

## SURFACE USE AGREEMENT

This Surface Use Agreement ("Agreement") is dated July 27, 2011, by and between Richard Duane Stallings, with an address of 305 South Ivy Street, Yuma Co 80759 ("Owner") and NOBLE ENERGY, INC., 1625 Broadway, Suite 2200, Denver, Colorado, 80202 ("Noble").

Owner represents they are the surface owners and in possession of an interest in part or all of the surface estate of the following described lands located in Yuma County, Colorado ("Lands").

Township 1 North, Range 46 West, 6th P.M.  
Section 7: Lots 3, 4, SE¼NW¼, NE¼SW¼

Owner represents and warrants that they have the right, power, and authority to enter into this Agreement.

Owner recognizes that Noble has the right to conduct operations on the Lands pursuant to Oil & Gas Lease(s) covering the Lands, and Owner and Noble desire to minimize any surface damage to the Lands and to reach an agreement regarding such surface damage.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Noble agree as follows:

Immediately following the completion of drilling operations on the Lands, Owner shall be eligible for some or all of the payments below, proportionately reduced to the interest owned by Owner in the surface estate. The conditions under which such payment(s) will be made are as follows:

1. If Noble locates a well on the Lands, Owner shall be paid a fee of [REDACTED]. This payment shall be made to Owner for each well located on the Lands by Noble and is inclusive of well site access roads created and used by Noble on the Lands.
2. If Noble installs flow lines on the Lands, Owner shall be paid [REDACTED]. This amount represents payment for 80 linear rods (1,320 feet) of flow lines and damage to growing crops located on Lands where flow lines are installed and shall be paid to Owner notwithstanding actual flow line distance, unless actual flow line distance exceeds 80 rods. In such event Owner shall be paid [REDACTED] per linear rod of flow line exceeding 80 rods. This payment shall be made to Owner whenever flow lines are installed and maintained on the Lands by Noble.
3. If Noble locates a well in growing irrigated crops on the Lands, Owner shall be paid [REDACTED] for damage caused to the crops within the Well site Footprint and the Well site access road. This payment will be made to Owner whenever Noble locates a well in irrigated crops.
4. If Noble locates a well in growing dry land crops on the Lands, Owner shall be paid [REDACTED] for damage caused to the crops within the Well site Footprint and the

Well site access road. This payment will be made to Owner whenever Noble locates a well in dry land crops. If Noble causes damage to either irrigated or dry land crops on the Lands exceeding the Well site Footprint, the Well site access road or the flow line right-of-way, Owner shall be paid the fair market value for such additional damage. Fair market value shall be calculated utilizing Owner's proven yield multiplied by the additional acres damaged, times the price of such commodity on the date of damage.

6. Crop damage payments will be made to Owner only in the event of damage, and in the event of crop damage, will be applicable to any operations conducted by Noble on the Lands.

7. If Noble locates a well in an alfalfa field on the Lands, Owner shall have the option to either have Noble reseed the affected area at Noble's sole cost, risk and expense, or reseed the affected area itself and receive payment from Noble in the amount of [REDACTED] upon notice of reseeding by Owner. Such payment will constitute Owner's acceptance of responsibility for and acknowledgement of reseeding to its satisfaction and in compliance with applicable state rules, if any, pertaining to the re-establishment of any perennial forage crops that were present before any disturbance.

8. If Noble locates a well in pasture on the Lands, Owner shall have the option to either have Noble reseed the affected area at Noble's sole cost, risk and expense, or reseed the affected area itself and receive payment from Noble in the amount of [REDACTED] upon notice of reseeding by Owner. Such payment will constitute Owner's acceptance of responsibility for and acknowledgement of reseeding to its satisfaction and in compliance with applicable state rules, if any, pertaining to the re-establishment of any perennial forage crops that were present before any disturbance.

9. If Noble locates a well on the Lands and the Lands are enrolled in the Conservation Reserve Program ("CRP") administered by the United States Department of Agriculture Natural Resources Conservation Service at the date of this Agreement, and if CRP payments to Owner are jeopardized because CRP contract terms have been violated by the location of a well and well site access road on the Lands, Noble will be so notified by Owner, and Noble shall reimburse Owner the actual value of CRP payments lost.

10. If, by reasons directly resulting from the operations of Noble, there is damage to real or personal property upon the Lands, including but not limited to damage to livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, and natural water ways, such damage will be repaired or replaced by Noble, or Noble shall pay reasonable compensation to Owner for such damage or an amount equal to the reasonable costs to repair such damage.

