

## AGREEMENT

THIS AGREEMENT ("Agreement"), is made and entered into this 24 day of March, 2007 by and between United States Exploration, Inc., 1625 Broadway, Suite 2000, Denver, Colorado 80202, ("USX") and Wells Ranch LLP, a Colorado limited liability limited partnership, whose address is 32010 Weld County Road 63, Gill, Colorado 80624, as surface owner ("Surface Owner"). USX and Surface Owner are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

### WITNESSETH:

WHEREAS, Surface Owner owns the surface estate of the property, which is more fully described on Exhibit "A" attached hereto, said lands hereinafter referred to as the "Property";

WHEREAS, USX owns or may have rights to earn oil and gas leases under the Property (the "Leased Lands") which are more fully described on Exhibit "B".

WHEREAS, USX desires to have un-encumbered access to the Property for the purpose of permitting, drilling, completing, producing, operating, maintaining oil and gas wells, and installing gas transportation pipelines to the extent necessary on the Leased Lands.

WHEREAS, Surface Owner is willing to grant USX access to the Leased Lands under certain terms and conditions.

NOW, THEREFORE, in consideration of the premises and covenants hereinafter contained, to be kept and performed by the Parties hereto, Surface Owner and USX agree as follows:

### I. Operational Covenants.

A. Payment to Surface Owner. Prior to commencement of drilling operations on the Lands, USX shall pay Surface 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:

1. [REDACTED] for each proposed wellsite located on the Property together with any lands used for access roads, production facilities, pipelines, flowlines or other necessary facilities in connection with the wellsite.

2. If, by reasons directly resulting from the operations of USX, there is damage to real or personal property upon the Property 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 Surface Owner for such additional actual damage or an amount equal to the reasonable costs to repair such actual damages.

3. Surface Owner agrees to notify any surface tenant that may be affected by USX's operations on the Property and Surface Owner may allocate the payments made hereunder with such surface tenant as they shall mutually determine between themselves and USX shall have no liability therefor.

B. Consultation. Prior to heavy equipment operations on each wellsite, USX's representative will meet and consult with Surface Owner as to the location of the wellsite, access road, flowlines, tank batteries, pipelines and other associated production facilities.

C. USX Obligations. In conducting operations on the Property, USX shall:

1. Create, update and maintain a plat of the Property that will locate and depict all wellsites, access roads, flowlines, tank batteries, pipelines and other associated production facilities. USX shall provide to Surface Owner a complete and updated plat following each wellsite consultation.

2. 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 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 15 feet in width. Pipeline right-of-way easements shall be thirty (30) feet in width when required off the Leased Lands. Existing ranch roads will be utilized to the maximum degree practical and said roads will be maintained by USX.

3. 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.

4. Reclaim each wellsite as nearly as practicable to its original condition and 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 Surface Owner mutually agree to postponement because of other considerations.

5. Use its best efforts to keep the wellsites, and production facilities free of weeds and debris.

## II. Payment out of Production to Surface Owner (Leased Lands on Exhibit "B").

A.



**IV. Grant of Access.**

The payments being made pursuant to Paragraph I.(A)(1) and Paragraph II (A) shall constitute the full, entire and complete consideration to Surface Owner for access and pipeline easements to, from, over and across the Property to the surface of all of the Leased Lands.

**V. Confidentiality**

Surface Owner agrees to keep the nature and extent of the Payment confidential and agrees not to disclose it or the existence of this Agreement to any third party unless required by a legal proceeding requiring such disclosures.

