

SURFACE USE AGREEMENT  
OM 3464  
Bronco State AF10-64-1HN

THIS SURFACE USE AGREEMENT ("Agreement"), dated effective this 2<sup>nd</sup> day of August, 2012, is made by and between the Colorado State Board of Land Commissioners, whose address is 1127 Sherman Street, Suite 300, Denver, CO 80203 herein called "Owner", and Noble Energy, Inc., 1625 Broadway, Suite 2200, Denver, Colorado 80202, herein called "Noble";

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

Township 5 North, Range 62 West, 6<sup>th</sup> P.M.  
Section 10: E/2

WHEREAS, Owner recognizes that Noble has certain rights to conduct operations on the Lands under the terms of Oil & Gas Lease(s) and certain obligations under Colorado Oil & Gas Conservation Commissions (COGCC) regulations covering the Lands, Owner and Noble desire to facilitate development of the oil and gas resources by use of the surface and to minimize any surface damage to the lands and to reach an agreement regarding such surface use; and

WHEREAS, It is Noble's desire to drill one horizontal well from a surface location on the Lands that is greater than 50 feet from any existing well, and which, therefore, requires Owner's consent so as to comply with COGCC Rules 318Ac.(2) and 318A(a);

NOW, THEREFORE, in consideration of the terms and conditions cited below, the parties agree as follows:

- 1) Owner agrees to allow Noble to use the surface of the Lands to drill the following Horizontal Well: Bronco State AF10-64-1HN (the "Well") as shown on Exhibit A.
- 2) Surface Operations. Noble's rights to use the surface of the Lands pursuant to this Agreement shall continue until the termination of the herein referenced oil and gas lease. Upon the plugging and abandonment of the Well, Noble shall reclaim the wellsite pursuant to the terms of this Agreement.
- 3) Subsurface Easement. Owner grants to Noble a subsurface easement for passage of any portion of the Well and all appurtenant structures, including, but not limited to, the wellbores, well casing, production tubing and cement. The subsurface easement hereby granted includes the right to occupy and use the subsurface and the subsurface pore space beneath the Lands displaced by the Well

and all appurtenant structures. This Agreement and associated subsurface easement shall run with the Lands and shall remain in full force and effect until the termination of the herein referenced oil and gas lease. Upon the termination of the herein referenced oil and gas lease, this Agreement and associated subsurface easement shall terminate, however, some underground appurtenances, including, but not limited to, the wellbores, well casing, production tubing and cement shall be allowed to remain in place.

- 4) Indemnification. Noble shall indemnify and hold Owner harmless from any and all liability, liens, demands, judgments, suits, and claims of any kind or character ("Claims") arising out of, in connection with, or relating to Noble's operations on the Lands including, but not limited to, environmental issues, erosion, sedimentation, surface damage, claims for injury to or death of any persons, or damage, loss or destruction of any property, real or personal, under any theory of tort, contract, strict liability, or statutory liability, except to the extent such Claims arise from Owner's sole or gross negligence or willful misconduct. Noble further covenants and agrees to defend any suits brought against Owner on any Claims, and to pay any judgment against Owner resulting from any suit or suits, together with all costs and expenses relating to any claims, including reasonable attorney's fees, arising from Noble's operations on the Lands, except to the extent such Claims arise from Owner's sole or gross negligence or willful misconduct. Owner, if it so elects, shall have the right to participate in its defense in any suit or suits in which it may be a party, inclusive of using separate counsel due to any conflicts that may arise, without relieving Noble of the obligation to defend Owner. Owner shall have the right to employ separate counsel in any action, suit or proceeding if, in accord with applicable codes or rules of attorney conduct, there would be an unwaivable or unwaived conflict of interest between Noble and Owner so that they cannot be represented by the same counsel and, under such circumstances, the fees and expenses of such separate counsel shall be paid solely by Noble.
- 5) Payment to Owner. Prior to the commencement of actual drilling operations on the Lands, Noble shall pay Owner  
(the "Payment") for the Well, as consideration for Owner's written consent to locate and drill the Wells outside of the prescribed GWA windows and for the Subsurface Easement described in paragraph 3 above:
- A) Payment is an advance payment for the wellsite as shown on Exhibit A attached hereto and made a part hereof and located on the Lands in which Owner owns the entire surface estate, together with any lands used for road purposes, production facilities, pipelines, flow lines or other necessary facilities in connection with the wellsite, and;
- B) If, the operations of Noble or its contractors directly cause damage to real or personal property upon the Lands such as, but not limited to, damage to livestock, structures, buildings, fences, culverts, concrete 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 additional actual damage or equal to an amount necessary to reimburse the Owner for the reasonable costs to repair such actual damages.

