



**AGREEMENT FOR
RIGHT OF WAY, PIPELINE EASEMENT and SURFACE ACCESS**

THIS AGREEMENT, made and entered into this 1st day of March, 2010, to be effective 22nd day of May, 2010, by and between **North Park Registered Herefords, a co-partnership; John C. Rich, Partner and individually**, P.O. Box 1109, Walden, CO 80480, hereinafter designated as "Surface Owner" and **EOG Resources, Inc.**, hereinafter referred to as "Operator," whose address is P.O. Box 4362, Houston, TX 77210-4362.

WITNESSETH, that

WHEREAS, Operator is the Lessee under that certain Oil and Gas Lease dated February 27, 2007, by and between Surface Owner and Operator, covering the below described lands (hereinafter the Subject Oil and Gas Lease); and,

WHEREAS, Operator wishes to use a portion of Surface Owner's lands for Operator's proposed operations, in order to properly drill, complete, rework, or re-complete, equip, operate, maintain, produce, and plug and abandon any wells and thereafter restore the surface;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements of the parties herein contained, and other good and valuable consideration, the parties hereto AGREE AS FOLLOWS:

1. **Said Land.** This Agreement shall cover that portion of the following described lands, hereinafter referred to as "the Premises" in Jackson County, State of Colorado, which are from time to time included in the lands covered by the Subject Oil and Gas Lease, to-wit:

Township 6 North, Range 80 West, 6th P.M.

Section 4: S/2NW/4, SW/4;
Section 5: Lots 2, 3, SE/4NW/4, E/2SW/4;
Section 6: Lots 2 and 3;
Section 8: SE/4SE/4;
Section 9: NW/4, N/2SW/4, SE/4SW/4;
Section 17: NW/4, W/2NE/4, NE/4NE/4;

Township 7 North, Range 80 West, 6th P.M.

Section 29: S/2SW/4;
Section 31: NE/4NE/4, S/2NE/4, N/2SE/4, SW/4SE/4
Section 32: NW/4, N/2SW/4, NE/4SE/4, S/2SE/4.

and containing 1,803.73 acres, more or less.

North Park

K0302227



2. **Right-of-Way: Existing Roads.** That in order for Operator to enter, drill, complete, produce, and operate oil and/or gas well(s) and wellpad production facilities on Said Land, it is necessary that it cross and use certain property of Surface Owner, as provided for under the pertinent oil and gas lease(s), and the parties do hereby agree as to the damages, the right of entry and surface use thereof. For and in consideration of the hereinafter specified amounts, Surface Owner hereby grants to Operator the non-exclusive right for it, its agents, employees, and contractors, and their agents and employees, to enter upon the surface of Said Land and to use Landowner's existing roads for access to Operator's operations on the Premises. As consideration for use of such existing roads, Operator agrees to improve that portion of the existing roads utilized by the Operator to at least the following standard: Such road shall be crowned, ditched, and constructed with adequate culverts in a manner which will prevent the accumulation of water and allow for adequate drainage and prevent erosion, covering a traveling surface of eighteen feet in width, and maintained by Lessee in good and passable condition year-round. Maintenance shall include grading and the addition of gravel as necessary in order to maintain the road to the specifications set out above.

3. **Termination of Rights.** Except as may otherwise be provided herein, this Agreement shall automatically terminate upon the termination of that certain Oil and Gas Lease dated February 8, 2007 by and between the Surface Owner and Operator with respect to all or any portion of the premises. This Agreement will survive as to any portions of the Premises which are extended in accordance with the terms of the Oil and Gas Lease.

4. **Well Sites.** Operator has agreed to pay the sum of [REDACTED] drilled on the Premises. Except where prior written permission of Surface Owner is first obtained, Operator agrees to drill all oil and gas, water injection and other wells, on the Premises from a single reclaimed producing wellpad of one-half acre or less in size located on each forty acre governmental quarter/quarter section, at a location which shall be chosen by the parties after consultation between Landowner and Operator. Unless prior written approval from Surface Owner is first obtained, in no event shall any such wellpad be located in Landowner's hayfields nor shall any part of any wellpad be located within 300 feet of any stream, lake, or similar water source. In the event that a well is completed as a well capable of producing oil and/or gas in paying quantities, Operator shall have the right to install one tank battery, one pump jack, separator, and meter as necessary for the production of gas and/or oil on such wellpad. No compressors or engines in excess of two hundred horse power shall be placed on the Premises without the prior express written consent of Surface Owner.

5. **Facility Sites.** In the event Operator desires to locate any injection, compression, treatment, processing or other non-wellsite facilities on the Premises, it shall agree on the terms, if any, of locating such facility on the Premises with the Landowner. Without the prior consent of the Landowner, no such facility shall be located on the Premises.

