

SURFACE OWNER AGREEMENT



02025233

RECEIVED

APR 04 2008

547

WHEREAS, Walsh Production, Inc., hereinafter referred to as "WPI", and WPI, Veleria M Fabrizius, hereinafter collectively referred to as "Fabrizius", have previously entered into an Oil and Gas Lease, hereinafter referred to as "Fabrizius Lease", dated October 14, 2004 and amended December 8, 2004, which Fabrizius Lease is attached hereto as Exhibit "A", and

WHEREAS, Fabrizius is the surface owner for the following lands in Weld County, Colorado

T10N R61W
Section 3 N/2, N/2S/2, Section 4: NE/4, and Section 11 NW/4

T11N R61W
Section 13. All, Section 23 All, Section 24 W/2, Section 26, N/2, SW/4, Section 27 All, Section 28. All, except that portion of land contained in the Grover Cemetery, Section 33: All, and Section 34 W/2

All of the lands owned by Fabrizius and described above are hereinafter referred to as "Fabrizius Lands", and

WHEREAS, Fabrizius does not own a mineral interest under a portion of the Fabrizius Lands, and

WHEREAS, WPI has drilled the Weld #5-28 Well located in the SWNW of Section 28-T11N-R61W, Weld County, Colorado on the Fabrizius Lands; and

WHEREAS, WPI and Fabrizius desire to enter into a Surface Owner Agreement covering all of the Fabrizius Lands

NOW THEREFORE in consideration of Ten Dollars and other mutual benefits derived pursuant to this Surface Owner Agreement, WPI and Fabrizius agree as follows.

1. Surface Damage Payment

WPI agrees to pay Fabrizius as consideration for surface damages for each drillsite constructed on the Fabrizius Lands. Said payment will be tendered to Fabrizius in advance of any major dirt work to build the location. Upon receipt of each consideration Fabrizius agrees to execute a "Damage Payment Receipt and Waiver" for each drillsite in the same form attached hereto as Exhibit "B" to this Surface Owners Agreement, which Exhibit is made a part of this Surface Owner Agreement for all purposes

2.

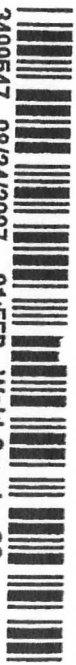
3. Right-Of-Way Agreement

In the event a Right-Of-Way, ("ROW"), across the Fabrizius Lands is needed for roads, pipelines, etc by WPI, WPI and Fabrizius agrees to execute a formal ROW agreement in the same forms attached hereto as Exhibit "D" (for Pipelines) and Exhibit "E" (for Roads) to this Surface Owners Agreement, which Exhibits are made a part of this Surface Owner Agreement for all purposes

WPI agrees to pay Fabrizius as consideration for said ROWs



2100847 NR12AR7007 01-55P Weld County, CO



3499547 08/24/2007 01:55P Weld County, CO
2 of 13 R 66.00 D 0.00 Steve Moreno Clerk & Recorder

4. Term of Agreement

For a term of ten years from the date hereof, and as long thereafter as WPI, its successors and assigns, shall operate any oil and gas wells, maintain any roads or pipelines, any structures, equipment, appliances and appurtenances upon the Fabrizious Lands, together with the right of free ingress and egress to and from said premises. This shall be a covenant running with the land and shall burden the land and the successors, heirs or assigns of WPI and Fabrizious for the term of the Surface Owner Agreement.

IN WITNESS WHEREOF: Executed this 19th day of June, 2007, but made effective as of June 14, 2007.

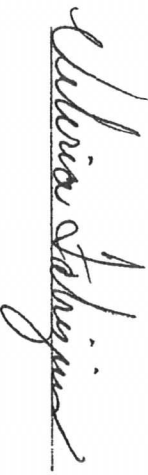
WALSH PRODUCTION, INC.


Dean R. Gackle, Vice President

WILLIAM FABRIZIUS



VELERIA M. FABRIZIUS

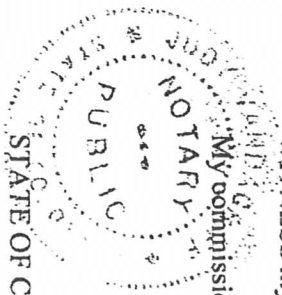


Acknowledgments

STATE OF COLORADO)
) ss.
COUNTY OF LOGAN)

The foregoing instrument was acknowledged before me this 19th day of June, 2007, By Dean R. Gackle, as Vice President of Walsh Production, Inc.

WITNESS my hand and official seal
My commission expires: Sept 3, 2008
Notary Public. 



STATE OF COLORADO)
) ss.
COUNTY OF Weld)

The foregoing instrument was acknowledged before me this 19th day of June, 2007, By William and Veleria M. Fabrizious.

WITNESS my hand and official seal
My commission expires: Sept 2, 2008
Notary Public. 