- 6) Existing Colorado Oil and Gas Lease 8/9794. No provision of this Surface Use Agreement shall modify, change, extend, amend or otherwise affect the rights and obligations of the parties under Colorado Oil and Gas Lease 8/9794 including the provisions for bonding for surface damage/restoration. In conducting operations on the Lands, Noble as the operator of this lease, shall be responsible for all activities herein described.
  
- 7) Approval of Wellsite Locations and Other Surface Stipulations. Noble must receive Owner's written approval prior to the submittal of an Application for Permit to Drill (APD) with the COGCC. Noble's representative shall meet and agree with Owner (or Owner's representative) as to the location of the access roads, flow lines, tank batteries, associated production facilities, and other stipulations as provided in the attached Exhibit B of this agreement. Reclamation activities shall include but not be limited to the following:
  - A) Noble shall reclaim the wellsite and associated roads and other associated impacted lands at its sole expense as nearly as practicable to its original condition. Final reclamation of the wellsite shall be to the satisfaction of the Owner, and shall comply with all appropriate reclamation regulations including COGCC Reclamation Regulation Series 1000 and Series 1100.
  - B) Noble shall use its best efforts to keep the Well, Lands, and production facilities free of weeds and debris.Such approval shall not be unreasonably withheld by Owner. Once approved such written approval shall be attached to and become a part of this agreement.
  
- 8) Standard of Conduct. At all times Noble, its employees and all contractors shall enter and use the Lands and shall conduct all oil and gas operations thereon in a good, careful, safe, and workmanlike manner, in compliance with the rules and regulations of the COGCC, the applicable Oil and Gas Lease, and this Agreement, and shall strive to identify and use the best management practices then available for surface management for oil and gas operations to the extent reasonably practicable.
  
- 9) Other Lessees. The parties recognize that other leases for surface use of the Lands exist. Noble shall use reasonable efforts to minimize the impact of its use of the surface of the Lands on the other surface lessees and their surface use.
  
- 10) Successors and Assigns. When the word Noble is used in this Agreement, it shall also mean the successors and assigns of Noble Energy Inc., including but not

limited to 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 the parties, and may be executed in counterparts.

- 11) Confidentiality. Owner agrees to keep the amount of consideration paid hereunder by Noble confidential to the extent allowed by law. Noble may record a memorandum evidencing the existence of this Agreement.
- 12) Governing Law/Venue. This Agreement shall be interpreted according to the laws of the State of Colorado. Venue for any dispute shall be City and County of Denver.
- 13) 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.
- 14) Insurance. The Lessee, at its sole cost and expense shall, prior to any surface disturbance and continuing during the entire lease term thereafter, procure, pay for and keep or shall ensure that its Operator procures, pays for and keeps in full force and effect the following types of insurance:
  - A) Liability Insurance
    - I) A comprehensive policy of liability insurance covering the Leased Premises insuring the Lessee, or the Operator, in the amount and types of insurance required by the Commission, but not less than one million dollars per occurrence.
  - B) General Provisions of Insurance Policies
    - I) All liability policies of insurance carried by the Lessee shall name the Lessee as insured and shall include the Lessor as additional insured on the policy.
    - II) Lessee shall not cancel the policy until thirty (30) days prior written notice is given to the Lessor. Lessee shall notify Lessor if the policy is cancelled by the insurance company within 10 days of Lessee receiving notification of such cancellation.
    - III) The Lessee shall furnish to Lessor a certificate of insurance or Letter of Self-insurance at the request of Lessor.

C) Lessor agrees that Lessee may self-insure for these insurance requirements.

