



## **SURFACE DAMAGE AGREEMENT & RELEASE MULTIPLE WELL OPERATIONAL AREA**

KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of the sum of Ten and More Dollars (\$10.00 +), paid to the undersigned by **PETROX RESOURCES CORPORATION**, (hereinafter called "Operator"), receipt of which is hereby acknowledged, Steven Wright and Joyce Wright hereinafter called "OWNER") and their heirs, successors, and assigns, as the OWNER of the hereinafter described lands, do hereby release Operator, its successors, agents and employees from any and all claims for damages to the surface of the hereinafter described lands in Archuleta County, Colorado, resulting from the ingress and egress, drilling, completion, operation, maintenance and/or abandonment of wells situated upon and under the hereinafter described lands:

Township 33 North Range 5 West, N.M.P.M.  
Section 21: S/2N/2

Operator shall be allowed the use an area not to exceed three hundred (300) feet by three hundred (300) feet (2.07 acres) located approximately as shown by the plat attached as Exhibit "A" and operator shall use only such portions of the described lands as are reasonably necessary for drilling and completion operations, but operator shall have access at all times to the entire 2.07 acre area if necessary for operational or maintenance purposes. Additionally, consideration paid herein shall entitle operator to a well access road, a pipeline right-of-way easement and tie-ins.

OWNER releases Operator, its successors, agents and employees from any and all claims for damages for loss of growing crops on the hereinafter described lands resulting directly or indirectly from the drilling, completion, operation, maintenance and/or abandonment of wells drilled within the operational area as set out on Exhibit "A".

The consideration paid hereunder shall also compensate the OWNER for damages sustained or which may be sustained, as a direct or indirect result of the construction, maintenance and subsequent use of production facilities necessary for Operator, its successors, agents, and employees to properly conduct operations and maintenance activities associated with the wells located within the operational area. Operator shall conduct its operations in a manner which will cause the least practical interference with OWNER's use of the leased lands.

Operator agrees to repair all fences, build gates and maintain access roads and crossings in a manner which will allow OWNER to continue its use of the property in its current manner. Upon the conclusion of drilling and completion operations, the operational area shall be reduced in size to the minimum necessary to allow for normal production operations and the remainder of the operational area will be reclaimed. Reclamation shall consist of grading disturbed areas to as closely as is reasonably possible to pre-existing grade. Rig anchors may be left in place, if identified in a manner which will avoid damage to OWNER's equipment. Restoration shall conform to the Colorado Oil and Gas Conservation Commission (COGCC) rules and regulations. Operator shall maintain disturbed areas and facilities free of weeds. Pumping equipment shall be fenced.

Operator, at its discretion, may use synthetic liners for any pits utilized; however, Operator must bury said liners upon final reclamation of the site.

Operator will comply with COGCC Rules concerning Noise Abatement and shall install hospital grade mufflers, buried in series, sound walls, and/or other devices as necessary.

Return to:  
MINNEY, J. W.  
P.O. BOX 2471  
DURANGO, CO 81302



Surface Damage Agreement & Release  
Page 2 of 3.

The consideration due hereunder shall be payable prior to the commencement of drilling operations on the subject lands.

Operator hereby agrees to indemnify and hold OWNER harmless from and against any and all expenses, losses or damages resulting from or relating to Operator's operation and maintenance of the wells, equipment, road and related activities on the property, provided however Operator does not indemnify OWNER for expenses, losses or damages resulting from OWNER's conduct on the Property.

OWNER hereby waives the thirty (30) day notification prior to commencement of drilling operations as required by Rule 305.b of the COGCC rules and acknowledges that OWNER has received the brochure "Information for Oil and Gas Operators, Surface Owners and Surface Tenants" as per COGCC Rule 305.c(6),

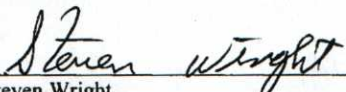
Surface OWNER agrees that the terms of this Agreement accommodate Owner's use of the property pursuant to Colorado Revised Statute 34-60-127. This Agreement shall serve as evidence that the consultation requirement of COGCC Rules 305 and 306 have been fulfilled.

This Agreement shall be for as long as the above captioned wells are operated by Operator, its successors and assigns, and for a period of one year after the abandonment of any well during which time Operator shall have the right to remove all facilities and other fixtures installed pursuant to this agreement. Upon abandonment of all wells, Operator agrees to restore the surface of the lands to as closely as is reasonably possible to its condition prior to Operator's operations in accordance with COGCC Rules.

Petrox's rights under this Agreement shall be in addition to, and shall not diminish, any and all rights under its Oil and Gas Leases covering all or any portion of the Subject Property. The terms of this written Agreement and that certain Side Letter Agreement of even date shall constitute the full agreement between the parties hereto and no modification or amendment of this Agreement shall be effective unless made in writing and signed by the parties.