6. **Access Roads.** Operator shall, to the maximum extent possible, use existing roads located on the Premises for access to any new wellpad or other location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on the Premises. Operator has agreed to pay the sum of [REDACTED] as



consideration for the construction, maintenance, and use of each new road to access to any new located utilized in connection with Operator's drilling, production, or other activities allowed hereunder on the Premises. Said roads shall be limited to eighteen (18) feet in width for the traveled roadbed. Operator and Surface Owner shall agree on the location of each road before construction of such road commences in order to cause the least amount of interference with Surface Owner's operations on Said Lands. In no event shall such roads be located in Surface Owner's hayfields without the consent of Surface Owner. Stream crossings shall be minimized and shall be engineered and constructed to adequately handle flood waters. Such road shall be crowned, ditched, and constructed with adequate culverts in a manner which will prevent the accumulation of water and allow for adequate drainage and prevent erosion, covering a traveling surface of eighteen feet in width, and maintained in good and passable condition year-round. Maintenance shall include grading and the addition of gravel as necessary in order to maintain the road to the specifications set out above.

7. **Pipelines and Power Lines.** Operator agrees that Operator will construct each pipeline and/or power lines at a location in the bar ditch of a new or existing road determined after consultation with the Landowner. Operator agrees to pay to Landowner the sum of [REDACTED] as consideration for each pipeline placed on, over, and through the Premises for the transportation of oil, gas, and/or water produced on the Premises. The road and pipeline easement shall not exceed thirty feet (30') in width (centered on the road centerline) without the express written consent of Surface Owner, and Operator agrees to bury all pipe to a minimum depth of forty-eight inches (48") below the surface of the ground and backfill shall be adequately compacted to prevent settlement. Operator shall restore the surface over the same as nearly as possible to its condition prior to the laying of the line or lines. In order to provide public notice of the existence of a pipeline, upon the request of the Operator, Surface Owner agrees to execute a formal "Pipeline Right-of-Way Grant" to be recorded in said county and Operator shall clearly mark the route of the pipeline on the Premises with markers placed no more than 300 feet apart. Operator agrees to cause the least amount of interference with Surface Owner's operations on the Premises. Operator shall back fill, compact, reseed, and re-contour the area disturbed by Operator's construction, installation, repair, or removal of any power line or pipeline. Upon termination of this Agreement, as set out in Paragraph 3, Operator shall remove all above ground pipeline facilities. Upon termination of use, any pipeline installed on the Premises shall be removed or, at the Surface Owner's option, such pipeline may be filled with an inert substance and capped at both ends. With the written, prior consent of the Surface Owner, Operator may install power lines within fifteen feet of the traveling surface of the roads located on the Premises, or at another location agreed to by Surface Owner and Operator. To the extent that it does not unreasonably interfere with Operator's operations, Operator shall allow Surface Owner to have reasonable access and use to any power lines installed upon Surface Owner's property. Upon cessation of Operations by Operator, Surface Owner may, at its election, keep said power lines in place. Should Surface Owner elect to retain said power lines, Surface Owner shall be responsible for all change of billing and all other costs associated with converting the accountability of said power lines from Operator to Surface Owner. Operator agrees to pay Surface Owner the sum of [REDACTED] as consideration for each power line placed on the Premises.



8. **Existing Well Pads and Access Roads.** No existing well pads exist on Surface Owner's lands. Operator has agreed to pay the one time fee of the sum of **Ten and no/100 Dollars (\$10.00) per rod** as consideration for the use of any existing roads necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on the Premises. In addition, Operator has also agreed to maintain any roads used by Operator to the specifications set out herein.

9. **Cattle Guards and Gates.** The Operator shall construct **eighteen (18) foot** cattle guards each place where Operator requires access through Surface Owner's fences. Stock gates, **at least twelve (12) feet in width**, shall be constructed for the movement of livestock on one side of each cattle guard. Upon request of the Surface Owner, Operator shall lock and keep locked any gate on the Premises (Surface Owner may also require that a locked gate be placed by Operator across any cattle guard on the Premises). Owner may place its own lock on such gates and Operator may place its own lock on such gates utilized by its operations on the Premises. Two chains shall be connected by a lock for each, the Surface Owner and the Operator, for each gate.