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

Owner: Colorado State Board of Land Commissioners

By: Pete Milonas  
Pete Milonas, Minerals Director

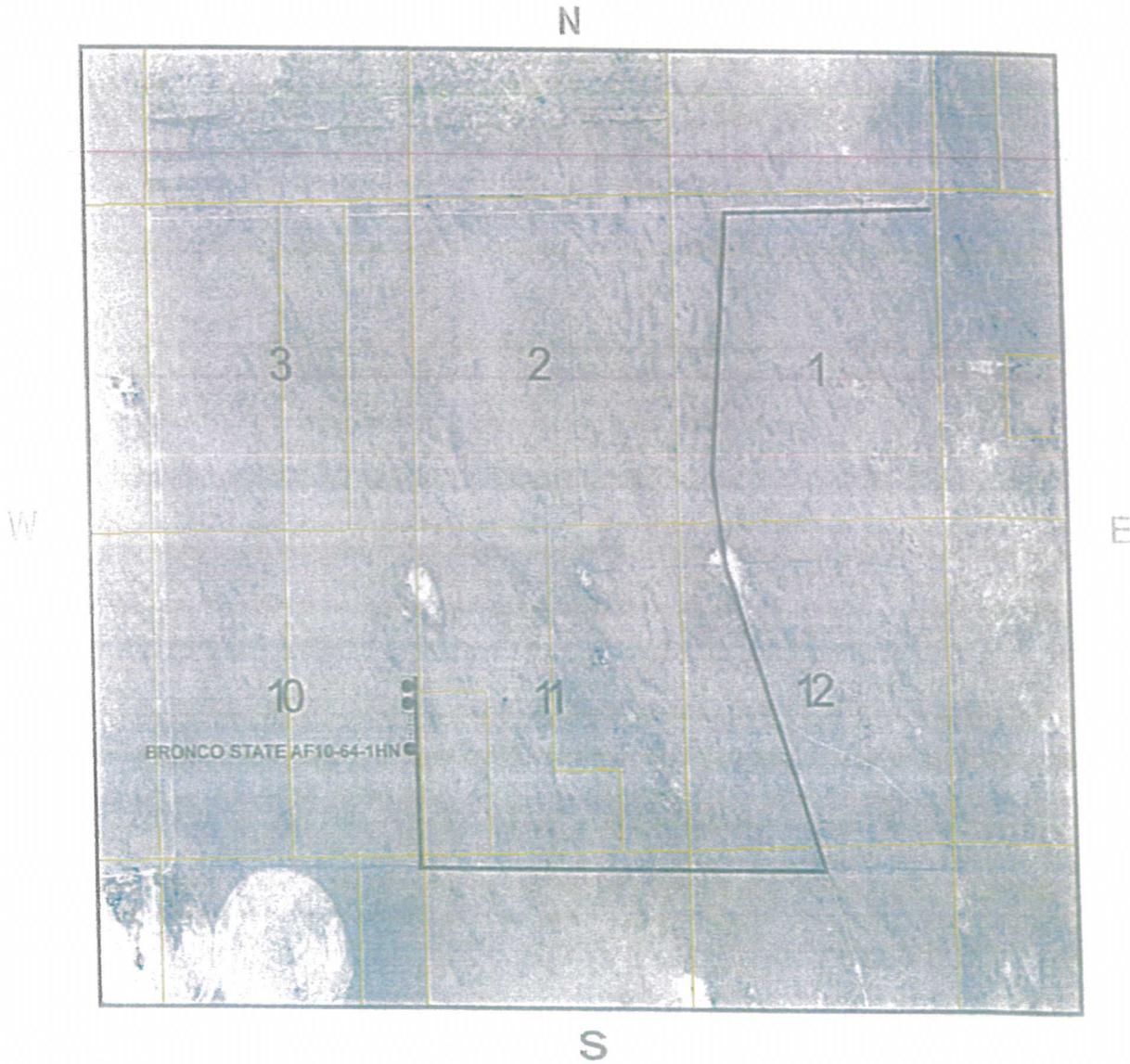


Noble Energy, Inc.

