

EASEMENT and SURFACE USE AGREEMENT

This Easement and Surface Use Agreement ("Agreement") is entered into this 14th day of August, 1992, by and between J. J. Wardell and Anna E. Wardell, whose address is 18253 Weld County Road 32, Platteville, Colorado 80651, ("Surface Owner") and ELK EXPLORATION, INC., a California corporation ("Elk"), with offices at 3807 Carson Avenue, Evans, Colorado 80620, covering certain lands, (the "Lands") situated in Weld County, Colorado, described as follows:

Township 3 North, Range 65 West, of the 6th P.M.
Section 29: S/2

For and in consideration of the sum of ten dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree to the terms and provisions set forth as follows:

1. Compensation for Well; Release of All Claims

Elk shall pay to Surface Owner the sum as set forth and agreed to in that Letter Agreement by and between Surface Owner and Elk, dated August 14th, 1992, as full and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature and/or character caused by Elk to the value of the real estate, growing crops or livestock thereon including, but not limited to, all surface use, access, surface damages, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, flow lines and any and all other reasonable and customary uses of land as a result of drilling and completion operations and continuing activities for the production and transportation of oil and gas.

2. Grant of Right of Way and Easement

Surface Owner hereby grants, bargains, sells, assigns and conveys to Elk an easement and right of way for the purpose of constructing, using and maintaining access roads, locations for surface equipment, subsurface gathering lines for each well drilled upon the Lands for one year from the date of commencement of surface activities for drilling operations and so long thereafter as oil and/or gas is produced or capable of being produced from any well drilled on the leased premises.

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and/or assigns of the undersigned.

Executed this 14th day of August, 1992.

J. J. Wardell

Anna E. Wardell

J. J. Wardell

Anna E. Wardell

ELK EXPLORATION, INC.

By: *[Signature]*

Ronald B. Jacobs
Vice President, Operations

29

Active Tobin #

CO-50000 8758

SOA/WARDELL
August 20, 1992

STATE OF Colorado)
COUNTY OF Weld) ss.

On this 14th day of August, 1992, before me personally appeared J. J. Wardell and Anna E. Wardell, known to me to be the person whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

WITNESS my hand and official seal.

My Commission Expires:

Carl E. Neely
Notary Public

Address: 3807 Carson
Evans CO 80620



STATE OF Colorado)
COUNTY OF Weld) ss.

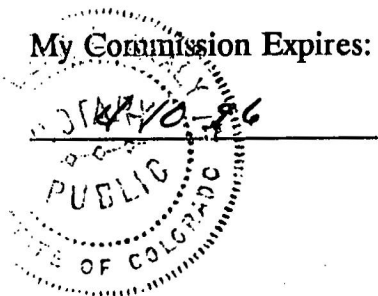
On this 17th day of August, 1992, before me personally appeared Ronald B. Jacobs, as Vice President, General Counsel, of Elk Exploration, Inc. a California corporation, to me personally known to be its Vice President, Operations and the identical person whose name is affixed to the above instrument, and acknowledged the execution thereof to be his voluntary act and deed as such officer and the voluntary act and deed of said Elk Exploration, Inc.

WITNESS my hand and official seal.

My Commission Expires:

Carl E. Neely
Notary Public

Address: 3807 Carson
Evans CO 80620



B 1361 REC 02312934 12/02/92 16:23 \$10.00 2/002
F 0344 MARY ANN FEUERSTEIN CLERK & RECORDER WELD CO, CO

Right of Way Easement Description
(CDP No.15 (asht) Elk Exploration, Inc.
Weld County, Colorado

Total line in Section
30=2243.0'

Presley

MR

←Line A

←N1°39'E
636.7'

←N7°18'E
184.9'

←S89°35'W 1065.5'

Line B→

N1°15'W 1344.4'

N0°34'E 1344.4'

SE corner
section 30

East 77.0'

East 30.0'

S80°28'E
116.0'

MR

N89°41'E 3611.3'

Total line in Section 29=4007.3 feet.

