

SURFACE GRANT AND  
SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement"), dated effective this 25<sup>th</sup> day of July, 2006, is made by and between the undersigned, Erie Road Joint Venture, whose address is 20269 E. Smoky Hill Rd., Suite B-61, Centennial, CO 80015, herein called "Owner", and United States Exploration, Inc. (USX), 1625 Broadway, Suite 2000, Denver, Colorado 80202, herein called "USX";

WHEREAS, Owner represents that they are the surface owners and in possession of an interest in a part or all of the surface estate for the following described lands in Weld County, Colorado, said land herein called "Lands", to wit;

**Township 1 North, Range 68 West, 6th P.M.**  
**Section 15: A parcel of land situated in the**  
**E½ and NE¼NW¼ identified as Parcel #146715000065**

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

NOW, THEREFORE, in consideration of the ten dollars and other valuable consideration, the sufficiency of which is hereby acknowledged, Owner and USX agree as follows:

1. Payment to Owner. Prior to commencement of drilling operations on the Lands, USX shall pay Owner the following sum as full settlement and satisfaction of all damages growing out of, incident to, or in connection with the usual and customary exploration, drilling, completion, deepening, refracing, recompletion, reworking, equipping and production operations, unless otherwise specifically provided herein:

A. [REDACTED] for the proposed wellsite located on the Lands (and a like amount for any subsequent wellsites to be located on the Lands) in which Owner owns the entire surface estate, together with any lands used for road purposes, production facilities, pipelines, flowlines or other necessary facilities in connection with the wellsite.

B. If, by reasons directly resulting from the operations of USX, there is damage to real or personal property upon the Lands which is not associated with usual and customary operations, 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 USX, or USX will pay reasonable compensation to Owner for such additional actual damage or an amount equal to the reasonable costs to repair such actual damages.

C. Owner agrees to notify any surface tenant that may be affected by USX's operations on the Lands and Owner may allocate the payments made hereunder with such

surface tenant as they shall mutually determine between themselves and USX shall have no liability therefore.

2. Granting Clause. Owner hereby grants to USX access rights and surface rights on and across the surface estate of the Land as set forth on Exhibit "A" attached hereto and by this reference incorporated herein for the exploration, development and transportation of oil, gas and other hydrocarbons. Exhibit "A" specifically depicts the approved location for the Well, access road, tank batteries and other associated surface production facilities, flowlines and pipelines. The parties agree that all rights herein granted are specifically limited by the descriptions set forth on Exhibit "A".

3. Term. The rights and easement granted pursuant to Paragraph 1 above shall commence on the effective date of this Agreement and continue until the Well is plugged and abandoned.

4. Consultation. If requested by Owner, prior to heavy equipment operations on each wellsite, USX's representative will meet and consult with Owner (or Owner's representative) as to the location of the wellsite, access road, flowlines, tank batteries and other associated production facilities.

5. USX Obligations. In conducting operations on the Lands, USX shall:

A. Locate the wellsite, access road, flowlines, tank batteries and other associated production facilities as depicted on Exhibit "A" attached hereto and by this reference made a part of this Agreement.

B. Limit the size of each wellsite to approximately 350 feet by 400 feet during any drilling, completion, recompletion or workover operations and shall be no more than 1/4 acre in size during other periods. The area required for any tank battery location associated with each well shall be limited to approximately one-half acre in size upon completion of construction. Access roads shall be limited to approximately 30 feet in width during drilling, completion, deepening, refracing, recompletion, reworking, equipping and production operations. The permanent access roads to the wellhead and tank battery location shall be limited to 15 feet in width.

C. Separate the topsoil at the time of excavation of pits so that the topsoil and subsurface soil can be placed back in proper order as nearly as possible.

D. Reclaim the wellsite as nearly as practicable to its original condition and if the location is in pasture, reseed the location with native grasses. Weather permitting, reclamation operations shall be completed within three months following drilling and subsequent related operations, unless USX and Owner mutually agree to postponement because of crop or other considerations.

E. Use its best efforts to keep the well, Lands, and production facilities free of weeds and debris.

6. Waiver of Thirty Day Notice. Owner hereby waives the minimum thirty-day written notice requirement described in the Notice Letter provided by USX to Owner when it initially gave notice of its intent to drill on the Lands.

7. Successors and Assigns. When USX is used in this Agreement, it shall also mean the successors and assigns of USX, as well as its employees and officers, agents, affiliates, contractors, subcontractors and/or purchasers. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of Owner and USX and may be executed in counterparts.

8. Confidentiality. Owner agrees to keep the amount of consideration paid hereunder by USX confidential and shall not disclose such information without the advance written consent from USX. USX may record a memorandum evidencing the existence of this Agreement.

9. Governing Law/Venue. This Agreement shall be interpreted according to the laws of the State of Colorado. Venue for any dispute shall be Weld County, Colorado.

10. Written Modifications/Notices. This Agreement may only be amended in writing signed by both parties. All notices to either party shall be in writing addressed to the parties at the address first set forth above.

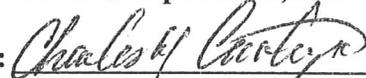
AGREED TO AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE.