By: [Signature] *aw*  
Joseph H. Lorenzo, Attorney-in-Fact *PL*

Consultation Exhibit "A"

Township 5 North, Range 62 West, 6th P.M.,  
Section 10: E/2  
Weld County, Colorado



Colorado State Land Board

By: *Matthew A. Pollart*  
Matthew Pollart, North Central District Manager

Noble Representative: *[Signature]*

Date: 7/23/12

Comments:

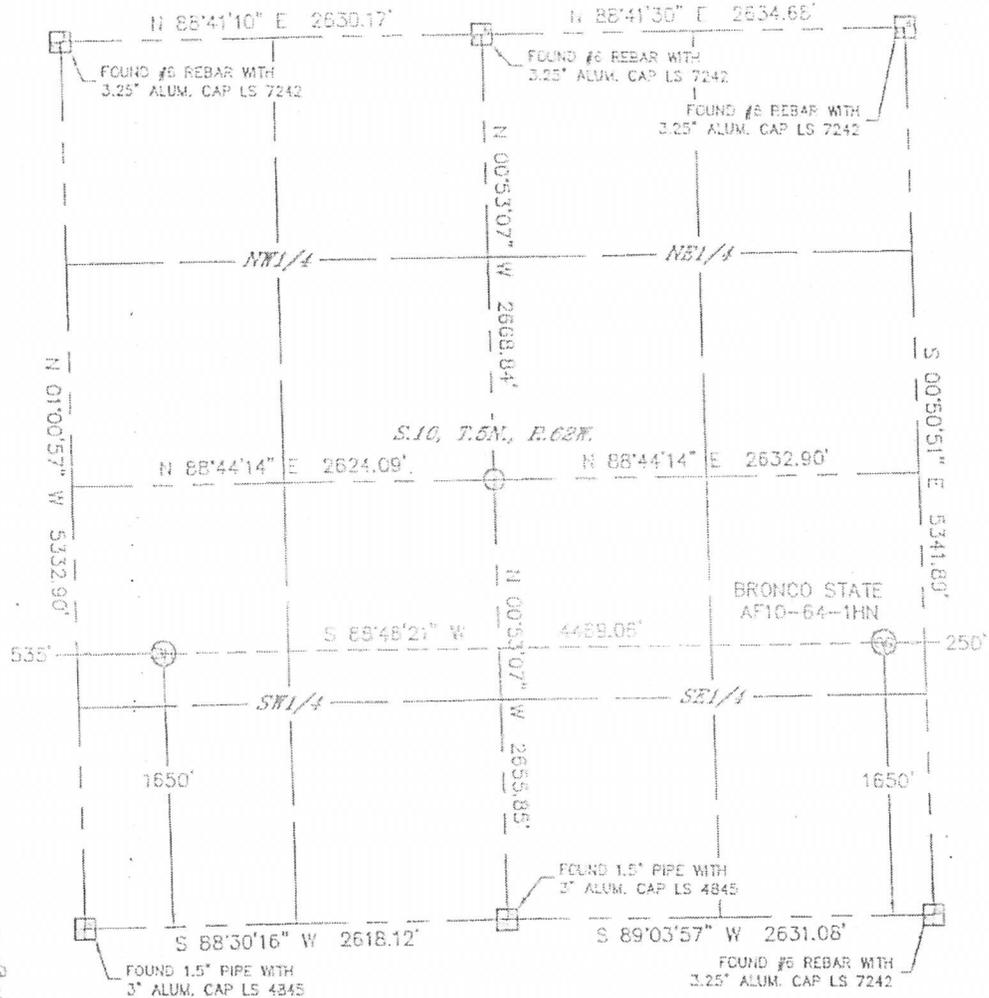
- Road Access 
- Flowline 
- Tank Battery 

Lat40°, Inc. 1635 Foxtrail Drive, Suite 325 Loveland, CO 970-776-3321

# WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY

SECTION: 10  
TOWNSHIP: 5N  
RANGE: 62W



In accordance with a request from Matt Verbill with Noble Energy Inc. Lat40°, Inc. has determined the surface location of the BRONCO STATE AF10-64-1HN to be 1650' from the SOUTH line and 250' from the EAST line and the bottom hole to be 1650' from the SOUTH line and 535' from the WEST line as measured at right angles from the section lines of Section 10, Township 5 North, Range 62 West of the Sixth Principal Meridian, County of Weld, State of Colorado.

I hereby state that this Well Location Certificate was prepared by me, or under my direct supervision, that the fieldwork was completed on 6/25/12, for and on behalf of Noble Energy Inc. That this is not a Land Survey Plat or an Improvement Survey Plat, and that it is not to be relied upon for establishment of fence, building, or other future improvement lines.