Wardell

S89°33'E
250.0'

MR

0' 250' 500'

Scale 1"=500'

Legal Description Section 30 T3N R65W Line A

Basis of Bearings: Considering the South line of Section 30 as bearing S89°35'W with all other bearings as being relative thereto; Commencing at a point on the South line of Section 30 which bears S89°35'W 1065.5 feet from the Southeast corner of Section 30, thence N7°18'E 184.9 feet, thence N1°39'E 636.7 feet to end of line.

Legal Description Section 30 T3N R65W Line B

Commencing at a point on the South line of Section 30 which bears S89°35'W 63.0 feet from the Southeast corner of Section 30, thence N1°15'W 1344.4 feet, thence East 77.0 feet to a point on the East line of Section 30 which bears N0°34'E 1344.4 feet from the Southeast corner of Section 30.

Legal Description Section 29 T3N R65W

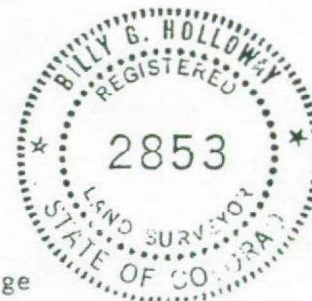
Commencing at a point on the West line of Section 29, T3N R65W 6th P.M. which bears N0°34'E 1344.4 feet from the Southwest corner of Section 29, thence East 30.0 feet, thence S80°28'E 116.0 feet, thence N89°41'E 3611.3 feet, thence S89°33'E 250.0 feet to end of line.

Surveyor's Certificate

I, Billy G. Holloway, certify that the above plat is correct to the best of my knowledge and belief.

