

SURFACE DAMAGE AGREEMENT & RELEASE

KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of the sum of Ten and More Dollars (\$10.00+), this day paid to the undersigned by Elm Ridge Resources, Inc. (hereinafter "Elm Ridge"), receipt of which is hereby acknowledged, the undersigned and their heirs, successors, and assigns, as the "Owners" of the hereinafter described lands, do hereby release Elm Ridge, its successors, agents and employees from any and all claims for damages to the surface of the hereinafter described lands resulting directly or indirectly from the drilling, completion, operation, maintenance and/or abandonment of the Davis Fruitland #1 situated upon and under the hereinafter described lands. Elm Ridge agrees to restore lands as soon as practicable, as close to the original contours as possible, at the conclusion of drilling, completion and/or plugging and abandonment operations. Elm Ridge agrees to maintain adequate and proper weed control and to promptly remove trash and rubbish from the wellsite and access road.

The undersigned further releases Elm Ridge, 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 the well identified above.

The consideration paid hereunder shall also compensate the undersigned for access road easement to well pad, as well as, damages sustained or which may be sustained, as a direct or indirect result of the construction, maintenance and facilities necessary for Elm Ridge, its successors, agents, and employees to properly conduct operations and maintenance activities associated with the well identified above.

The lands to which this Release shall apply are described as follows:

Township 33 North, Range 9 West, N.M.P.M.
Section 26: NW/4NW/4
La Plata County, CO

Wellbore to be located approximately 1142 ' FNL and 1062 ' FWL.
The well pad to be not more than 2 acres in size during drilling and completion operations and 1 acre or less thereafter.

Owners hereby grant unto Elm Ridge an easement for a road not to exceed twenty feet (20') in width located across the above referenced property as shown on the attached Exhibit "A". The parties hereto shall cooperate with each other concerning the use and enjoyment of the subject road except for the purposes herein granted, but such use shall not hinder, conflict, or interfere, directly or indirectly, with the exercise of Elm Ridge's rights hereunder.

The use of this road shall be for the access of the above referenced well. Elm Ridge will restrict its use of the road to normal business hours as much as possible, but has the right to use said road at any time if necessary. Elm Ridge agrees to be responsible for damages to the road caused by its operations as long as said road is being used by Elm Ridge.

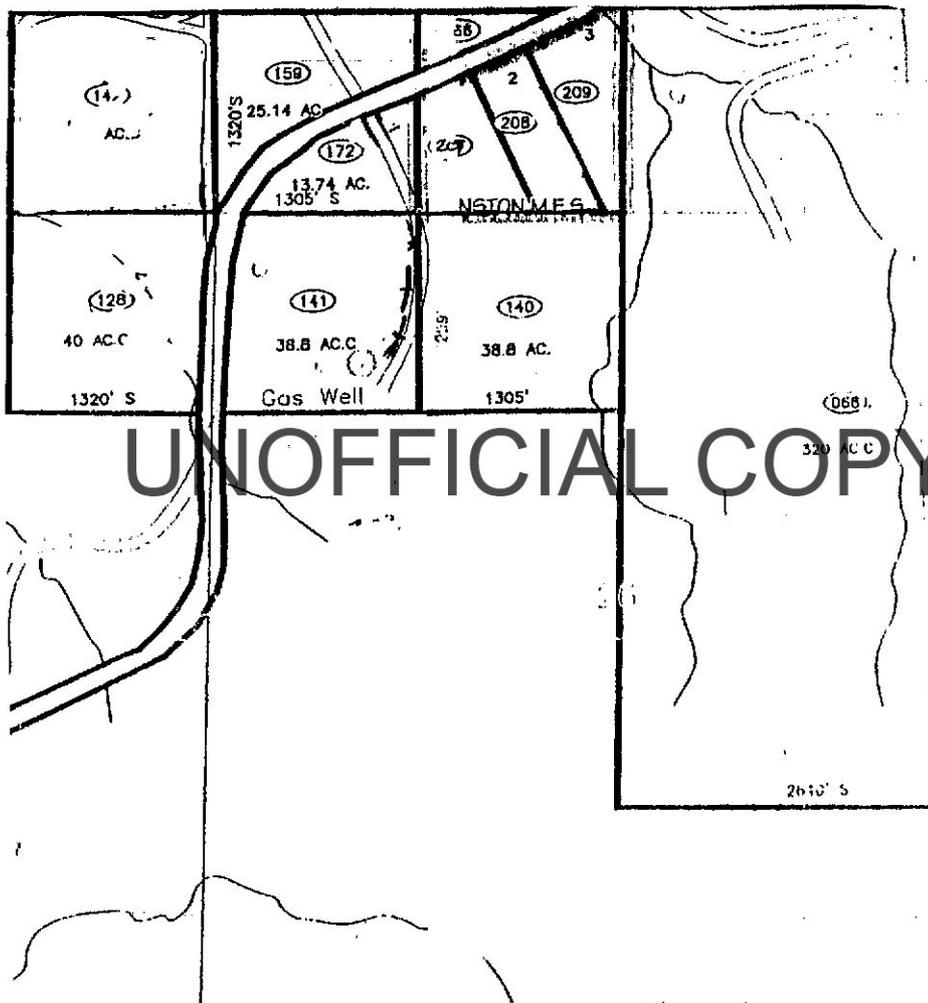
The terms of this written Agreement shall constitute the full agreement between the parties hereto and no modification or amendment of this Agreement shall be effective unless made in writing and signed by the parties.

Juste

Attached to and made a part of that certain Surface Damage Agreement and Release dated the 8th day of Nov., 1999, by and between Riley L. Olson and Nancy L. Olson, (Grantor, whether one or more) and Elm Ridge Resources, Inc. (Elm Ridge).

DESCRIPTION:
T.33N/R.9W., NMPM.
Section 26: NW/4NW/4

UNOFFICIAL COPY



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Signed for identification:

GRANTOR:

Riley L. Olson
Riley L. Olson

Nancy L. Olson
Nancy L. Olson

ELM RIDGE RESOURCES, INC.

Michael J. Finney
Michael J. Finney
Agent for Elm Ridge Resources, Inc.