10. **Fences and Reclamation.** Operator shall install fences adequate to keep out livestock and wildlife around each wellsite and other facility located on the Premises and shall promptly rebuild any fence damages by Operator on the Premises. Such fences shall be constructed to Surface Owner's reasonable specifications and to stand up to year round weather conditions. Operator shall reclaim and restore all areas disturbed by Operator's operations as near as practical to their original condition within six (6) months after completion of construction activities at the site or right-of-way. Operator agrees to notify and consult with Owner prior to cutting or damaging any fences, cattle guards, or other improvements of Surface Owner and prior to crossing any ditches, roads, utilities or other improvements located on the Premises for the purposes of establishing a right-of-way or access. Upon completion of construction, any part of the disturbed surface area which is not used as road surface or for production operations shall be promptly reclaimed. Promptly following the plugging and abandonment of any well, the applicable un-reclaimed wellpad area, together with the related pipeline and new road, shall be reclaimed. Such reclamation shall consist of the following: (a) removal of all equipment located within 48 inches of the surface; (b) ripping any compacted area to a depth of at least six inches and recontouring to conform with the existing grade; (c) replacement of topsoil to at least the depth and quality which existed prior to disturbance by the Operator; (d) re-vegetation of the disturbed area utilizing a weed free seed mixture, mulch, application rate, timing, and reseeding method pre-approved by the Surface Owner: if vegetation comparable to the original vegetation is not established, such reseeding shall be continued until such vegetation is established: if the original vegetation is not established after the first attempt, Operator agrees that it will conduct one more attempt to establish the original vegetation. If after the second attempt the original vegetation is not established, Surface Owner may conduct one attempt to re-establish the original vegetation. Operator agrees to reimburse Surface Owner for the costs associated with said reseeding effort. Foreign substances shall be removed and erosion shall be adequately controlled and remediated by Operator. Prior to reclamation, the Operator shall give notice to the Surface Owner, and the Surface Owner shall have the option of retaining any portion of any road, pipeline, or wellpad for Ranch use, in its then current condition (after equipment and pipeline



removal and plugging of wells) in lieu of reclamation by the Operator. In the event of subsequent disturbance of the surface of the Premises, after construction of the initial wellpad, road, pipeline, or power line, the Operator shall reclaim the disturbed area as described above and shall pay the Surface Owner [REDACTED] or part thereof affected by each disturbance.

11. **Weeds and Debris.** Operator agrees to keep the roads, locations, and other areas utilized for its purposes, free from weeds, debris, unused equipment, and litter and will properly maintain such areas in such a manner as to minimize interference with the Surface Owner's normal use of contiguous lands. Operator agrees to utilize weed free seed and soil and to promptly control the spread of weeds from areas used for Operator's operations onto adjacent lands of the Surface Owner.

12. **Maintenance and General Operations.** Operator shall at all times keep the well sites, road rights-of-way, facility locations, and other areas disturbed by Operator safe and in good order, free of noxious weeds, litter, and debris. Operator shall dispose of all litter, sewage, and debris off of Surface Owner's property at an approved disposal site. Using reasonable efforts, Operator shall not allow or permit erosion to continue on any disturbed sites and shall promptly repair, reclaim, and reseed all erosion sites disturbed by its operations. Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on the Premises. All cattle guards and fences installed by Operator shall be kept clean and in good repair. Travel on access roads shall be at speeds not exceeding 20 miles per hour, and Operator shall inform all of its employees, agents, and contractors of such speed limit and shall enforce their compliance with such limit.

13. **Mud Pits.** All mud pits shall be lined in accordance with Colorado Oil and Gas Commission regulations regarding crop lands. Upon the conclusion of drilling operations by Operator on a location on Said Land, Operator will remove and dispose of the pit liners and its contents off the Premises and will dispose of any trash and debris and will fill and level the mud pits and return Said Land to its original condition as nearly as is practicable within a reasonable and customary period of time. During its clean-up of the mud return pit, Operator shall be allowed to let water in said pit evaporate and, further, Operator shall be allowed to use the entire drilling pad in its operation to reclaim said pit. Operator shall maintain and operate its wells, roads, pipelines, and power lines in good condition as a prudent operator, and shall conduct its operations in accordance with federal, state, and local laws and regulations, and in accordance with the terms of this Agreement and the Subject Oil and Gas Lease.

14. **Owner Maintenance.** In the event Operator fails to maintain its wellpads, roads, pipeline rights-of-way, or power lines in accordance with the terms of this Agreement, Surface Owner shall contact Operator in writing. If Operator fails to adequately remedy the problem within thirty (30) days, Surface Owner may correct the problem itself and shall invoice the Operator for the reasonable costs of the work done by the Surface Owner or other persons employed to complete the work. Operator agrees to pay such invoices within 14 days and that any unpaid amounts will bear interest at the rate of 1 1/2% per month (18% per annum) until paid in full. In the event of default by the Operator, Operator agrees to pay all costs of collection, including but not limited to, reasonable attorney's fees.