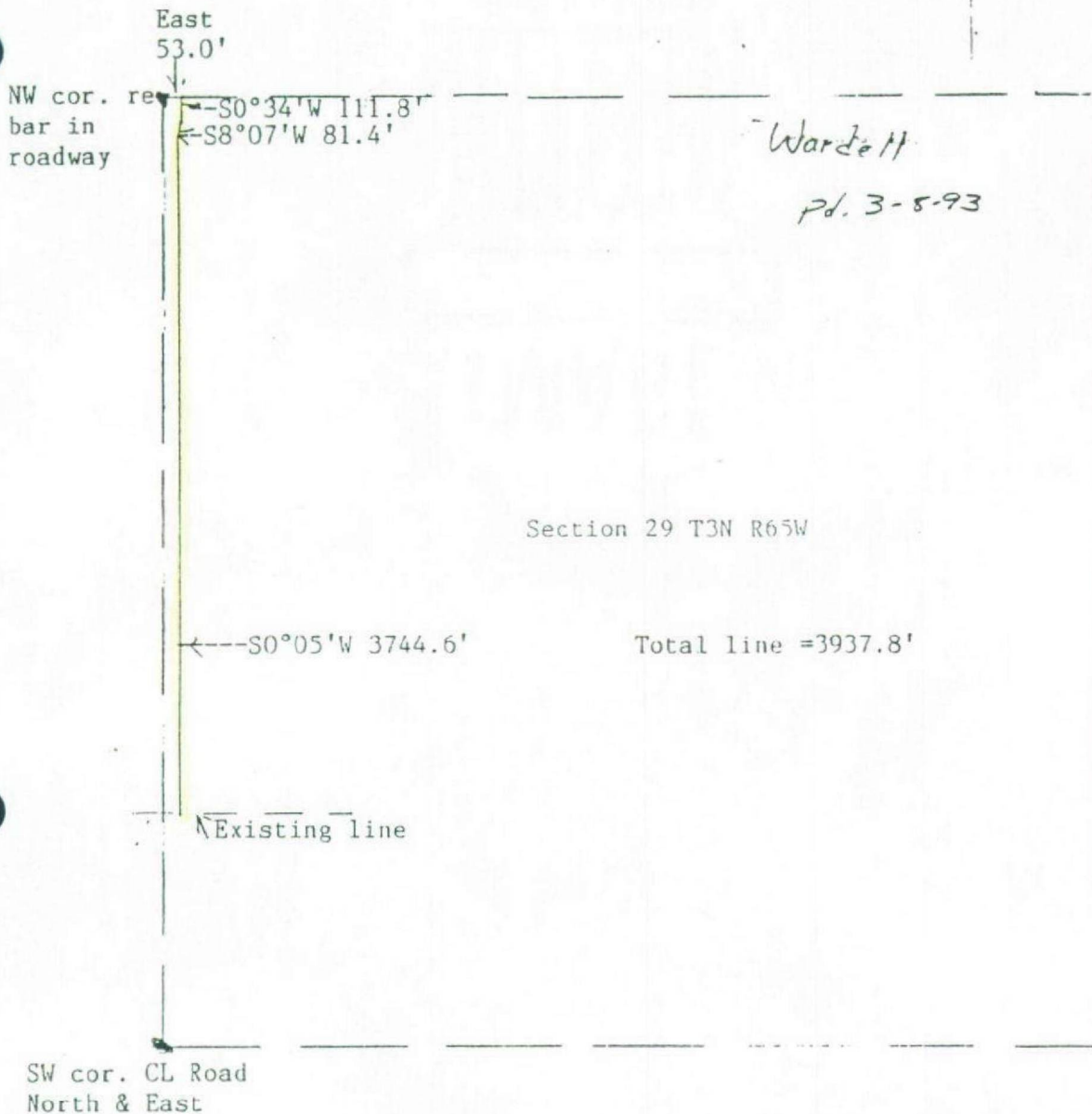
October 23, 1992

Registered Land Surveyor no. 2853
State of Colorado



Right of Way Easement Description (as built)
Elk Exploration, Inc. HSR-CDP No. 15
Weld County, Colorado

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Legal Description

Basis of Bearings: Bearings were determined based upon the West line of Section 29 T3N R65W 6th P.M. as bearing North and South with all other bearings as being relative thereto; Commencing at a point on the North line of Section 29 T3N R65W 6th P.M. which bears East 53.0 feet from the Northwest corner of Section 29, thence S0°34'W 111.8 feet, thence S8°07'W 81.4 feet, thence S0°05'W 3744.6 feet to end of line.

Surveyor's Certificate

I, Billy G. Holloway, certify that the above plat is correct to the best of my knowledge and belief.

January 20, 1993

Registered Land Surveyor No. 2853
State of Colorado





-- separator



waste pit



- production tank



-- wellhead



-- flowline



-- meter



ELK EXPLORATION, INC.
3807 CARSON AVE
EVANS CO 80620

WELD

COUNTY,

TOWNSHIP 3 NORTH

RANGE 65 WEST

SECTION 29

N. W.

N. E.

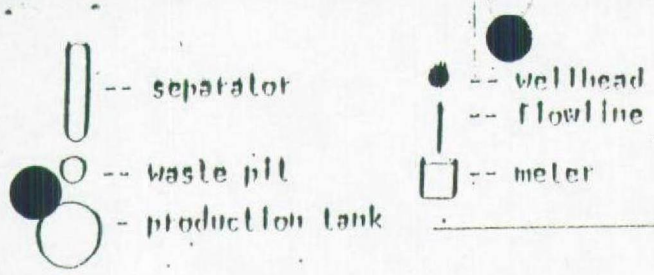
S. W.

