

SURFACE DAMAGE AND RELEASE AGREEMENT

This Surface Damage and Release Agreement ("**Agreement**") is made and entered into this 6th day of May 2011, by and among Cass Farms Company, a Colorado corporation ("**Owner**"), Legacy Land Trust, a Colorado non-profit corporation ("**Easement Owner**") and El Dorado Rocky Mountain Partners, L.P. a Texas Limited Partnership ("**Operator**"); sometimes referred to each as a "**Party**," or collectively as the "**Parties**."

WITNESSETH:

For and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **OWNERSHIP**. Owner is the surface owner of certain lands located in Weld County, Colorado as more specifically described as follows ("**Lands**"):

Township 8 North, Range 62 West, 6th P.M.
Section 34: S/2S/2

Operator represents that it owns a working or operating interest in a valid oil and gas lease or leases covering all or portions of the Lands or lands pooled or included in a spacing unit therewith (each a "**Lease**," collectively, the "**Leases**").

Easement Owner owns a Conservation Easement on the Lands as provided for in the Deed of Conservation Easement recorded on October 16, 2008 at Reception No. 3584475, as amend on November 4, 2008 at Reception No. 3587989 in the Land Records of the Weld County, Co Clerk and Recorder (the "Deed of Conservation Easement").

2. **OPERATOR'S OIL AND GAS OPERATIONS ON THE LANDS**. Operator may drill or cause to be drilled an oil and/or gas well or wells on the Lands ("**Well**"). In order for Operator to drill, construct, complete, produce, maintain, and operate the Wells and all facilities associated therewith, including, but not limited to, access roads ("**Access Roads**"), pipelines, flow lines, separators, tank batteries, electric lines and any other facilities or property necessary for Operator to conduct operations on the Wells (each a "**Facility**," collectively, the "**Facilities**"), it is necessary that Operator enter and utilize a portion of the surface of the Lands shown on the attached Exhibit "A" as the "Access" and "Operations Area". The Parties enter into this Agreement to evidence their entire agreement (together with the Deed of Conservation Easement) regarding the payment of surface damages, entry, surface use, and any other matters relating to Operator's use of the Lands. The Parties also agree this Agreement is a "Surface Use Agreement" and fulfills the requirement for approval of "Surface Use Agreement", as described in paragraph 3.e.(iv.) of the Deed of Conservation Easement, by the Easement Owner.

3. **LOCATION**. The approximate location of the Operations Areas is depicted on Exhibit "A." Any material changes to such locations may be made by Operator with the consent of Owner and Easement Owner, which will not be unreasonably withheld, but will not unduly interfere with Owner and Easement Owner's existing use of the surface estate., provided that the Wells shall not be located outside of the Operations Area shown on Exhibit "A" nor shall the road be located to serve any location outside the Operations Area shown on Exhibit "A", without the consent of the Owner and Easement Owner, which consent each may withhold in its sole discretion. Operator agrees not to use any more of the surface of the Lands than is reasonably necessary to conduct its operations.

4. **CONDUCT OF OPERATIONS**. Operator's operations on the Lands will be conducted pursuant to the terms of the Leases, this Agreement, and the rules and regulations of the Colorado Oil and Gas Conservation Commission ("**COGCC**").

5. **COMPENSATION AMOUNT**. Operator will pay Owner the sum of _____ per Operation Area and the associated Facilities prior to the commencement of actual drilling operations and ("**Amount**"). Operator will also pay Owner One Thousand Dollars per mile for use of existing roads. The Amount is hereby acknowledged by Owner and Easement Owner as full and final consideration for

Operator's use of the Lands under this Agreement and Owner and Easement Owner, on behalf of itself and its respective predecessors, heirs, assigns and any person or entity claiming by, through or under any of them does hereby release Operator and all affiliates, joint owners, employees, contractors or other persons working for, with, or succeeding to Operator for any and all damages caused or created by reason of the reasonable and customary ingress, egress, rights-of-way, drilling, completion, production and maintenance operations associated with the Wells and Facilities. Such damages will include, without limitation, damage to growing crops, cropland, the removal, transportation and care of livestock, re-seeding, construction and use of Access Roads and the preparation and use of the Well site areas; provided, however, that if after the initial drilling, completing and equipping of the Wells and Facilities for production, Operator commences subsequent operations thereto, including, but not limited to, re-fracturing operations on the Wells, and such operations result in additional crop losses on the Lands affected thereby, Operator will timely reimburse Owner for the actual net value of such crop loss, if any. If Owner owns less than 100% interest in the Lands, then the Amount paid to each Owner shall be proportionately reduced by the percentage in which they own in the Lands.

