

123-25613



SURFACE AND DAMAGE AGREEMENT

(With Receipt and Release)

THIS AGREEMENT made and entered into this 22nd day of November, 2004, by and between, CC OPEN A, LLC, as Owner of the surface of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25, Township 2 North, Range 65 West, Weld County, Colorado, hereinafter referred to as "Owner", and United States Exploration, Inc., hereinafter referred to as "USExpl".

For and in consideration of [REDACTED] per well in hand paid by USExpl, the receipt and sufficiency of which are hereby acknowledged as full payment, settlement, satisfaction, and discharge of any and all claims against USExpl, its agents, employees, and contractors for any and all detriment, injuries, and damages of whatsoever nature and character growing out of, incident to, or in connection with the reasonable and customary performance in the drilling, completing, equipping and production of the following "Well", or plugging and abandoning same as a dry hole, and all related operations in preparing the Well for production or abandonment ("Operations"):

Well Name: CC OPEN A 11-25

especially including, but not limited to, injury or damage to growing crops as a result of the Operations, access to the Well, and occupancy of the well site and related production facilities.

Owner hereby gives, grants, and conveys unto USExpl, its agents, employees, and contractors, a right to use Owner's property for all purposes necessary for USExpl to perform the Operations and all rights incident and appurtenant thereto, including but not limited to, the right to install and operate flowlines, product pipelines and tanks with the rights of unimpeded ingress and egress across Owner's lands to the Well and related production facilities described above.

Payment hereunder shall compensate Owner only for damages to Owner's land and growing crops. In the event of additional damages, including without limitation, damages to buildings, fences, gates, and livestock tanks, livestock, and other extraordinary losses or damages caused by USExpl, its agents, employees, and consultants to Owner's property, or to the property of Owner's surface lessee, if any, USExpl agrees to compensate Owner promptly for same on mutually agreeable terms.

Owner shall have the responsibility of notifying any affected tenant, lessee or other party who may own or have an interest in any crops or surface improvements which could be affected by USExpl's proposed Operations. Owner agrees that all damages claimed by a surface tenant, lessee or other party having an interest, resulting from USExpl's Operations shall be settled by Owner and Owner shall indemnify and hold USExpl harmless against any claims resulting there from.

USExpl agrees to perform all necessary reclamation work so the land affected by its Operations is restored as nearly as possible to its condition as existed immediately prior to USExpl's Operations, excepting any crops thereon.

Concerning any matter relating to USExpl's proposed Operations, Owner may contact:

Operator:	United States Exploration, Inc.	
Person(s) to Contact:		
Operations	Mr. Dean Rogers	(303) 886-0186
Land	Mr. Mark Wilson	(303) 886-8040
Main Office	1500 Poly Drive, Suite 100 Billings, MT 59102	

Commencement of USExpl's Operations with heavy equipment is estimated to begin on **December 30, 2004**. Owner acknowledges that it has been given notice by USExpl of its proposed Operations at least thirty (30) days [or if the well is to be drilled on irrigated crop lands between March 1 and October 31 at least 14 days] prior to USExpl's estimated commencement date or hereby waives such thirty (30) day, or fourteen (14) day, requirement. A brochure is available upon request from the Colorado Oil and Gas Conservation Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203, which describes the rights and responsibilities of Owner as the surface owner.

Owner acknowledges that it has consulted with USExpl as to the location of roads and the necessary production facilities, including flowlines, product pipelines and tanks and the location and size of the wellsite for the above described well, or hereby waives such consultation requirements. Owner also acknowledges that Owner had an opportunity to comment to USExpl regarding preferences for the timing of the Operations and preferred locations for the Well and associated facilities. Owner has requested that all consultations be conducted directly with Owner.

In consideration of the mutual benefits derived hereunder, Owner hereby remises, releases, acquits and forever discharges USExpl, its agents, employees, and consultants from any and every action, cause of action, suit, claim, and demand against USExpl, its agents, employees, and consultants arising out of, incident to, or in connection with USExpl's Operations, access to the Well and related production facilities, and occupancy thereof.

USExpl hereby remises, releases, acquits and forever discharges owner and heirs from any and every action, cause of action, suit, claim, and damage against owner and heirs arising out of, incident to, or in connection with access to, or operations of the well and related production facilities.

This Agreement shall extend to and bind Owner, USExpl, and their respective heirs, personal representatives, successors and assigns.

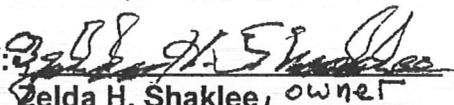
IN WITNESS WHEREOF, the parties have executed this Agreement on the same date as shown above.

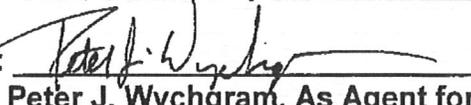
OWNER:

OPERATOR:

CC OPEN A, LLC

United States Exploration, Inc.

BY: 
Zeldia H. Shaklee, owner

BY: 
Peter J. Wychgram, As Agent for
United States Exploration, Inc.

TAX ID #: 

ADDRESS: 7495 WRC 49

Hudson, CO 80642

PHONE: 303-536-4687