

TRUE OIL LLC

455 NORTH POPLAR STREET

P.O. DRAWER 2360
CASPER, WY 82602
(307) 237-9301
FAX: (307) 266-0325

June 22, 2011

Mr. Kurt Frentress
P. O. Box 282
Haden, CO 81639

RE: Surface Use Agreement
Breeze Unit #41-22
Township 6 North, Range 89 West
Section 22: NE/4NE/4
Routt County, Colorado

Dear Mr. Frentress:

Per our conversation, this letter will constitute an agreement between True Oil LLC hereinafter referred to as "True" and Kurt Frentress, hereinafter referred to as "Frentress", with respect to an oil and/or gas well location, access road, damage compensation, and annual rentals for the drilling of the captioned oil well.

(1) Prior to any operations by True on the captioned well, True agrees to compensate Frentress for True's well location damages in the amount of [REDACTED]. In addition, True agrees to pay Frentress [REDACTED] dollars (\$ [REDACTED]) per rod for the right of way and damage compensation for the new access road to said location. Said payments will constitute full damage compensation by True for the drilling, operating, and completing of said well drilled by True, or caused to be drilled by True on the captioned lands. In addition to the above, should True drill and complete said well as a producer of oil and/or gas and Frentress continues to own the surface said well and related facilities are located on, True shall pay Frentress annual rentals as follows: (1) for said well that True drills on the captioned acreage, True will and agrees to pay Frentress [REDACTED] dollars (\$ [REDACTED]) for the producing well site location, (2) [REDACTED] dollars (\$ [REDACTED]) for the new access road to said location. Said annual payments shall give True the right to produce, maintain, and operate said well and related facilities without any further payments for damage compensation for said well and shall give True the right of ingress and egress across said access road owned and controlled by Frentress to said well. Said payment will be made on the one-year anniversary from the date of this fully executed Agreement and for every year after said date the well is producing. Should said payment not be made this agreement shall terminate. In addition it is expressly understood by True and Frentress that this agreement shall be nonexclusive for the captioned well. Furthermore, should additional lands or property be disturbed by True's operation, True will compensate Frentress for said additional disturbances.

(2) True will and does hereby agree to indemnify, hold and save Frentress harmless from all liability, claims, demands or damages, including attorney's fees, resulting from or arising out of True's activities or operations on the captioned lands. All work performed by True shall be conducted by True at its own risk and expense.

(3) True agrees that no animals, alcohol, drugs, firearms or hunting will be allowed on the captioned lands by True employees, its agents, contractors and service company personnel.

(4) True agrees to keep the locations and roads in good order and free of litter, debris and noxious weeds. Furthermore, in the event of an oil spill associated with True's operations on lands associated with said well, True will respond in a prudent manner to clean up said spill. In addition True will upgrade said access road for True's drilling operations and should True complete said well as a producer of oil and/or gas True will crown, ditch, and gravel the new access road leading to said well. True will also recontour and reseed lands surrounding the production facilities and road ditches for said well. However, upon termination of production and/or operations True agrees to reclaim the production facility within twelve (12) months of said termination.

(5) True agrees to restore and reseed the location and access road to as close to its original condition or better as is reasonably possible and in accordance with the State of Colorado's laws and regulations. Furthermore, all reclamation requirements shall be completed within twelve (12) months from rig release.

(6) True also agrees to repair and install fencing, gates and/or permanent cattle guards where necessary and/or where True damaged and/or removed any fencing owned by Frentress.

(7) This agreement shall inure to the benefit of, and be binding upon, the parties' successors, assigns and heirs.

Should the above terms be acceptable to Frentress please so indicate your acceptance of this letter agreement by signing both copies of this letter agreement in the space provided below and return one copy of this letter agreement to the undersigned. You may retain the second copy for your files.

Very Truly Yours,
True Oil LLC



Warren G. Morton
Landman

Acknowledged and accepted this 1 day of August, 2011

By: Kurt Frentress
Kurt Frentress

Tax ID Number 521-82-7282