S. E.

HSR-Pantaleo 10-29

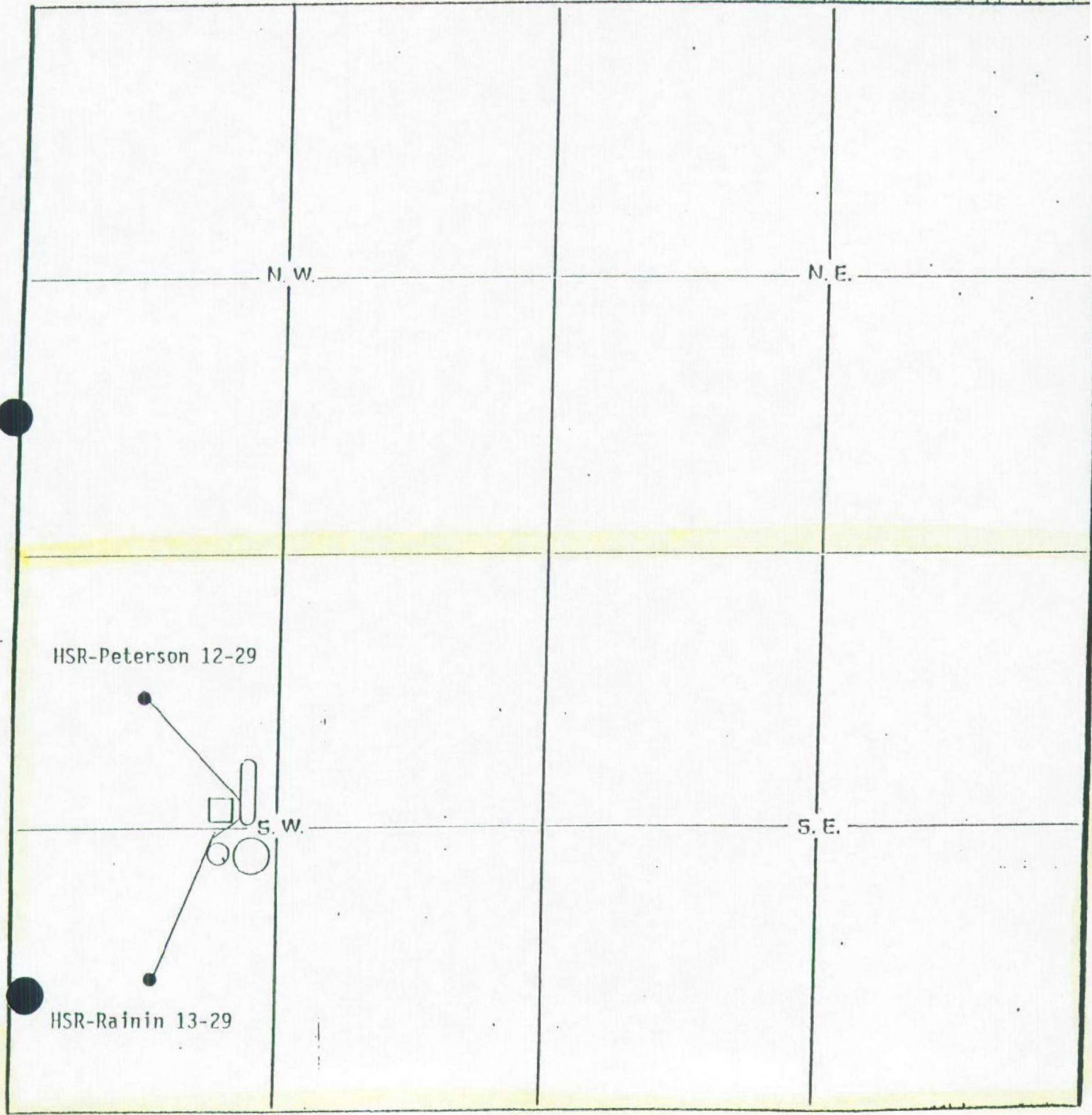
HSR-Muller 9-29





ELK EXPLORATION, INC.
3807 CARSON AVE
EVANS CO 80620

WELD COUNTY,
TOWNSHIP 3 NORTH RANGE 65 WEST
Section 29



EXPLORATION, INC.
3807 CARSON AVE
EVANS CO 80620



-- separator



-- waste pit



-- production tank



-- well head



-- flow line



-- meter

WELD

COUNTY,

TOWNSHIP 3 NORTH

RANGE 65 WEST

SECTION 29

N. W.

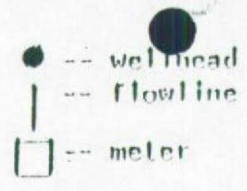
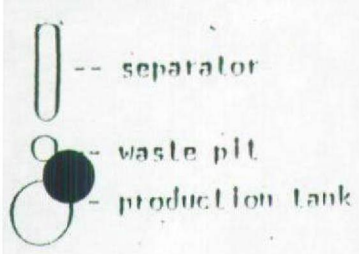
N. E.