15. **Water.** Without prior written approval of Surface Owner, Operator shall not use any fresh water on or underlying the Premises, except for water produced as a result of drilling operations. Operator shall not disturb, interfere with, fill, or block any creek, reservoir, spring, ditch, irrigation work, or other source of water or water distribution system on the Premises.

16. **Payments.** Each payment amount set out in this agreement shall be adjusted on January 2011 and on January of each fifth year thereafter. On each such date, the compensation amounts to be paid thereafter to Surface Owner shall be adjusted by the percentage increase, if any, in the final "Consumer Price Index for All Urban Consumers - All Items" without seasonal adjustment (CPI-U for the West Region, 1982-4=100) ("CPI") as measured by the United States Department of Labor Statistics. If the CPI is discontinued, another mutually agreed upon cost adjustment index shall be used. Such adjusted amounts shall remain in effect until a subsequent five year adjustment occurs.

17. **Notice.** Operator agrees that prior to drilling any well or constructing any road or pipeline on the Premises, it will agree on the location with Surface Owner in order to minimize interference with Surface Owner's normal use of the Premises, neither party shall unreasonably withhold such agreement.

18. **Dogs and Firearms.** Operator agrees that no dogs, alcohol, drugs, firearms, hunting, fishing, or wood cutting will be allowed on the property covered by this Agreement without the express written consent of the Surface Owner and that Operator will notify all of its contractors, agents, and employees of this restriction and will enforce their compliance with its terms and the other terms of this Agreement.

19. **Release.** The compensation provided herein to be paid by Operator to Surface Owner shall release and discharge Operator from damages caused by the initial construction and use of wellsites, roads, and pipelines in accordance with the terms of this Agreement, except that Operator shall remain liable for such damages or losses which are caused by the negligence of Operator, its agents and employees. In addition to the indemnification set out below, Operator will compensate Surface Owner for any "unusual" or future damages such as oil or salt-water spills and loss of livestock on Surface Owner's property as a result of operations by Operator, its agents or employees. All livestock lost, injured, or killed as a result of Operator's activities on Surface Owner's lands shall be promptly paid for at market prices. Autopsies shall be required in the event Surface Owner cannot substantiate the cause of death by observation. Cost of autopsy to be paid by Operator if it is determined by the autopsy that the Operator was at fault.

21. **Indemnity.** Operator shall, and hereby expressly agrees to defend, indemnify and hold harmless Surface Owner, its subsidiaries and affiliates, its successors, assigns, employees and agents, guests and invitees from and against any and all loss, damage, injury, discharge or release of foreign substances, expense, liens, claims, demands, liability and causes of action of every kind and character (including those of the parties, their agents, and employees, and including those for death, personal injury, property damage, loss of property value, or other liability, damage, fine or penalty), together with costs, attorney's fees, and settlements, arising



out of or in connection with the operations of Operator on the Premises pursuant to this Agreement or by any act of omission of Operator or any of its subcontractors, agents, employees, invitees, or licensees.

22. **Attorney's Fees.** In the event that Surface Owner incurs any attorney's fees and/or costs related to the enforcement of any provision of this Agreement, whether or not litigation is commenced, Operator agrees to promptly reimburse Owner for such attorney's fees and costs of enforcement, if it is determined by a court decision or by mutual agreement that Operator has breached any provision of this Agreement or is otherwise liable to Surface Owner.

23. **Law.** This agreement shall be governed and construed in accordance with the laws of the State of Colorado.

24. **Assignment.** This Agreement shall be binding upon and shall be for the benefit of the parties hereto, their respective heirs, successors, and assigns. Any sale by Surface Owner of his interest in Said Land shall be made subject to the terms and conditions of this Agreement.

25. **Notification.** Any notice required or permitted to be given hereunder shall be deemed to be delivered when deposited in the U.S. Mail, postage prepaid, certified with return receipt requested, or registered mail, addressed to the party to which it is intended at the address set forth below for such party:

If to Surface Owner:
North Park Registered Herefords
John C. Rich
P.O. Box 1109
Walden, CO 80480

If to Operator:
EOG Resources, Inc.
600 Seventeenth Street, Suite 1100
Denver, CO 80202
Attn: Land Department

Each party may change the address to which its notices are to be sent by written notice to the other party.

26. **Severability.** If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.



IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS THE
DAY AND YEAR FIRST ABOVE WRITTEN.

Surface Owner

**NORTH PARK REGISTERED HEREFORDS,
A CO-PARTNERSHIP, JOHN C. RICH, PARTNER
AND INDIVIDUALLY**

By: _____

John C. Rich

Operator

EOG Resources, Inc.

By: _____

J. Michael Schween,
Agent and Attorney-in-Fact