6. ADDITIONAL SURFACE USE PROVISIONS, ACCESS ROADS, FENCES AND FACILITIES. With respect to its operations on the Lands, Operator will comply with the following provisions:

A. Access Roads:

- (i) Access Roads will not exceed 25 feet in width.
- (ii) Operator will take reasonable steps to insure that all of its vehicles accessing the Lands on its behalf remain on the Access Roads.
- (iii) Operator will re-vegetate all access roads to be permanently abandoned by operator
- (iv) Operator will maintain all Access Roads in good repair and condition.

B. Surface Restoration:

Upon permanent cessation of Operator's operations on the Lands, all areas thereof occupied or utilized by Operator will be restored by Operator to their original contour as nearly as is reasonably practicable, and re-vegetated.

C. Other.

(i) If by reason of the activities of the Operator, including, but not limited to, drilling, completing, equipping, and operating of the Wells, there is unanticipated damage to personal property of the Owner and Easement Owner, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation systems, Operator will repair or replace such items after consultation with and to the reasonable satisfaction of the Owner and Easement Owner. Owner and Easement Owner will notify Operator of any items damaged after the Well's construction and Operator will repair or replace such items within a reasonable time after consultation with the Owner and Easement Owner.

(ii) Operator agrees that all trash, refuse pipe, equipment, liquids, chemicals, or other materials brought on the Lands that are not necessary for continued operations of the Wells will be removed and disposed away from the Lands no later than 30 days after the completion of the Wells. No such items will be burned or buried on the Lands.

7. DEFAULT AND RIGHT TO CURE. In the event of alleged default by Operator in the payment of any of the sums hereinabove provided to be made, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Owner and/or Easement Owner will notify Operator, by certified mail, return receipt requested, of the alleged default. Operator will have 30 business days from receipt of the written notification in which to dispute or otherwise respond to the notification before Owner and/or Easement Owner may allege

default.

Except as otherwise agreed in writing, no waiver by Owner and/or Easement Owner of any breach by the Operator of any of its obligations, agreements, or covenants hereunder will be deemed to be a waiver of any subsequent or continuing breach of the same, nor will any forbearance by Owner and/or Easement Owner to seek a remedy for any breach by the Operator be deemed to be a waiver by Owner and/or Easement Owner of its rights or remedies with respect to such breach; however, in no event will Operator be liable for additional payment for reasonably anticipated damages to the Lands caused by Operator's oil and gas operations, and in no event will Operator be liable for consequential damages.

8. **INDEMNITY/RELEASE**. Operator agrees to indemnify and hold Owner and Easement Owner harmless from any and all claims, damages and causes of action directly arising out of and caused by Operator's operations on the Lands that may be asserted by any of Operator's agents, employees, subcontractors, contractors or persons entering upon the Lands at the request of Operator.

9. **WAIVER OF 30-DAY NOTICE**. Owner and/or Easement Owner hereby waives the minimum 30-day written notice requirement for operations to begin and any other notice or consultation requirements of the COGCC. Without waiving the foregoing, Operator agrees it will provide notice to Owner and/or Easement Owner of its submittal of a request for permit to drill to the COGCC.

10. **NOTICE FOR ADDITIONAL OPERATIONS**. Operator will comply with COGCC rules and regulations requiring that advance notice be provided to Owner for subsequent operations on the Wells, including, but not limited to, reworking operations thereto.

