

10-2-12
L-1-3(15) 16-5-12

SURFACE USE AGREEMENT

THIS AGREEMENT is made and entered into this 21st day of April, 1993 by and among Alvin Dechant, 4936 Weld County Road 23, Ft. Lupton, Colorado 80621 ("Surface Owner"), and Gerrity Oil & Gas Corporation, a Delaware corporation, 4100 E. Mississippi, Suite 1200, Denver, Colorado 80222 ("Gerrity").

In consideration of an aggregate of _____ in hand collectively paid to the Surface Owner, the receipt of which is hereby acknowledged, the parties do hereby agree as follows:

1. Said payment constitutes the full and entire consideration to be paid by Gerrity for all damages to and use of the surface of the land associated with the drilling, testing, completion, operation and maintenance of the wellsites located in the Southeast 1/4 of Section 31, Township 3 North, Range 64 West, 6th P.M., Weld County, Colorado (the "Property"). The payment is for all damages to the Property, including, but not limited to damages to growing crops, sod, damage to croplands, removal, transportation and care of livestock, construction of access roads, preparation and use of the drillsite area, preparation and use of reserve pits, and construction, installation, and maintenance of production equipment and facilities such as flowlines, gas pipelines, separators, tank batteries and other equipment or facilities necessary or convenient for the production, transportation and sale of oil, gas and other materials produced by or used for production of the above wells. With respect to the construction, installation and maintenance of production equipment and facilities such as flowlines, gas pipelines, separators, tank batteries and other equipment or facilities necessary or convenient for the production, transportation and sale of oil, gas and other materials produced by or used for production of the above wells, Gerrity may exercise the rights granted by this Agreement at any time and from time to time without further or additional consideration being payable to Surface Owner.

2. If, by reason of Gerrity's operations, there is damage to personal property located on the Property or if there is damage to Property caused by the negligence of Gerrity or an unreasonable use of the surface of the Property by Gerrity that is not associated with reasonable and normal drilling, completion, production, reworking and recompleting operations, such as damage to structures, fences, culverts and cement ditches, such damage shall be repaired or replaced by Gerrity or Gerrity shall promptly pay Surface Owner for such damage.

3. Surface Owner agrees to indemnify and hold Gerrity harmless from all claims, demands, liability and actions against Gerrity by any other surface tenant or occupant of Surface Owner's lands arising out of any damage by Gerrity to the lands or growing crops thereon asserted by any such other occupant or surface tenant. Surface Owner may allocate the payments made hereunder with any surface tenant or occupant as they shall mutually determine between themselves and Gerrity shall have no liability therefor.

4. This Agreement constitutes written consent of Surface Owner for Gerrity to proceed with the drilling, completion and operation of the above-described wells. Except as provided in paragraph 2 hereof, Surface Owner, for itself, and its successors and assigns does hereby, in consideration of the above cash payment, release, relinquish and discharge Gerrity, its successors and assigns from all claims, demands, damages and causes of action, past, present and future, that Surface Owner may have by reason of the occupancy of the acreage provided in Paragraph 7 of Exhibit A attached hereto and for the drilling of the Wells and all other damage or injury to the Property caused by the drilling, completion and operation of the Wells and Surface Owner accepts the above payment as full compensation therefor.

5. Following completion, recompletion and/or reworking operations, Gerrity shall return the topsoil to its relative position over excavated areas and shall, at its discretion, place any culverts necessary to practicably and adequately drain the wellsites and tank battery site.

6. This Agreement is subject to Exhibit "A" attached hereto and by this reference made a part of this Agreement.

7. This Agreement is subject to Exhibit "B" attached hereto and by this reference made a part of this Agreement.

8. Surface Owner agrees to keep confidential this Agreement and all negotiations leading up to or relating to this Agreement. Surface Owner shall not copy or distribute this Agreement or disclose the substance hereof or the nature of such negotiations to others outside of Gerrity unless required to do so by law.

9. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

9. Gerrity agrees to fence and flag the access roads and drillsites following construction of the drillsites. Said fences shall be maintained by Gerrity during drilling and completion operations.

10. Gerrity agrees that permanent access roads to the wellsites shall be no more than twelve feet in width.

11. Consideration herein shall be for Four (4) wells.

Agreed to and accepted the day and year first above written.

GERRITY OIL & GAS CORPORATION
A Delaware corporation

By: Curt Moore
Curt Moore, Landman

Mike Nuss
Mike Nuss, Drilling Coordinator

Ken Gines
Ken Gines, Construction

SURFACE OWNER:

By: Alvin Dechant
Alvin Dechant

SSN or Tax ID #: _____

EXHIBIT "A"

Attached to and by reference made a part of that certain Surface Use Agreement dated April 21st, 1993, by and between Gerrity Oil & Gas Corporation, as "Gerrity" and Alvin Dechant as "Surface Owner" covering the following lands:

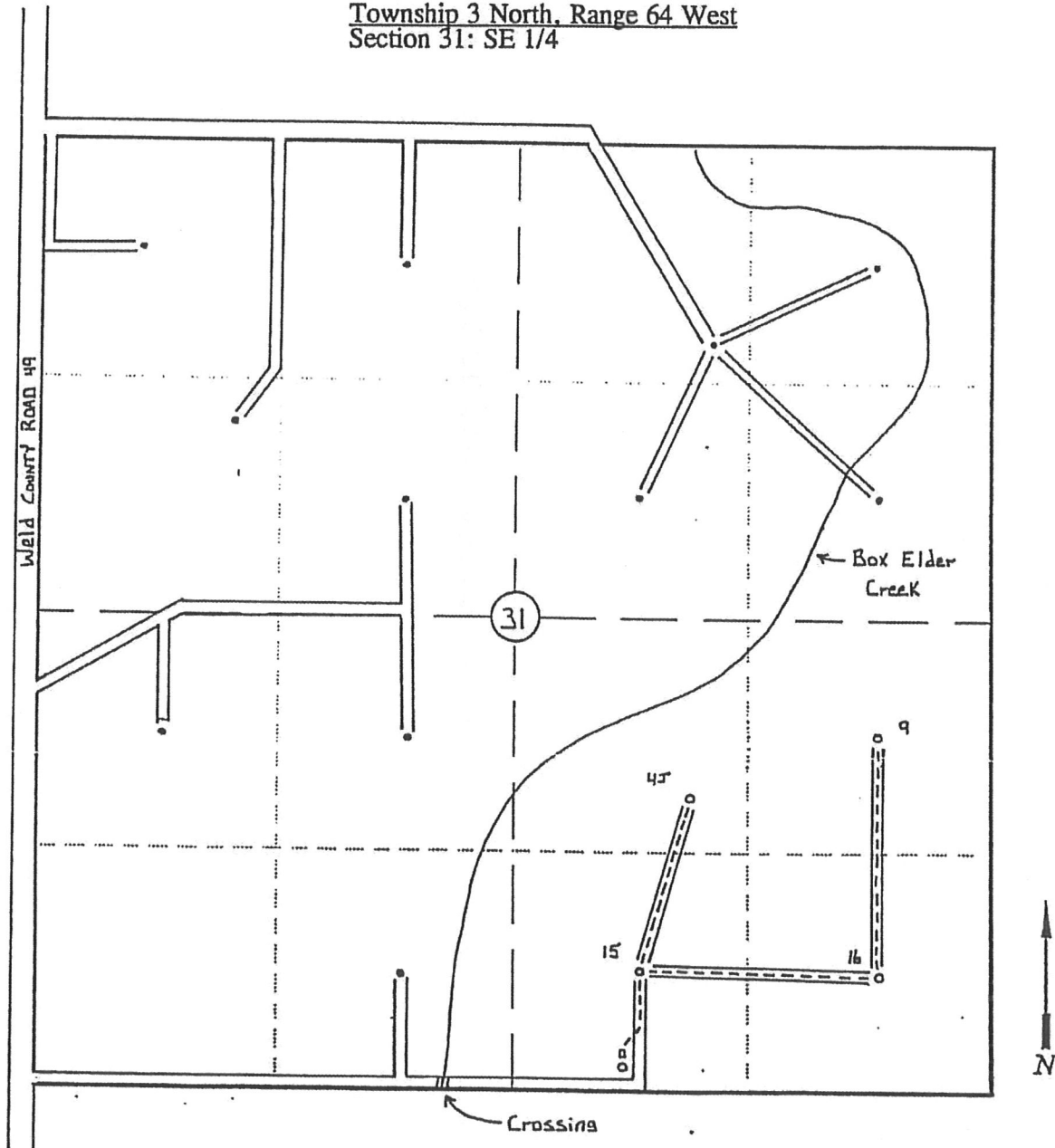
Township 3 North, Range 64 West
Section 31; SE 1/4

1. The wellsites shall be located in the NE/4SE/4, NW/4SE/4, SW/4SE/4 and SE/4SE/4 according to the governing regulations.
2. The topsoil shall be removed from the area over the pits, stockpiled and held in reserve until the contour of the site is re-established. The wellsites shall be ripped and returned to original slope and contour, as is reasonably practicable, following completion operations.
3. Gerrity reserves the right to dispose of cuttings and a minimal amount of drilling mud in the reserve pit by back filling the reserve pit. The amount of drilling mud buried will be defined as that amount that is too thick to be suctioned out of the reserve pit by a pump. The remaining mud shall be allowed to dry and will be mixed with the subsoil prior to the final backfilling process.
4. Gerrity agrees to be responsible for any alterations needed to existing fences for the purpose of drilling, completing or production of the wells herein proposed.
5. Gerrity agrees to bury all flowlines to a depth of forty-eight (48) inches below the surface of the ground.
6. Gerrity agrees to pay _____ per acre proportionately reduced for damages occurring as a result of future reworking operations.
7. Pursuant to Paragraph 4 of the Surface Use Agreement to which this Exhibit is attached, Gerrity is authorized to occupy a maximum of four acres for each well to be drilled on the Property. If Gerrity occupies more than four acres for any drillsite, it shall pay Surface Owner at the rate of _____ proportionately reduced.
8. Gerrity shall maintain and control the weeds on the wellsites, access roads and tank battery site or Gerrity shall promptly pay Surface Owner for such maintenance.

EXHIBIT "B"

Attached to and by reference made a part of that certain Surface Use Agreement dated April 21st, 1993, by and between Gerrity Oil & Gas Corporation, as "Gerrity" and Alvin Dechant as "Surface Owner" covering the following lands:

Township 3 North, Range 64 West
Section 31: SE 1/4



Initials:

CM
Land

MAN
Drilling

V
Construction

A.D.
Surface Owner

R. 65 W.

R. 64 W.

PKY MT PET
7468'

T
4
UN
GOLD
7415

T.
3
N.

T.
2
N.

TOLTEE
7576

CHI C
8940'

VECS.

ROCKHILL
1006

NEBR D
7761

VESS
7700

Keenesboro

SILER
7384'

MARSHALL
2775'

BENNETT
1580

Hudson

RITTER
1385'

905'

900'
795'

JUNIPER
7460

Weld
Adams

Borr
Lake

PRINCE
RIVER