

## SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement"), dated effective this 18<sup>th</sup> day of January, 2012, is made by and between the undersigned, Richard C. and Mary H. Schafer, whose address is 14913 County Road 44, La Salle, Colorado 80645, herein called "Owner", and Noble Energy, Inc., 1625 Broadway, Suite 2200, Denver, Colorado 80202, herein called "Noble";

WHEREAS, Owner represents that they are the surface owners 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 4 North, Range 66 West, 6th P.M.  
Section 16: NE/4SE/4;

covering the following named well: SCHAFER K16-64-1HN.

WHEREAS, 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;

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

1. Payment to Owner. Prior to commencement of drilling operations on the Lands, Noble 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, stimulation, completion, re-stimulation, re-completion, deepening, reworking, equipping, production, maintenance, plugging and abandoning operations for the well(s) together with the installation, operation and maintenance of the associated flowline(s), access roads and production facilities, including without limitation, as all of the foregoing may be related to directional, horizontal or lateral wellbores unless otherwise specifically provided herein:

A. Minimum Payment

i. The proposed wellsite 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;

ii. A permanent subsurface easement for passage of any portion of the wellbore, whether producing or non-producing, including the right to occupy and use the

subsurface and the subsurface pore space displaced by the wellbore and all structures appurtenant thereto;

iii. Utility easements from third parties which may be necessary for the operation of an electric motor on a pump jack.

B. If, by reasons directly resulting from the operations of Noble, 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 Noble, or Noble 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 Noble'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 Noble shall have no liability therefore.

D. Owner grants consent to locate the Horizontal Well greater than 50 feet from an existing well pursuant to COGCC Rule 318A.(c.) Owner grants consent to locate the proposed Horizontal Well outside of the GWA windows as defined in COGCC Rule 318A(a). Owner shall grant any necessary property line waivers required under COGCC Rule 603 and to grant waivers as to any other state or local setback requirements or other requirements or regulations that are or become inconsistent with this Agreement. Additionally, Owner shall grant waivers or consents to any requirement or regulation that may prohibit or interfere with obtaining any necessary permits to drill the Horizontal Well. Owner understands that Noble may provide a copy of this Agreement in order to obtain an exception location or variance from the under COGCC rules or from a local jurisdiction. Owner also agrees that it will not object in any forum to the use by Noble of the surface of the Property consistent with this Agreement and that it will also provide Noble with whatever written support they may reasonably require to obtain permits from the COGCC or any local jurisdiction.

2. Consultation. If requested by Owner, prior to heavy equipment operations on each wellsite, Noble'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.

3. Noble Obligations. In conducting operations on the Lands, Noble 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 six (6) acres during any drilling, completion, recompletion or workover operations and shall be no more than one (1) acre in size per well 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 per well upon completion of construction. Access roads shall be limited to approximately thirty (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 fifteen (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 six months following drilling and subsequent related operations, unless Noble and Owner mutually agree to postponement because of crop or other considerations.

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

F. Regarding a wellsite that is located in pasture or non-crop land, the Surface Owner shall have the option to either have Noble reseed the affected area at Noble sole cost, risk and expense, or reseed the affected area itself and receive payment from Noble in the amount of \_\_\_\_\_ upon notice of such reseeded by Surface Owner. Such payment will constitute Surface Owner's acceptance of responsibility for compliance with COGCC Rule 1003.e.(2), Revegetation of Non-Crop Lands, insofar as any perennial forage crops that were present before disturbance shall be re-established.

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

5. Successors and Assigns. When Noble is used in this Agreement, it shall also mean the successors and assigns of Noble, 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 Noble and may be executed in counterparts.

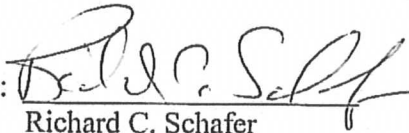
6. Confidentiality. Owner agrees to keep the amount of consideration paid hereunder by Noble confidential and shall not disclose such information without the advance written consent from Noble. Noble may record a memorandum evidencing the existence of this Agreement.

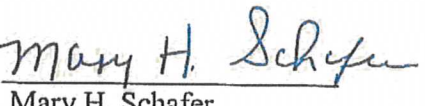
7. Governing Law/Venue. This Agreement shall be interpreted according to the laws of the State of Colorado. Venue for any dispute shall be Weld County, Colorado.

8. 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.

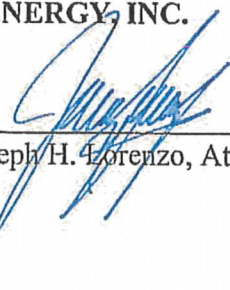
AGREED TO AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE.