11. **NOTICES**. Notice by either Party will be promptly given, orally if possible (with the exception of the default notice described in Paragraph 7), with subsequent written confirmation sent by United States mail, postage prepaid and addressed to either Party at the address as designated below; or to such other place as either Party may from time to time designate by notice to the other:

Owner

Cass Farms Company
43251 CR 392
Briggsdale, CO 80611

Operator

Texas American Resources Company
410 17th Street, Suite 1610
Denver, CO 80202

Easement Owner

Legacy Land Trust
214 S. College, Suite 200
Fort Collins, CP 80524

12. **BINDING EFFECT**. The covenants and conditions herein contained and all of the provisions of this Agreement will inure to the benefit of and will be binding upon the Parties hereto, their respective heirs, representatives, successors or assigns. Owner agrees to contact any and all tenants of Lands or any other third parties utilizing the surface of the Lands that may be affected by Operator's activities on the Lands. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement and Operator's right to utilize the surface of the Lands pursuant to this Agreement for the payment of any consideration, if any, due such third party from Owner.

13. **ENTIRE AGREEMENT**. This Agreement (and the Deed of Conservation Easement) contains the entire agreement between Parties and this Agreement may not be modified orally or in any other manner other than by agreement in writing signed by all Parties or their respective successors or assigns.

14. **TERM**. This Agreement will remain in full force and effect for so long as oil and gas operations are conducted on the Lands pursuant to the Leases; provided, however, that the termination of this Agreement will not relieve the Parties from their respective obligations or liabilities arising herein prior to such termination.

15. GOVERNING LAW AND VENUE. This Agreement will be governed by, construed and enforced in accordance with the laws of Colorado.

16. AGREEMENT TO ARBITRATE ANY DISPUTE OVER THIS AGREEMENT OR OPERATOR'S OPERATIONS ON THE LANDS. If any dispute arises between Owner and/or Easement Owner and Operator with respect to this Agreement or from Operator's operations on the Lands or both, such dispute will be resolved through arbitration. Any such arbitration will be conducted by the Judicial Arbitrator Group ("JAG") in Denver, Colorado, by a single arbitrator employed by or associated with JAG. Such arbitrator will have at least 10 years experience in oil and gas, either by work directly in the industry or as a lawyer licensed to practice law in Colorado or a judge familiar with oil and gas issues. Either Party may serve upon the other a demand for such arbitration, which should be served by fax and mail, or by hand delivery. Owner and/or Easement Owner and Operator agree that if either of them initiates a demand for such arbitration, Owner and/or Easement Owner and Operator will thereafter attempt to mutually agree on the selection of one of the JAG arbitrators to be the arbitrator. Owner and/or Easement Owner and Operator will confer on the selection of such arbitrator within 10 days after the demand for arbitration is served, and will agree upon the selection of a JAG arbitrator, if possible, within 20 days after the arbitration demand has been served. In the event that Owner and/or Easement Owner and Operator are unable to agree on the selection of such arbitrator within this 20-day time period, then Owner and/or Easement Owner and Operator will each submit to JAG, via fax, the names of three arbitrators (meeting the requisite experience specified above) who are employed by or associated with JAG, whom each would find acceptable to be the arbitrator. Such submission to JAG will be made on the fifth business day after the 20-day time period referenced above has expired. JAG will thereafter select from the names submitted by Owner and/or Easement Owner and Operator a single arbitrator who will hear and decide the arbitration based upon applicable Colorado law. The arbitrator will issue an arbitration decision within 30 days after the arbitration hearing is concluded. In the event that JAG no longer exists, the arbitration will be conducted by an American Arbitration Association arbitrator under the rules of the American Arbitration Association then existing. Any decision by the arbitrator relating to the dispute between Owner and/or Easement Owner and Operator will be final and binding upon both Owner and/or Easement Owner and Operator.

17. SUCCESSORS. This Agreement constitutes a covenant running with the Lands and will be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective successors, administrators, trustees, executors and assigns.

18. AUTHORITY OF SIGNATORIES. The signatories below declare, warrant and represent that they have the authority to enter into this Agreement on behalf of their respective principals, if any.

