

SURFACE AND DAMAGE AGREEMENT

(With Receipt and Release)

THIS AGREEMENT made and entered into this 2^oth day of September, 2002, by and between, Martha Haffner as owner of the surface of the NENE of Section 23, Township 2 North, Range 64 West, Weld County, Colorado, hereinafter referred to as "Owner", and United States Exploration, Inc., hereinafter referred to as "UXP".

For and in consideration of **Four Thousand Dollars (\$4,000.00)** paid by UXP, the receipt and sufficiency of which are hereby acknowledged as full payment, settlement, satisfaction, and discharge of any and all claims against UXP, its agents, employees, and contractors for any and all detriment, injuries, and damages of whatsoever nature and character growing out of, incident to, or in connection with the reasonable and customary performance in the drilling and completing of the following "Well" as a well capable of producing oil and/or gas, or plugging and abandoning it as a dry hole , and all related operations in preparing the Well for production or abandonment ("Operations"): **Haffner 41-23, NENE Sec 23, 2N-64W**

Especially including, but not limited to, injury or damage to growing crops as a result of the Operations, access to the Well, and occupancy on the wellsite.

Owner hereby gives, grants, and conveys unto UXP, its agents, employees, and contractors, a right to use Owner's property for all purposes necessary for UXP to perform the

Operations and all rights incident and appurtenant thereto, with the rights of unimpeded ingress and egress across Owner's lands to the Well described above.

Payment hereunder shall compensate Owner only for damages to Owner's land and growing crops. In the event of additional damages, including without limitation, damages to buildings, fences, gates, and livestock tanks, livestock, and other extraordinary losses or damages caused by UXP, its agents, employees, and consultants to Owner's property, or to the property of Owner's surface lessee, if any, UXP agrees to compensate Owner promptly for same on mutually agreeable terms.

United States Exploration Inc. agrees to reseed the area east of the well. ~~to build~~ 4 mile of 3 wire fence on the North side of Sec 23.
Owner shall have the responsibility of notifying any affected tenant, lessee or other party who may own or have an interest in any crops or surface improvements which could be affected by UXP's proposed Operations. Owner agrees that all damages claimed by a surface tenant, lessee or other party having an interest, resulting from UXP's Operations shall be settled by Owner and Owner shall indemnify and hold UXP harmless against any claims resulting therefrom. DAR

UXP agrees to perform all necessary reclamation work so the land affected by its Operations is restored as nearly as possible to its condition as existed immediately prior to UXP's Operations, excepting any crops thereon.

Concerning any matter relating to UXP's proposed Operations, Owner may contact:

Operator:	United States Exploration, Inc.
Person to Contact:	Mr. Dean Rogers
Address:	1560 Broadway, Suite 1900 Denver, Colorado 80202
Telephone Number:	(303) 863-3517
Fax Number:	(303) 863-1932
Cell Number:	(303) 886-0186

Commencement of UXP's Operations with heavy equipment is estimated to begin on **October 7, 2002**. Owner acknowledges that it has been given notice by UXP of its proposed Operations at least thirty (30) days [or if the well is to be drilled on irrigated crop lands between March 1 and October 31 at least 14 days] prior to UXP's estimated commencement date or hereby waives such thirty (30) day, or fourteen (14) day, requirement. A brochure is available upon request from the Colorado Oil and Gas Conservation Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203, which describes the rights and responsibilities of Owner as the surface owner.

Owner acknowledges that it has consulted with UXP as to the location of roads and the necessary production facilities and the location and size of the wellsite for the above described well, or hereby waives such consultation requirements. Owner also acknowledges that Owner had an opportunity to comment to UXP regarding preferences for the timing of the Operations and preferred locations for the Well and associated facilities. Owner has requested that all consultations be conducted directly with Owner.

In consideration of the mutual benefits derived hereunder, Owner hereby remises, releases, acquits and forever discharges UXP, its agents, employees, and consultants from any and every action, cause of action, suit, claim, and demand against UXP, its agents, employees, and consultants arising out of, incident to, or in connection with UXP's Operations, access to the Well, and occupancy thereon.

This Agreement shall extend to and bind Owner, UXP, and their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement on the same date as shown above.

OWNER:

Martha Kaffner
Martha Kaffner

Social Security Number: _____

Address: 5335 Kiowa Dr.
Greeley, CO 80634

Telephone #: 970-339-5977

UNITED STATES EXPLORATION, INC.

By: Dean Rogers
Dean Rogers