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DAMAGE PAYMENT RECEIPT AND WAIVER

KNOW ALL MEN BY THESE PRESENTS:

The undersigned represents and warrants to be the Owners of the NE/4 of Section 29-T8N-R59W, Weld County, Colorado, and that for and in consideration of the payment of Three Thousand Dollars (\$3000) by Walsh Production, Inc., the receipt and sufficiency of which is hereby acknowledged, does release, discharge and acquit said Walsh Production, Inc. from all liability to the undersigned for damages claimed by the undersigned arising or caused by the drilling, completing, setting of pumping unit, burying of flow lines, tank battery facility, pits and road for the WADE #2-29 well to be located in the NW/4NE/4 of Section 29-T8N-R59W, Weld County, Colorado. Access to said well will be along the existing road and trail used to access the Castor-Malo 15-20 unit well dry hole. From the existing road/trail a new road will be extended to the South approximately 425 feet to the WADE #2-29 location.

If after the WADE #2-29 is drilled and completed it is determined that more than three (3) acres of surface has been disturbed for the above stated purposes, an additional payment, based on \$1000 per acre, shall be due for acreage disturbed in excess of three acres. Existing roadways and trails will not be calculated into the acreage figure.

The undersigned hereby waive all drilling notice requirements as set forth in the Colorado Oil and Gas Conservation Commission's Rule 305.

The undersigned hereby waive all drilling consultation requirements as set forth in the Colorado Oil and Gas Conservation Commission's Rule 306.

EXECUTED this 15 day of February, 2000

Wade E. Castor

Delbert D. Castor

WADE #2-29 (1350' FEL & 425' FNL)
NW/4NE/4 Section 29-T8N-R59W
Weld County, CO