19. DAMAGES TO CONSERVATION RESERVE PROGRAM ("CRP") LANDS. Operator understands that all or a portion of Said Land may currently be under a contract pursuant to the Conservation Reserve Program (the "CRP Contract"). Operator shall reclaim and reseed any of Said Land that is subject to the CRP Contract and that is disturbed as a result of Operator's drilling and completion operations, in accordance with the plant density and seed mixture required by the CRP Contract and the rules and regulations of the Colorado Oil & Gas Conservation Commission and the regulations governing the CRP found at 7 CFR 1410. Operator, in addition to any compensation otherwise provided for herein, shall compensate Surface Owner for any loss of future rentals under the existing CRP Contract or any claim for reimbursement of payments, interest, or liquidated damages or penalties, as those terms are defined in the CRP Contract, made by the Commodity Credit Corporation or any other agency or entity against Surface Owner, as a result of Operator's drilling, completion, production or other operations of Said Land.

20. SUBORDINATION OF AGREEMENT TO DEED OF CONSERVATION EASEMENT

Except for such rights as are specifically described in this Agreement, the rights and privileges of the Operator are restricted to only those right and privileges which are consistent with the Deed of Conservation Easement, and this Agreement is and shall remain subordinate to the Deed of Conservation Easement. Any future amendments, revisions, modifications or restatements of the Deed of Conservation Easement (a "CE Amendment"), or any extensions or modifications thereof, shall be binding upon and enforceable against the Operator, its successors in

interest and assigns, without such CE Amendment being approved by or on behalf of the Operator, and without such CE Amendment being executed by or on behalf of the Operator, its successors in interest and assigns, provided that no change to Paragraph 3.3 of the Deed of Conservation Easement shall not be enforceable by Easement Owner, unless such provision has been approved by the Operator, as evidenced by its execution of such CE Amendment.

IN WITNESS WHEREOF, the Parties have set their hands, the day and year first written above.

El Dorado Rocky Mountain Partners, L.P.

OWNER:

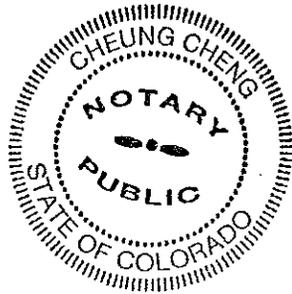
By: Primero El Dorado Operating Company LLC,
Its general partner

By: David Honeycutt
David Honeycutt, Manager

By: Stanley D. Cass

Name: STANLEY D. CASS

Title: PRESIDENT



EASEMENT OWNER:

Legacy Land Trust

By: Ryan Buggs

Name: Ryan Buggs for Legacy Land Trust

Title: Executive Director

STATE OF COLORADO §

COUNTY OF LARIMER §

On this 20th day of May, 2011, before me personally appeared Stanley D. Cass, to me personally known, who, being by me duly sworn did say that he is the President of Cass Farms Company., a Colorado corporation and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said Stanley D. Cass acknowledged said instrument to be free act and deed of said corporation.

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

Cheung Cheng

Notary Public, State of Colorado

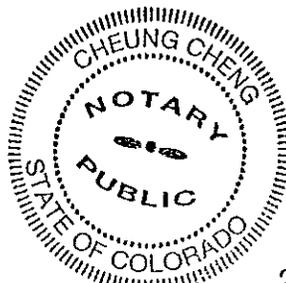
My Commission Expires June 27, 2012

Notary's Commission Expires: _____

STATE OF COLORADO

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COUNTY OF LARIMER



On this 20th day of May, 2011, before me personally appeared Ryan Boyas, to me personally known, who, being by me duly sworn did say that he is the Executive Director of Legacy Land Trust., a Colorado non-profit corporation and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be free act and deed of said corporation.

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

Cheung Cheng

Notary Public, State of Colorado

Notary's Commission Expires: My Commission Expires June 27, 2012

STATE OF TEXAS §

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COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 24th day of MAY 2011, by David E. Honeycutt, Manager of Primero El Dorado Operating Company, LLC, a Texas limited liability company, general partner of El Dorado Rocky Mountain Partners, L.P., a Texas limited partnership, on behalf of said limited partnership.

Ladelle H. Roberts
Notary Public, State of TEXAS

Notary's Commission Expires: 7-15-2013



EXHIBIT A

SECTION: 34
TOWNSHIP: 8N
RANGE: 62W

