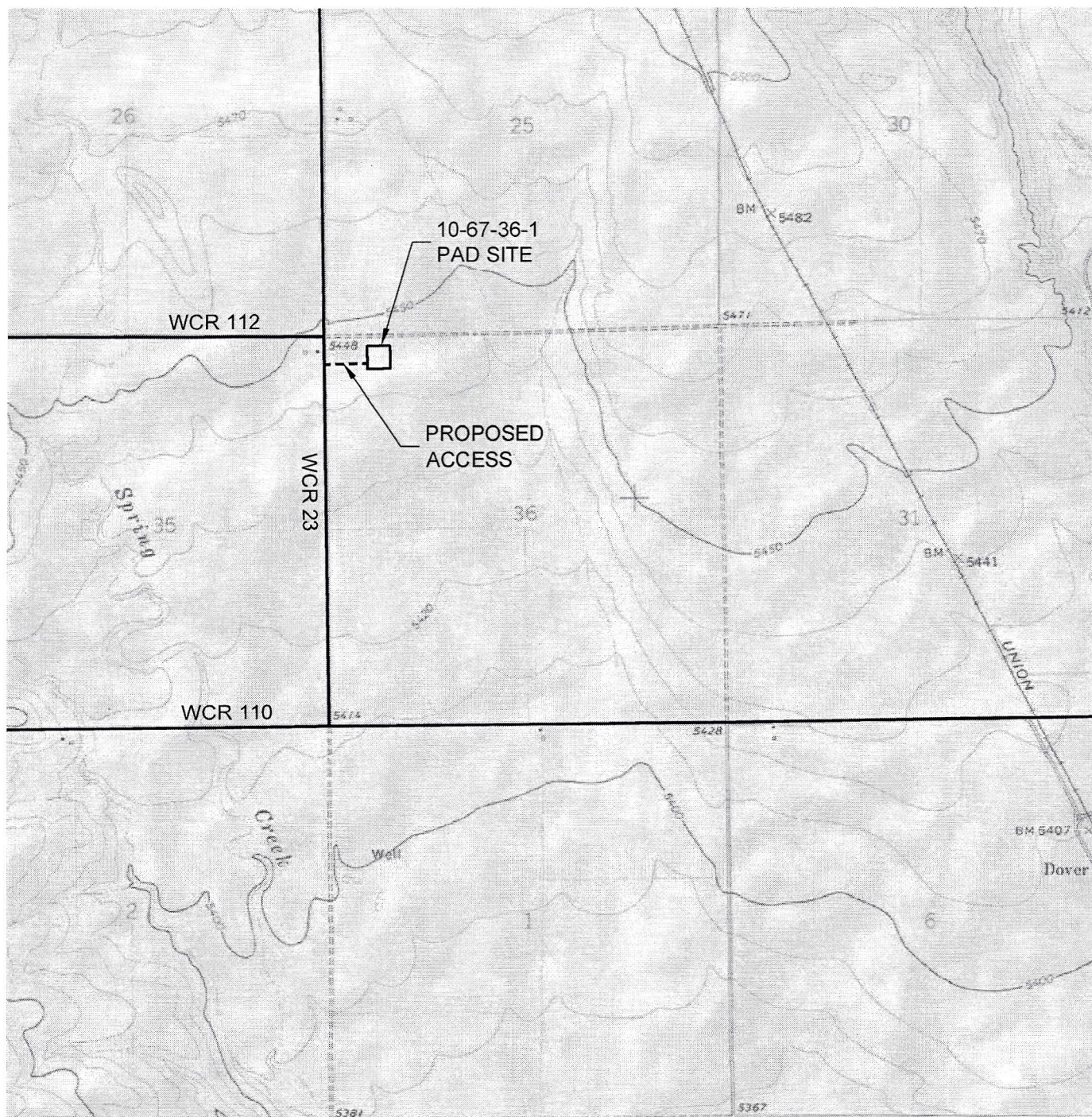
RUBICON OIL & GAS LLC  
PAWNEE 10-67-36-1