**OWNER: RICHARD C. AND MARY H. SCHAFER**

By:  *RS*  
Richard C. Schafer *al*

By:  *RS*  
Mary H. Schafer *an*

**NOBLE ENERGY, INC.**

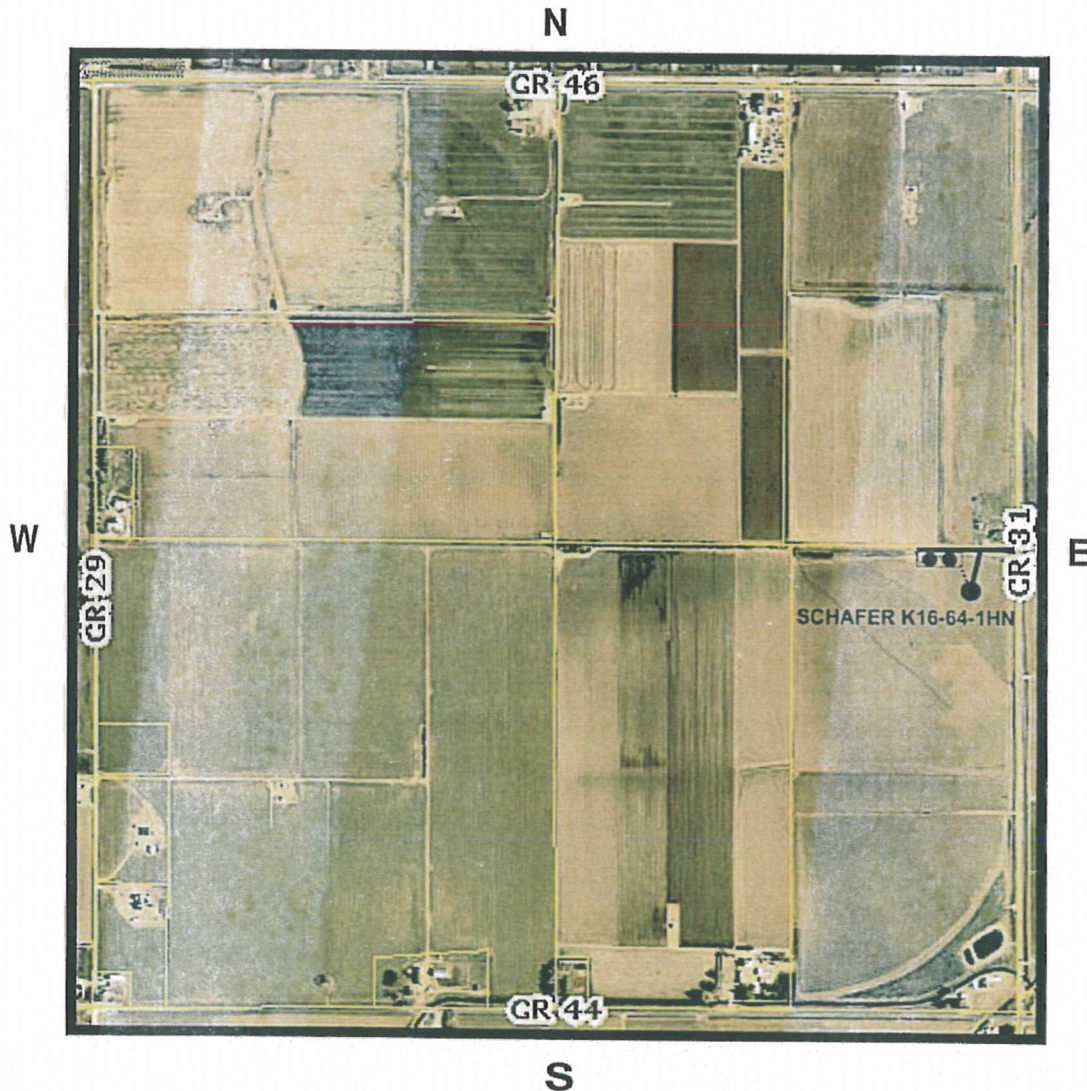
By:   
Joseph H. Lorenzo, Attorney-In-Fact *mw*





## Exhibit "A"

Attached to and by reference made a part of that certain Surface Use Agreement dated 18<sup>th</sup>, 2012, by and between Richard C. and Mary H. Schafer as "Owner", and Noble Energy, Inc. as "Noble" covering the following lands:

Township 4 North, Range 66 West, 6th P.M.  
Section 16: NE/4SE/4  
Weld County, Colorado



Road Access 

Flowline 

Tank Battery 