

SURFACE USE AND DAMAGE AGREEMENT

THIS SURFACE USE AND DAMAGE AGREEMENT ("Agreement") is made and entered into this 11th day of May, 2010, by and between Conquest Oil Company, whose principle place of business is 8207 West 20th Street, Greeley, CO 80634 ("Operator") and Guy and Teresa Sharp, as tenants in common whose address is 5550 Bridle Path Lane, Florence, Montana ("Surface Owner") and Brian Dickey, whose address is PO Box 588, Cheyenne Wells, CO 80810 ("Lessee").

TOWNSHIP 11 SOUTH, RANGE 50 WEST, 6T" P.M.

Section 30: NW4

("The Property")

WHEREAS, Operator is the owner of certain oil and gas leasehold rights in, on and under the Property; and

WHEREAS, Surface Owner is the owner of the surface rights in and to the Property, and Lessee has leased the surface rights on a share crop lease; and

WHEREAS, Operator's rights include, among other things, the right of ingress and egress for the purposes of exploration, development, drilling, re-drilling, testing, completion, recompletion, re-entry, deepening, fracturing, refracturing, stimulation, reworking, production and maintenance operations associated with the oil and gas well and the associated flowline and production facility to be located on the Property; and

WHEREAS, Operator has identified one location ("Wellsite Area") on the Property at which it desires to drill an oil and gas well (the "Well"). The Well will be located at the approximate location set forth in Exhibit "A" and, as used in this Agreement, the term "Wellsite Area" shall encompass a 4 acre area or less. The Well to be drilled pursuant to this Agreement will be described on the plat attached hereto as well as the access road from the Well to the county road.

WHEREAS, Operator and Surface Owner desire to enter into an agreement regarding the Well and the Wellsite Area covering such subjects as flowline location, production facility location and access road location, all for the purpose of coordinating the development of the mineral rights and surface rights of the Property.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Surface Owner acknowledges, subject to the terms and conditions of this Agreement, that Operator, as the owner of oil and gas leasehold rights covering the Property, has the right to drill the Well and to have uninterrupted access to the Well, Wellsite Area, flowlines and production facilities for the purposes of exploration, drilling, re-drilling, testing,

development, completion, recompletion, re-entry, deepening, fracturing, refracturing, stimulation, reworking, production and maintenance operations.

2. Operator acknowledges, subject to the terms and conditions of this Agreement and the oil and gas lease or leases that cover the Property, that Surface Owner, as the surface owner of the Property, has the right to develop the surface of the Property.
3. Surface Owner and Operator agree that the location of Wellsite Area, Well and Easement (as defined herein and shown on Exhibit "A" attached when available), flowline, production facility and access route for the Well will be mutually agreed upon. The stock tanks and the separators for the Well will be constructed in a triangle configuration at distances required by the rules and regulations of the COGCC. Operator agrees to minimize the area used for the production facility for the Well in a manner consistent with good oil field practices. The parties acknowledge that the Wellsite Area, Easement, flowline, production facility and access route has not been surveyed. Surface Owner shall provide Operator with a thirty (30) foot wide exclusive easement for the flowline, said easement being fifteen (15) feet on each side of each flowline (the "Easement"). Surface Owner agrees that it will not construct any buildings, structures or improvements within thirty (30) feet on either side of each flowline.
4. Surface Owner and Operator acknowledge that Operator has agreed to pay Surface Owner [REDACTED] for the Well Area that has been agreed to as consideration from Operator to Surface Owner for the utilization of the well area and easement thereto. Such payment shall be made prior to the commencement of drilling operations. Should Operator fail to make the payment of the agreed upon consideration as set forth herein this Agreement will be of no force or effect. In consideration of such payment, Operator and Surface Owner agree as follows:
 - a. By entering into this Agreement, Operator is not restricting, modifying, altering, or amending in any way its right of reasonable surface user of the Property. Specifically, Operator retains and maintains its right of access to the surface and sub-surface of the Property using the route provided for in this Agreement.
 - b. If, by reason of Operator'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 Operator for its oil and gas operations, Operator shall be liable to Surface Owner and its successors and assigns, as the case may be, for such damage, provided, however, Operator 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, Operator 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 Operator's operations, reworking, deepening, re-entry, fracturing, refracturing, however, Operator shall not be liable for such third party claims arising directly or indirectly from the negligence or willful misconduct of Surface Owner.