11. Owner agrees to notify any surface tenant who may be affected by Noble's operations on the Lands, and Owner may allocate the payments made hereunder to such surface tenant as they shall mutually determine between themselves. Owner agrees to indemnify, defend and hold Noble harmless from and against any and all actions, claims, demands, losses, damages, liability, costs or expenses of any nature pertaining to damages to Crops or other property asserted against Noble by any surface tenant.

12. Well site locations will be limited in size to approximately 300 feet by 300 feet during any drilling, completion, recompletion or work over operations and to no more than 1/4 acre in size during other periods ("Well site Footprint"). Well site access roads will be limited to approximately 30 feet in width during drilling, completion, deepening, re-fracing, re-completion, re-working, and equipping and production operations. The permanent Well site access roads shall be limited to 15 feet in width.

13. Flow lines will be buried a minimum of thirty-six (36) inches below the surface of the ground, and the Lands disturbed will be limited to approximately 30 feet in width during installation and maintenance. Noble will restore the surface to its original condition and contour as nearly as practicable following installation or maintenance.

14. In all operations conducted by Noble on the Lands requiring the removal of soil, the topsoil will be separated from the subsurface soil, and following completion of the operation Noble will place the topsoil and subsurface soil back in proper order as nearly as practicable. Weather permitting, reclamation operations will be completed within three (3) months following drilling and subsequent related operations in accordance with the rules and regulations of the applicable state, county or federal agencies, if any, unless Noble and Owner mutually agree to postponement because of crops or other considerations.

15. Noble will consult in good faith with Owner prior to any proposed operation on the Lands in accordance with applicable state rules and regulations, if any, unless Owner has waived such requirement.

16. Noble shall provide Owner with any and all forms or correspondence in accordance with applicable state rules and regulations, if any.

17. This Agreement is a covenant running with the land and the terms, conditions and provisions of this Agreement shall extend to and be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns; and the rights, privileges and authorities herein granted may be assigned in whole or in part by Noble.

18. This Agreement may be executed in any number of counterparts, each which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument.

19. This Agreement shall be interpreted according to the laws of the State of Colorado. It may only be amended in writing signed by both parties, and all notices to either party shall be in writing addressed to the parties at the addresses first set forth above.

20. This Agreement shall become effective when it is fully executed and shall remain in full force and effect until Noble's leasehold estate expires or is terminated, and Noble has plugged and abandoned the well(s) and conducted reclamation in accordance with this Agreement and applicable state rules and regulations, except that any release, discharge or indemnity from and against liability contained herein shall survive the expiration of this Agreement.

21. This Agreement shall supersede and replace any Surface Use Agreement that may presently exist between Owner and Noble covering the Lands.

Executed this 27<sup>th</sup> day of July, 2011.

NOBLE ENERGY, INC.

By:

Name:

Title:

Anne L. Schreiner KR  
Attorney in Fact KRC  
TRA

OWNER:

By:

Name:

Richard Duane Stallings  
Richard Duane Stallings

CORPORATE ACKNOWLEDGEMENT

STATE OF: COLORADO )

COUNTY OF: DENVER )

Before me, the undersigned, a Notary Public in and for said County and State on this 29<sup>th</sup> day of July, 2011 personally appeared **Anne L. Schreiner**, who being duly sworn, did say that she is Attorney In Fact for Noble Energy, Inc., a Delaware Corporation, and that said instrument was signed on behalf of said Corporation, and said Anne L. Schreiner acknowledged said instrument to be the free act and deed of said Corporation

WITNESS, my hand and Notary Seal this 29<sup>th</sup> day of July, 2011

My commission expires:

6-4-2012



Ken Reisenauer

Notary Public

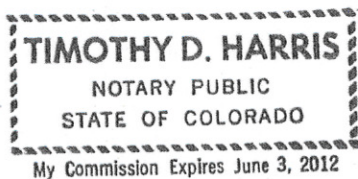
INDIVIDUAL ACKNOWLEDGEMENT

STATE OF: Colorado  
COUNTY OF: Yuma

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, this 27<sup>th</sup> day of July, 2011 appeared, **Richard Duane Stallings**, personally to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set.

WITNESS, my hand and Notary Seal this 27<sup>th</sup> day of July, 2011

My commission expires:



Timothy D. Harris  
Notary Public