IN WITNESS WHEREOF, this Surface Damage Agreement and Release is voluntarily entered into and executed this 14th day of November, 2007.

OWNER:

  
Steven Wright

  
Joyce Wright

OPERATOR:  
PETROX RESOURCES CORPORATION

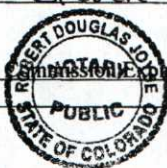
BY:   
Michael J. Finney  
Agent for Petrox Resources Corporation.



**NOTARY PUBLIC**

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of, November, 2007,  
by Steven Wright and Joyce Wright

Witness my hand and official seal.

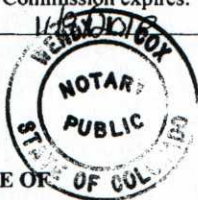


Notary Public

## ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this 21 day of November, 2007,  
by Michael J. Finney  
Witness my hand and official seal.

Notary Public



## ACKNOWLEDGEMENT

STATE OF OF COL )  
 ) SS  
COUNTY OF )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2007,  
by \_\_\_\_\_  
Witness my hand and official seal.

My Commission expires: \_\_\_\_\_

Notary Public



20711054  
4 of 4

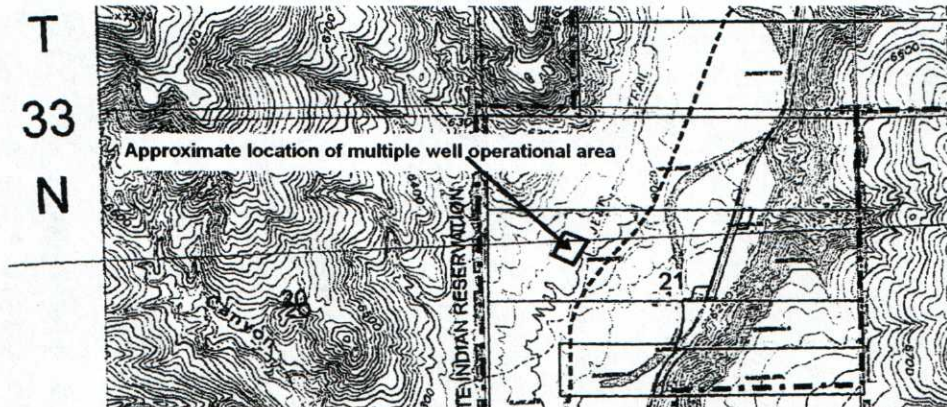
11/30/2007 2:19 PM  
AGR R\$21.00 D\$0.00

June Madrid  
Archuleta County

### EXHIBIT "A"

Attached to and made a part of that certain Surface Damage Agreement & Release dated November 14, 2007, by and between **Steven Wright and Joyce Wright** (hereinafter called "Owner", whether one or more), and **PETROX RESOURCES CORPORATION**. (hereinafter called "Operator").

Township 33 North Range 5 West, N.M.P.M.  
Section 21: S/2N/2  
Archuleta County, Colorado



Signed for Identification:

OWNER:

Steven Wright  
Steven Wright

Joyce Wright  
Joyce Wright

PETROX RESOURCES CORPORATION

BY: Michael J. Finney  
Michael J. Finney,  
Agent for Petrox Resources Corporation.

# RIGHT-OF-WAY / SURFACE DAMAGE ACQUISITION REPORT

FINNEY LAND CO  
P.O. Box 2471  
Durango, CO 81302  
970-259-5691

Well/Project Pargin Mountain  
County: Archuleta  
State: Colorado

Grantor: Steven Wright and Joyce Wright  
12577 Hwy 151  
Pagosa Springs, CO 81147

Telephone: 970-883-54541  
970-731-9856  
Tax ID #: 532-86-9442

Grantee: Petrox Resources Corporation

Legal Description: Township 33 North Range 5 West, N.M.P.M.  
Section 21: S/2N/2

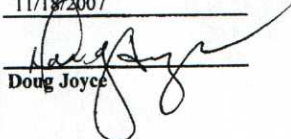
<u>Well Location</u>		35,000.00
Existing road .		4,150.00
ROW-	Amount:	<u>10,900.00</u>
Surface Damages	Amount:	
l	Amount:	
Other:	Amount:	
Other:	Amount:	
Total		50,050.00

	Amount:	
(Advance)		
Crop Damages	Amount:	
Other:	Amount:	
Other:	Amount:	
Total S.D.A.		

TOTAL R-O-W/S.D.A AMOUNT: 50,050.00

Date of Agreement: 11/14/2007

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: 11/18/2007  
Broker:   
Doug Joyce