- c. Surface Owner shall have no liability for any release into the environment of oil, gas, produced water, or other substances utilized by Operator pursuant to its conduct of oil and gas operations on the Property, except as any such release that is caused by Surface Owner, or its tenants, licensees, invitees or agents. Operator shall hold Surface Owner harmless from, and indemnify Surface Owner against, any liability arising from any federal or state environmental law or regulation applicable to any release of hazardous materials or substances caused by Operator's conduct of oil and gas operations, or any other activities of Operator on the Property. Unless Surface Owner, or its tenants, licensees, invitees or agents, engage in or assumes responsibility for the conduct of oil and gas operations on the Property, or otherwise causes any actual or threatened significant adverse environmental impact, Operator assumes the obligation as the "responsible party" under Section 34-60-124(7), Colorado Revised Statutes, to perform any mitigation ordered by the COGCC, or to perform any mitigation or remediation required by any other federal or state agency charged with enforcement of environmental laws or environmental regulations if such mitigation or remediation is related to or made necessary by Operator's oil and gas operations on the Property.
 - d. At the conclusion of its operation on the Well drilled on the Property (as determined at the sole discretion of Operator), Operator shall plug and abandon such wells and restore the applicable Wellsite area and related flowline and access route location, in accordance with the then applicable laws, rules, regulations and standards of the COGCC, or the laws, rules, regulations and standards of any successor agency.
5. This Agreement constitutes written consent of Surface Owner for Operator to conduct such oil and gas operations on the Property, as it deems necessary or convenient to the development of its leasehold subject to the terms and conditions contained herein. This Agreement also constitutes Surface Owner's written acknowledgment that Operator has provided an appropriate Notice of Drilling in accordance with Rules 305.b (1) and 305.c of the COGCC and has properly engaged in Drilling Consultation with Surface Owner in accordance with COGCC Rule 306.a (1).
6. Operator shall keep Surface Owner's interest in the Property free and clear of all liens, claims and encumbrances, including but not limited to mechanic's liens, arising from Operator's oil and gas operations and other activities on the Property.
7. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been fully given, made and received only when personally delivered, received via facsimile that has been confirmed electronically, delivered by Federal Express or other nationally recognized courier service, or three (3) days after having been deposited in the United States mail, postage prepaid, return receipt requested. All notices requests, demands and other communications required or permitted hereunder shall be addressed as set forth below:
8. This Agreement and all of the covenants herein shall be covenants running with the land.

9. This Agreement is approved and agreed to by the Lessee.
10. Surface Owner, Operator and Lessee agree that Operator may record an original of this Agreement or a Memorandum thereof in the real property records of Kit Carson County, Colorado but only after Exhibit "A: has been completed and attached to this agreement.
11. This Agreement contains the entire understanding between the parties hereto with respect to the transactions contemplated herein and such understanding shall not be modified except in writing signed by or on behalf of the parties hereto.
12. This Agreement will be binding upon and inure to the benefit of the parties hereto and their heirs, personal representatives, successors and assigns.
13. If any provision of this Agreement or the application hereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement nor the application of such provision to any other person or circumstances shall be affected thereby, but rather the same shall be enforced to the greatest extent permitted by applicable law.
14. This Agreement and the transactions contemplated hereby shall be construed in accordance with, and governed by, the laws of the State of Colorado.
15. This Surface Damage Agreement can be executed in multiple counter parts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same document. Execution of this Agreement may be effected by facsimile, and facsimile executions shall be effective as originals. This Agreement may be amended only by the express written agreement of the parties.

IN WITNESS WHEREOF, the undersigned parties have accepted all of the terms and provisions of the Surface Damage Agreement as of the date shown above;

**THIS PART INTENTIONALLY LEFT BLANK
COUNTERPART EXECUTION TO FOLLOW**

EXHIBIT A
Surface Use and Damage Agreement
by and between
Teresa and Guy Sharp and Conquest Oil Company

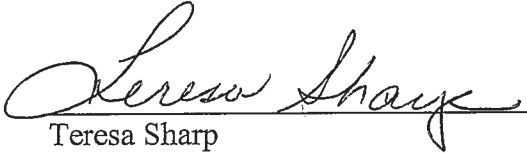
This Exhibit will include a detailed map showing access road and the agreed upon location of other support facilities.

COUNTERPART EXECUTION

Surface Damage Agreement

by and between

Teresa and Guy Sharp and Conquest Oil Company


Teresa Sharp


Guy Sharp

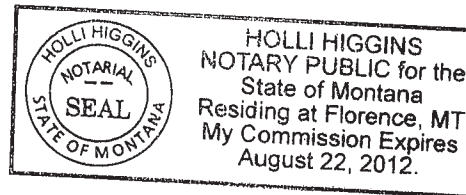
STATE OF MONTANA)
 ss.
COUNTY OF MISSOULA)

The foregoing instrument was subscribed and sworn before me this 11th day of May, 2010, by, Theresa Sharp and Guy Sharp, Surface Owner.

Witness my hand and official seal:

August 22, 2012
My Commission Expires


Notary Public



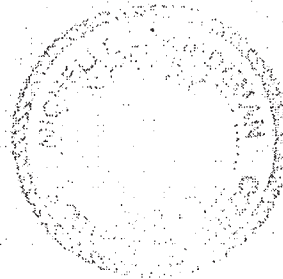
COUNTERPART EXECUTION
Surface Damage Agreement
by and between
Teresa and Guy Sharp and Conquest Oil Company

CONQUEST OIL COMPANY

Bruce B White

Bruce White
President

STATE OF COLORADO)
 ss.
COUNTY OF Weld)



The foregoing instrument was subscribed and sworn before me this 4th day of May, 2010, by, Bruce White, President of Conquest Oil Company, Operator.

Witness my hand and official seal:

May 19, 2012
My Commission Expires

Michael J. Dedman
Notary Public