**NOTE:**

- 1) Bearings shown are Grid Bearings of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2007. The lineal dimensions as contained herein are based upon the "U.S. Survey Foot."
- 2) Ground elevations are based on an observed GPS elevation (NAVD 1988 DATUM).
- 3) NEAREST EXISTING WELL: NONE WITHIN SECTION
- 4) IMPROVEMENTS: See LOCATION DRAWING for all visible improvements within 400' of disturbed area.
- 5) SURFACE USE: RANGELAND
- 6) INSTRUMENT OPERATOR: ADAM KELLY

**NOTE:**

According to Colorado law, you must commence any legal action based upon any defect in this W.L.C. within three years after you discover such defect. In no event, may any action based upon any defect in this survey be commenced more than ten years after the date of the certificate shown hereon. (13-80-105 C.R.S.)

**LEGEND**

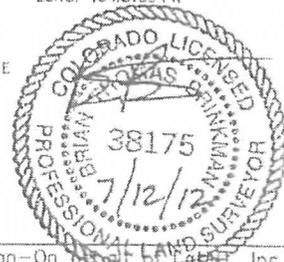
- = ALIQUOT MONUMENT AS DESCRIBED
- = CALCULATED POSITION

**SURFACE LOCATION:**

LAT: 40.411837N  
LONG: 104.300907W  
PDOP: 1.9  
ELEV: 4648'  
1/4 1/4, NE 1/4 SE 1/4  
NEAREST PROPERTY LINE: 250' E

**BOTTOM HOLE:**

LAT: 40.411747N  
LONG: 104.316947W



Brion T. Brinkman—On Behalf of Lat40°, Inc.  
Colorado Licensed Professional Land Surveyor No. 38175  
DATE: 7/11/12  
PROJECT: 2012075

EXHIBIT B  
Surface Use Agreement OM 3464  
CONSULTATION AGREEMENT  
Approval of Wellsite Locations and Other Surface Stipulations

THIS EXHIBIT B, (Consultation Agreement), dated August 2<sup>nd</sup>, 2012, is made by and between the Colorado State Board of Land Commissioners, whose address is 1127 Sherman Street, Suite 300, Denver, CO 80203, herein called "Owner", Noble Energy, Inc., herein called "Noble ", for specific surface use requirements and obligations as required under Paragraph 7 of Surface Use Agreement OM 3464.

Surface Use Obligations. In conducting operations on the Lands, Noble shall:

- 1) Locate the wellsite, access road(s), flow line, tank battery and other associated production facilities in consultation with Owner as compiled and depicted on Exhibit A for attachment to Surface Use Agreement OM 3464.
- 2) Limit the size of each wellsite to approximately 6 acres during any drilling, completion, recompletion or workover operations.
- 3) Limit wellsite to no more than 1 acre in size during other periods.
- 4) Use its reasonable efforts to utilize existing tank batteries. If a new tank battery is required, the size should not exceed 1 acre in size per well upon completion of construction.
- 5) Limit access road(s) to approximately 30 feet in width during drilling, completion, deepening, refracing, recompletion, reworking, equipping and production operations. The permanent access road(s) to the wellhead and tank battery location shall be limited to 15 feet in width. Road widths can be kept to this width utilizing passing area cutouts at strategic locations. Noble agrees to use one-inch or smaller rock when constructing permanent well access roads, unless agreed to by Owner.
- 6) 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.
- 7) Notify the Owner if reserve pits are placed on irrigated or dry land cropland. Owner or its designated representative may inspect the reserve pits and approve their reclamation prior to closure.
- 8) Reclaim the wellsite at its sole expense as nearly as practicable to its original condition.

- 9) Because the location is in pasture, revegetate the location with native grasses. Weather permitting, reclamation operations shall be completed within three months (preferably in the fall or spring when enough moisture is available for seed germination and plant growth) following drilling and subsequent related operations, unless Noble and Owner mutually agree to postponement due to unforeseen considerations.
- 10) Because the soil texture is loam or lighter, will keep a mulch of imbedded straw or chunky manure on all exposed soil until final reclamation.
- 11) Perform final reclamation of the wellsite to the satisfaction of the Owner, and comply with all appropriate reclamation regulations including COGCC Reclamation Regulation Series 1000 and Series 1100.

Owner: Colorado State Board of Land Commissioners

By: Pete Milonas  
Pete Milonas, Minerals Director

Noble Energy, Inc.

By: Joseph H. Lorenzo *WR*  
Joseph H. Lorenzo, Attorney-in-Fact *200*