**VI. Miscellaneous.**

A. Notices. All notices and communications required or permitted under this Agreement shall be in writing and addressed as set forth below. Any communication or delivery hereunder shall be deemed to have been duly made and the receiving party charged with notice (1) is personally delivered, when received (2) if sent by telefax, when receipt of the fax by the party of whom the fax was sent has been electronically confirmed, (3) if mailed, three business days after mailing, certified mail, return receipt requested, or (4) if sent by overnight courier, one day after sending. All notices shall be addressed as follows:

If to Surface Owner:

Wells Ranch, LLLP  
32010 Weld County Road 63  
Gill, Colorado 80624  
Attention: Mr. Steve Wells  
Telephone:                      303-426-1111  
Telefax:                         303-426-1112

If to USX:

United States Exploration, Inc.  
804 Grand Avenue  
Platteville, CO 80651  
Attention: Land Department  
Telephone: 970-785-5000  
Telefax: 970-785-5099

With a copy to:

United States Exploration, Inc.  
1625 Broadway, Suite 2000  
Denver, Colorado 80202  
Attention: Wattenberg Land Department  
Telephone: 303-228-4000  
Telefax: 303-228-4285

3. 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 Surface Owner and USX and may be executed in counterparts.

4. Termination. USX'S obligation to make the Payment will apply to the successors and assigns of USX consistent with the terms and conditions of this Agreement and will terminate on an individual well basis when any such well on the Leased Lands is plugged and abandoned.

In the event Surface Owner sells, divests, subdivides or develops the Property or access thereto or breaches the confidentiality described above, Surface Owner agrees that the obligation to make the Payment will terminate and be of no further force or effect. In such event, the Payment will terminate effective the last day of the month in which such event occurs.

5. Not Recorded. This Agreement, its contents or existence shall not be recorded in the public records by either party.

6. 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.

7. Written Modifications/Notices. This Agreement may only be amended in writing signed by both parties

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

Surface Owner: Wells Ranch LLLP

By: James T. Wulff

Title: owner, General Partner

Tax ID#: 38-0924907

UNITED STATES EXPLORATION, INC.

By: David S. Kelly att. W  
Attorney-In-Fact

**Exhibit "A"**

Attached to and by reference made a part of that certain Agreement dated March 2<sup>nd</sup>, 2007 by and between Surface Owner and United States Exploration, Inc. as "USX" covering the following lands located in Weld County, Colorado:

Township 5 North, Range 62 West

Section 3: W/2  
Section 4: All  
Section 5: All  
Section 6: All  
Section 7: All  
Section 8: All  
Section 9: All

Township 5 North, Range 63 West

Section 1: All  
Section 2: All  
Section 3: All  
Section 4: All  
Section 5: All  
Section 10: E/2  
Section 11: All  
Section 12: All  
Section 14: All  
Section 15: All

Township 6 North, Range 62 West

Section 5: All  
Section 6: E/2  
Section 7: All  
Section 8: All  
Section 17: All  
Section 18: All  
Section 19: All  
Section 20: All  
Section 21: All  
Section 28: All  
Section 29: All  
Section 30: All  
Section 31: All  
Section 32: All  
Section 33: All

Township 6 North, Range 63 West

Section 10: E/2  
Section 11: All  
Section 12: All  
Section 13: All  
Section 14: All  
Section 15: All  
Section 19: E/2  
Section 20: All  
Section 21: All  
Section 22: All  
Section 24: All  
Section 23: All  
Section 25: All  
Section 26: All  
Section 27: All  
Section 28: All  
Section 29: All  
Section 30: E/2  
Section 31: E/2  
Section 32: All  
Section 33: All  
Section 34: All  
Section 35: All  
Section 36: All

**Exhibit “B”**

Attached to and by reference made a part of that certain Agreement dated March 24<sup>th</sup>, 2007 by and between Surface Owner and United States Exploration, Inc. as “USX” covering the following lands located in Weld County, Colorado:

Township 5 North, Range 63 West

Section 1: All  
Section 3: All  
Section 5: All  
Section 11: All  
Section 15: All

Township 6 North, Range 62 West

Section 7: All  
Section 17: All  
Section 19: All  
Section 21: All  
Section 29: All  
Section 31: All  
Section 33: All

Township 6 North, Range 63 West

Section 11: All  
Section 13: All  
Section 15: All  
Section 19: E/2  
Section 23: All  
Section 25: All  
Section 27: All  
Section 31: E/2  
Section 33: All  
Section 35: All