SL NW1/4 NW1/4 SEC. 36 T10N R67W  
BL SW1/4 SW1/4 SEC. 36 T10N R67W  
6th PM WELD COUNTY COLORADO



# ACCESS ROAD MAP

PAWNEE 10-67-36-1 PAD



**GEO SURV**

LAND SURVEYING AND MAPPING  
LAFAYETTE - WINTER PARK  
Ph 303 666 0379 Fx 303 665 6320

**RUBICON OIL & GAS LLC**  
PAWNEE 10-67-36-1

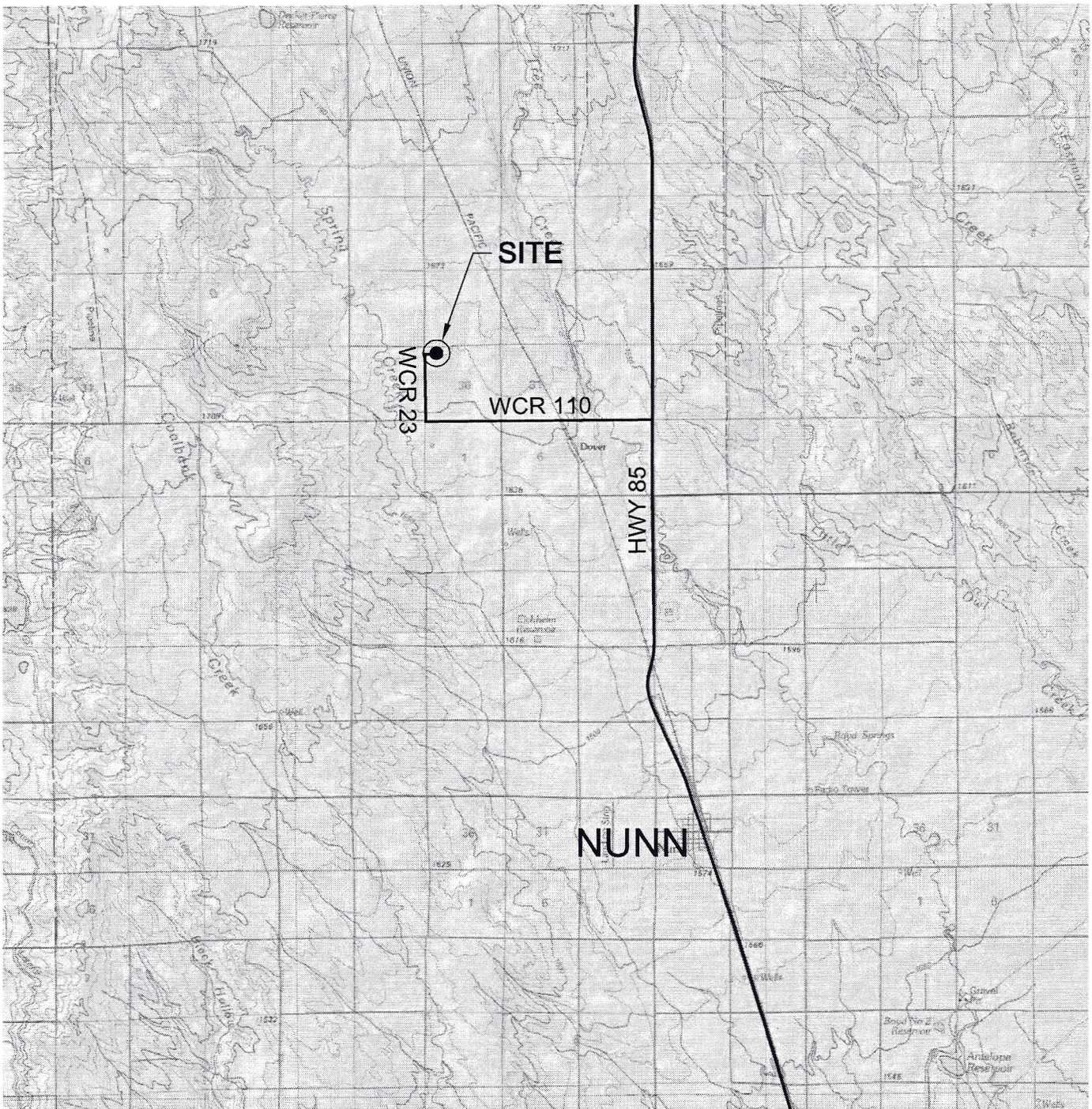
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BL SW1/4 SW1/4 SEC. 36 T10N R67W  
6th PM WELD COUNTY COLORADO


3/4/10



# VICINITY MAP

PAWNEE 10-67-36-1 PAD



  
 1" = 2 MILES  
 GRID

  
 LAND SURVEYING AND MAPPING  
 LAFAYETTE - WINTER PARK  
 Ph 303 666 0379 Fx 303 665 6320

**RUBICON OIL & GAS LLC**  
**PAWNEE 10-67-36-1**

SL NW1/4 NW1/4 SEC. 36 T10N R67W  
 BL SW1/4 SW1/4 SEC. 36 T10N R67W  
 6th PM WELD COUNTY COLORADO

3/4/10