

## SURFACE USE AGREEMENT



THIS SURFACE USE AGREEMENT ("Agreement"), dated effective this 7<sup>th</sup> day of JUNE, 2010, is made by and between the undersigned, DF Ranch, LLC, whose address is 285 South Farnham Street, Galesburg, Illinois 61401 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", more fully described in Exhibit A attached hereto and made a part hereof;

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 ten dollars 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, unless otherwise specifically provided herein:

A.  for each proposed vertical wellsite and  for each proposed horizontal 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, including 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.

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

A. Locate, construct and install the wellsite, access road, flowlines, and production facilities, including, but not limited to, pumping units, production tanks, water pits, heater/treaters, separators and emission control units 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 350 feet by 400 feet for a vertical wellsite and approximately 400 feet by 500 for a horizontal wellsite 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 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.

C. Separate the topsoil at the time of excavation of pits in accordance with Rule 1002.b.(2) of the rules and regulations of the Colorado Oil & Gas Conservation Commission ("COGCC") so that the topsoil and subsurface soil can be placed back in proper order as nearly as practicable.

D. Perform all reclamation in accordance with the rules and regulations of the COGCC, unless a variance is granted by the COGCC upon the request of Owner. 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, debris and erosion.

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 [REDACTED] upon notice of such reseeding 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.

3. Advance Notice. Owner hereby acknowledges receipt of Noble's Advance Notice of Drilling and that this notice complies with, or hereby waives, all COGCC requirements that it be given advance notice by Noble of the proposed operations. Owner acknowledges receiving from Noble a brochure prepared by the COGCC which describes the rights and responsibilities of Owner as surface owner.

4. Good Faith Consultation. Owner acknowledges and agrees that Noble has consulted in good faith with Owner as to its proposed operations, in accordance with COGCC requirements, or hereby waives such requirements.

(a) Noble will provide Owner with the COGCC Form 2A for the well(s) when submitted to the COGCC, and Noble undertakes to ensure that said Form 2A accurately reflects the provisions of this Agreement, including the specified surface locations of facilities shown on Exhibit A.

(b) Owner agrees not to object to said Form 2A, so long as it is consistent with this Agreement, and hereby agrees to not comment on said Form 2A, to not request an extension of the comment period, to not request an onsite inspection and further agrees to not to appeal the approval and issuance of the Form 2A and the related Form 2.

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. Owner further agrees to include language in any annexation, subdivision plat, planned unit development or other land use designation for which Owner may apply to put successors or assigns on notice that the property is subject to this Agreement. Noble may record a memorandum evidencing the existence of this Agreement, but in all other respects its terms and conditions shall be held confidential by the parties.

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.



9. Effective Date and Term. This Agreement shall become effective when it is fully executed and shall remain in full force and effect until Noble's leasehold estate expires or is terminated, and Noble has plugged and abandoned the well(s) and conducted reclamation in accordance with this Agreement and applicable COGCC rules and regulations, except that any release, discharge or indemnity from and against liability contained herein shall survive the expiration of this Agreement.

10. Effect on Oil & Gas Lease. The parties herein agree that the terms and conditions of this Agreement shall supersede Paragraph 7 of the Addendum to the Oil & Gas Leases dated August 29, 2001, between Bauman Ranch, Inc., Brett L. Bauman, John E. Bauman, R. Bruce Bauman (Owner's predecessors in interest) and Walsh Production, Inc. (Noble's predecessor in interest) and recorded at Reception Numbers 2888175 and 2888176 in the records of Weld County, Colorado. The parties herein further agree to amend the Oil & Gas Leases by removing Paragraph 7 from the Addendums and recording a Memorandum of this Surface Use Agreement in the records of Weld County, Colorado. The parties further agree that the terms and conditions of this Agreement shall supersede the Surface Use and Release Agreement dated January 22, 2010, between DF Ranch, LLC and Petro-Canada Resources (USA) Inc. which covers Section 17, T11N-R61W, and was not covered by the Addendums to the Oil & Gas Leases referenced above.

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

**OWNER: DF RANCH, LLC**

By: Donald E. Fike *EW*  
Donald E. Fike, Manager

**NOBLE ENERGY, INC.**

By: P. David Padgett *P.A.*  
P. David Padgett, Attorney-In-Fact *DM*  
*RL*

**EXHIBIT A**

**Township 11 North, Range 61 West, 6<sup>th</sup> P.M.**

Section 2: NW/4, S/2

Section 3: ALL

Section 7: ALL

Section 8: ALL

Section 9: ALL

Section 10: ALL

Section 11: W/2

Section 15: ALL

Section 17: ALL

Section 18: All that part lying East of WCR 390

Section 20: ALL

Section 21: ALL

Section 22: ALL

**Township 12 North, Range 61 West, 6<sup>th</sup> P.M.**

Section 19: SE/4

Section 20: ALL

Section 21: ALL

Section 29: ALL

Section 30: S/2, S/2NE/4

3706638 07/21/2010 11:31A Weld County, CO  
1 of 1 R 11.00 D 0.00 Steve Moreno Clerk & Recorder

## MEMORANDUM OF AGREEMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF WELD )

This Memorandum is made this 9<sup>th</sup> day of July 2010, by Noble Energy, Inc. ("Noble"), 1625 Broadway, Suite 2200, Denver, CO 80202.


On June 7, 2010, DF Ranch, LLC, ("Surface Owner") and Noble entered into a Surface Use Agreement (the "Agreement") providing for the use of the surface of the land described below by Noble in connection with certain oil and gas operations and the compensation to Surface Owner for all damages (except as provided in the Agreement) to the surface of the land associated with the drilling, testing, completion, recompletion, reworking, reentry, pumping, operation and maintenance of the wellsites to be located in:

Township 11 North, Range 61 West, 6th P.M.  
Section 2: NW/4, S/2  
Sections 3, 7, 8, 9, 10, 15, 17, 20, 21 and 22: ALL  
Section 11: W/2  
Section 18: All that part lying East of WCR 390

Township 12 North, Range 61 West, 6th P.M.  
Section 19: SE/4  
Sections 20, 21 and 29: ALL  
Section 30: S/2, S/2NE/4

This Memorandum of Agreement is executed by Noble and placed of record in Weld County, Colorado for the purpose of placing all persons on notice of the existence of the Surface Use Agreement. A true and complete copy of the Agreement is available from Noble to any person with an interest in the above-described land.

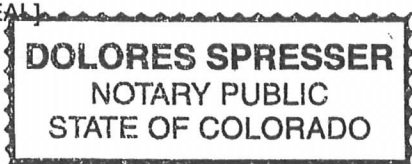
NOBLE ENERGY, INC.

By: P. David Padgett, Attorney-in-Fact 

STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of July 2010, by P. David Padgett, Attorney-in-Fact for Noble Energy, Inc., a Delaware corporation, on behalf of said corporation

[SEAL]


  
Notary Public
My commission expires: 05/26/2014