S. W.

S. E.

HSR-Eggler 14-29

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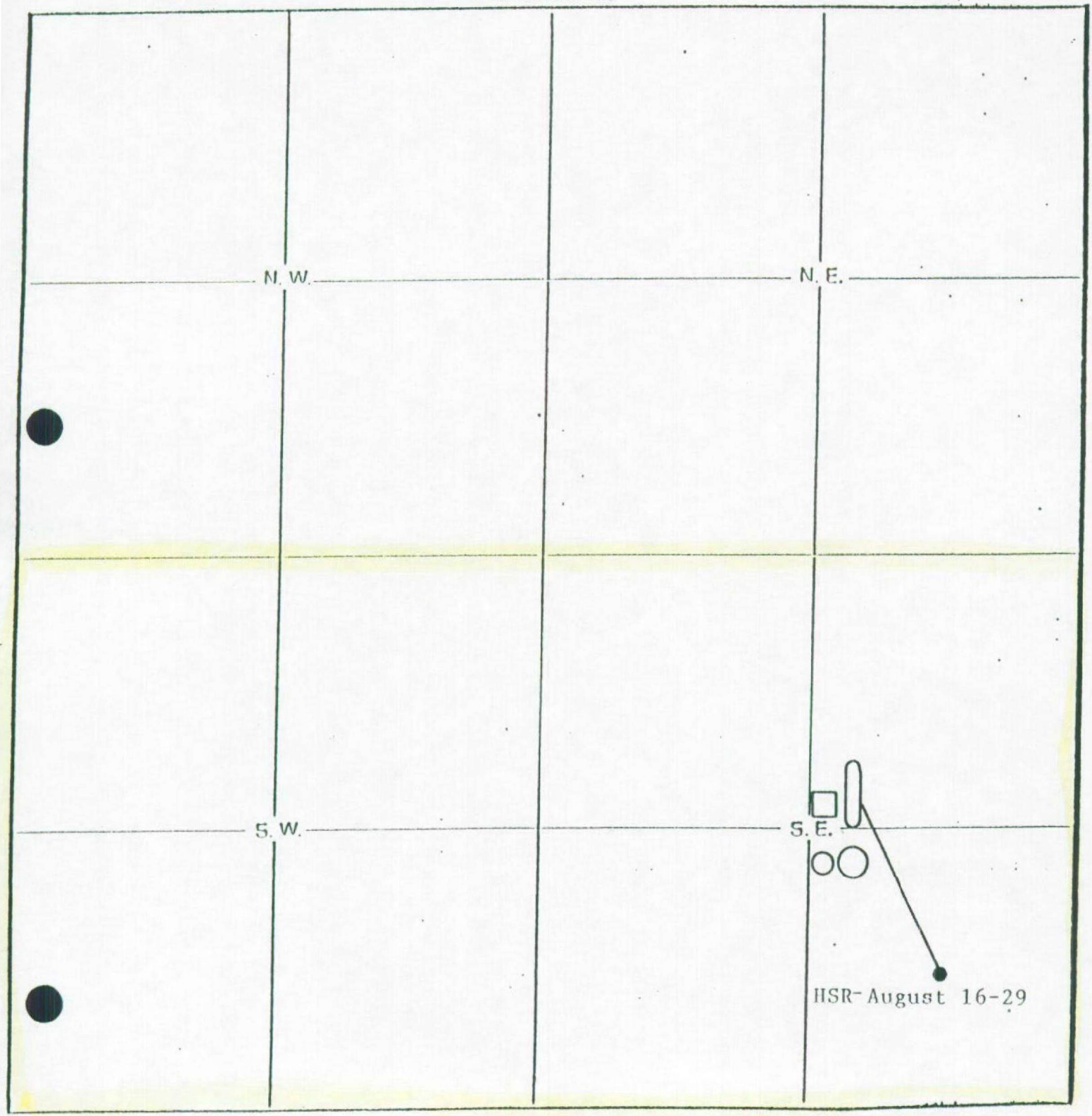
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3807 CARSON AVE
EVANS CO 80620

WELD COUNTY,

TOWNSHIP 3 NORTH

RANGE 65 WEST

SECTION 29



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