

AGREEMENT

MAY 15 2012 SPS LK

This Agreement ("Agreement"), is dated this 15<sup>th</sup> day of April, 2012, by and between Puckett Land Company, a Colorado corporation ("Puckett"), whose address is 5460 South Quebec Street, Suite 250, Greenwood Village, Colorado 80111, and Petroleum Development Corporation, dba PDC Energy ("PDC"), a Nevada corporation, whose address is 1775 Sherman Street, Suite 3000, Denver, Colorado 80203. Puckett and PDC are sometimes individually referred to herein as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Puckett is the lessor, and PDC is the lessee, to that certain Oil and Gas Lease dated November 15, 1999 and recorded in Garfield County, Colorado at reception number 556562 (the "Lease"); and

WHEREAS, Puckett is also the surface owner of the lands covered by the Lease; and

WHEREAS, Puckett and PDC are parties to that certain Water Disposal Well Agreement entered into February 5, 2010 ("Water Disposal Agreement") which covers disposal of water produced from wells subject to the Lease; and

WHEREAS, the Parties desire to amend the Water Disposal Agreement and to set forth certain other agreements concerning the use of the surface of the lands covered by the Lease.

THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. AMENDMENT OF THE WATER DISPOSAL AGREEMENT. The Water Disposal Agreement is hereby amended as set forth below including to provide that PDC may dispose of water produced from wells not subject to the Lease on the following terms and conditions:

a. [REDACTED]

b. [REDACTED]

i. PDC to have the right to dispose of water produced from PDC wells not located on the Lease into the existing SWD well Puckett 22B-24D and into five (5) additional Puckett wells that may be potentially converted to water disposal pursuant to paragraph 9 of the Water Disposal Well Agreement. The right to dispose of water produced from all PDC wells includes both existing wells and all future drilled and producing wells on the leases and lands set forth in Exhibit A which represents all of PDC's

current leasehold position and a potential 160 acre tract of land currently leased by WPX and located in SW/4 of Section 13-T7S-R96W Garfield County, Colorado.

- ii. PDC to have the right to drill two (2) new water disposal wells on the Lease for the disposal of produced water from PDC wells located both on the Lease and from PDC wells not located on the Lease. The right to dispose of water produced from all PDC wells includes both existing wells and all future drilled and producing wells on the leases and lands set forth in Exhibit A which represents all of PDC's current leasehold position and a potential 160 acre tract of land currently leased by WPX and located in SW/4 of Section 13-T7S-R96W Garfield County, Colorado. PDC and Puckett shall work together in good faith to identify possible locations for each new water disposal well and related facilities that avoid, to the extent reasonably practicable, areas identified by Puckett: for real estate development, that are used for vehicle traffic, or that are or may be used for surface uses incompatible with drilling or operation of the new water disposal well and related facilities. Prior to drilling a new water disposal well or constructing related facilities, PDC shall give Puckett thirty (30) days written notice of PDC's plans on a well by well basis. PDC shall obtain Puckett's written consent to the location of each new water well and related facilities, which consent Puckett shall not unreasonably withhold. These two new water disposal wells are not subject to the Reserve Payment clause contained in paragraph 3 of the Water Disposal Well Agreement.

[REDACTED]

- d. Except as amended by this Agreement, the Water Disposal agreement remains in full force and effect as written.

- 2. **NO SURFACE DAMAGES.** Subject to PDC's obligations to reclaim the leased premises under the Lease and as may be required by the Colorado Oil and Gas Conservation rules and regulations relating to reclamation and as may be required under other applicable laws, Puckett agrees that the Lease does not require PDC to pay monetary surface damages for drill pads.
- 3. **NO DRILLING COMMITMENT.** Puckett confirms that PDC has met all of its drilling commitment on the Lease as referenced in the Letter Agreement between the parties dated November 15, 1999.

4. **FURTHER ASSURANCES.** From time to time after Closing, Puckett and PDC shall each execute, acknowledge and deliver to the other such further instruments and take such other action as may be reasonably requested in order to accomplish more effectively the purposes of this Agreement.
5. **SUCCESSORS AND ASSIGNS.** This Agreement and the rights and obligations arising hereunder are binding upon the Parties and their collective successors and assigns.
6. **CONSTRUCTION.** The Parties agree that, in the event of any dispute concerning the interpretation or construction of this Agreement, no presumption shall exist with respect to the Party initially drafting the Agreement. Unless otherwise expressly provided, the words "including" or "include" do not limit the preceding words or terms.
7. **ENFORCE ACCORDING TO TERMS.** The Parties intend this Agreement to be enforced according to its terms.
8. **GOVERNING LAW.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado, excluding its choice of law provisions.
9. **DISPUTE RESOLUTION.** Any dispute arising under this Agreement may be resolved in any court of competent jurisdiction or by an alternative dispute resolution process mutually agreed upon by the Parties.
10. 
11. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts. A facsimile or electronically scanned signature shall be deemed as valid as an original signature.

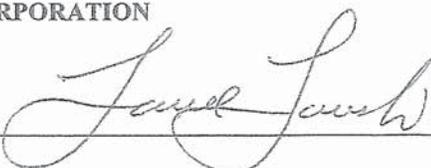
**PUCKETT LAND COMPANY**

By: 

Title: PRES

Date: 5/1/12

**PETROLEUM DEVELOPMENT CORPORATION**

By: 

Title: SUP corporate development

Date: 5/1/2012

EXHIBIT "A"

Attached to and made a part of that certain Agreement dated May 1, 2012, by and between Puckett Land Company and Petroleum Development Corporation.

31	32	T5S R96W				35	36	31	T5S R95W		34
								33			
3	2	1	6	5	4	3	2	1	6		
10	11	12	7	8	9	10	11	12	7		
15	T6S R97W		18	17	16	15	14	13	18		
				T6S R96W				T6S R95W			
22	23	24	19	20	21	22	23	24	19		
27	26	25	30	29	28	27	26	25	30		
	35	36									
	2	1	31	32	33	34	35	36	31		
			6	5	4	3	2	1	6		
	11	12	7	8	9	10	11	12	7		
	14	13									
	T7S R97W										
	23	24	18	17	T7S R96W		14	T7S R95W			
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			30	29	28	27	26	25	30		