**OWNER:**

**ERIE ROAD JOINT VENTURE**

BY:   
Paul H. Marx, As Managing Partner

**United States Exploration, Inc.**

BY:   
Attorney-in-Fact

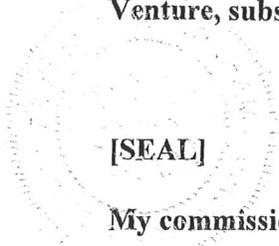
CS  
AC

ACKNOWLEDGMENTS

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Weld )

Personally appeared Paul H. Marx, As Managing Partner of Erie Road Joint Venture, subscribed and sworn to me this 25<sup>th</sup> day of July, 2006.

Peter J. Wuech  
Notary Public



[SEAL]

My commission expires: 07/14/2010

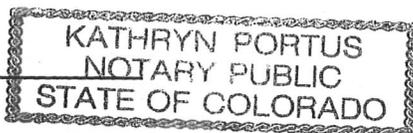
STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

Personally appeared Charles M. Countryman, As Attorney-In-Fact for United States Exploration, Inc., subscribed and sworn to me this 8<sup>th</sup> day of August, 2006.

Kathryn Portus  
Notary Public

[SEAL]

My commission expires: \_\_\_\_\_



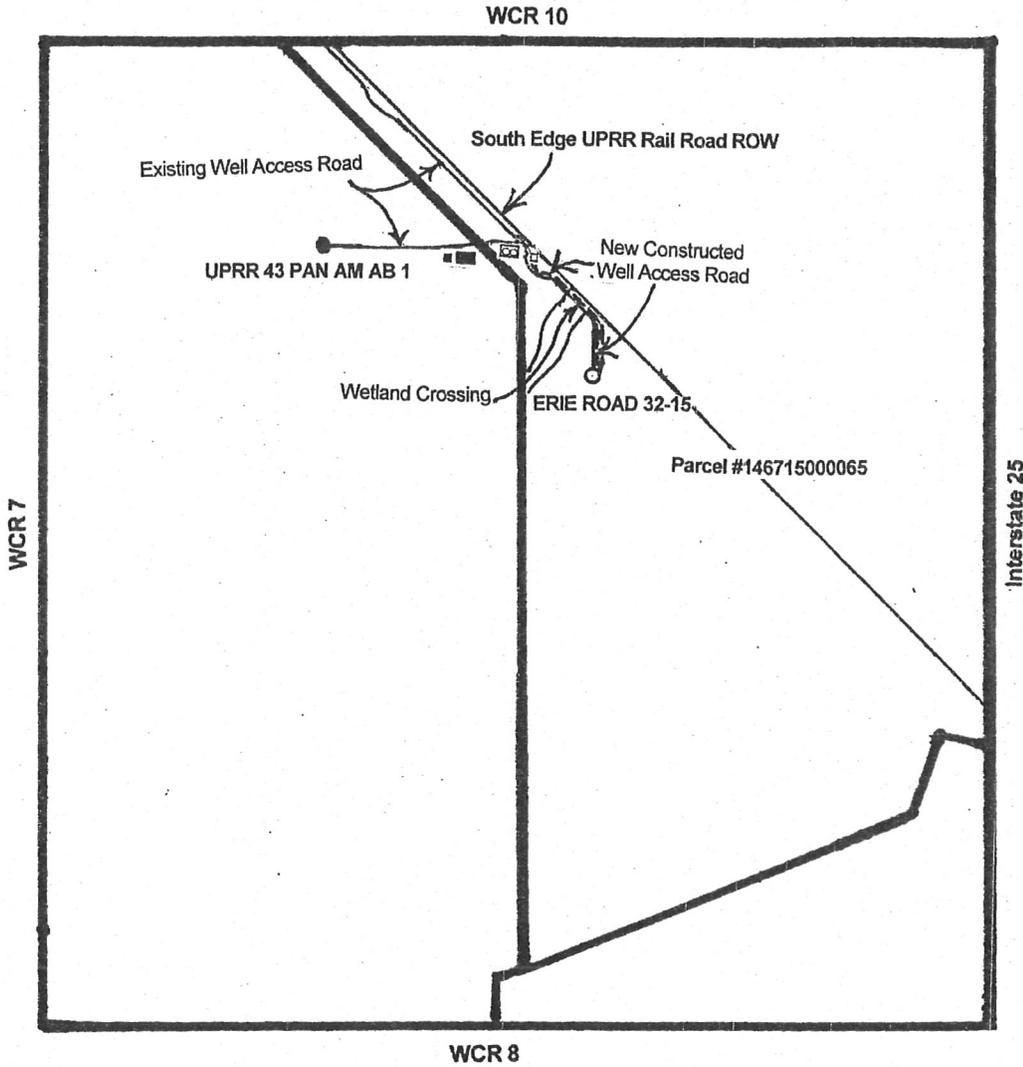
MY COMMISSION EXPIRES 2/9/2009

Exhibit "A"

Attached to and made a part of that certain Surface Use Agreement dated the 25<sup>th</sup> day of July, 2006, by and between Erie Road Joint Venture, as "Owner" and United States Exploration, Inc., as "USX".

**Township 1 North, Range 68 West, 6th P.M.**

**Section 15: A parcel of land situated in the E/2 and NE/4NW/4 identified as Parcel #14671500065 Weld County, Colorado**



**WELL NAME: ERIE ROAD 32-15**

**ACCESS ROAD: \_\_\_\_\_**

**PRODUCTION FACILITIES:   EXISTING PRODUCTION FACILITIES:**

**FLOWLINE: - - - - -**