



3811956 12/14/2011 12:14P Weld County, CO
1 of 11 R 61.00 D 0.00 Steve Moreno Clerk & Recorder

956

EASEMENT, RIGHT-OF-WAY and SURFACE USE AGREEMENT

This Easement, Right-of-Way and Surface Use Agreement ("Agreement") is entered into as of September 23, 2011 by and between Stillroven Farm Inc, ("Surface Owner") whose address is 17629 County Road 5, Berthoud, Colorado 80513 and Kerr-McGee Oil & Gas Onshore LP, ("KMG") with offices at 1099 18th St. #1800, Denver, CO 80202 covering certain lands, (the "Lands") situated in Weld County, Colorado and more particularly described on **Exhibit A** attached hereto and incorporated herein by reference.

For and in consideration of the sum of _____ 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

KMG shall pay to Surface Owner the sum as set forth in and according to the terms of that certain Letter Agreement by and between Surface Owner and KMG, dated September 23, 2011, as full and final settlement and satisfaction for any and all detriment, depreciation, injury or damage to the Operations Area (as defined below) or growing crops and foliage thereon that may occur as a result of KMG drilling or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities.

Except as provided in Paragraph 18, this Agreement represents full and final settlement and satisfaction for any and all detriment, depreciation, injury or damage to that portion of the Lands depicted on **Exhibit B** attached hereto (hereinafter the "Operations Area"), and growing crops and foliage thereon that may occur as a result of KMG's reasonable operations consisting of drilling or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities, provided KMG conducts its operations in the Operations Area. The Operations Area shall be limited to approximately ten (10) acres of land.

2. Additional Provisions

- a. KMG may conduct drilling and completion operations from April 1st through October 31st each year this Agreement remains in effect. From November 1st through March 31st each year this Agreement remains in effect, KMG may conduct workover operations, recompletions, and refracs on wells that have been previously drilled as well as maintenance of the Operations Area, and any other associated and necessary work to maintain its operations. At all other times, KMG may conduct drilling and completion operations only with the advance written permission of Surface Owner.
- b. KMG agrees during construction of the Operations Area, KMG will build up the outer edges with earthen berms partially surrounding the Operation Area as depicted on Exhibit B not to exceed in KMG's judgment a safe operating height. The berms shall be constructed in such a way that there will be openings between the berms to allow KMG adequate access to the Operation Area.
- c. KMG agrees that once the berms are completed and ready for planting, KMG will purchase and plant trees for placement on the berms at its sole cost and expense. The trees will be 3 to 5 feet in height and spaced between 15 to 25 feet apart. KMG and Surface Owner will agree after the berms are completed as to the type of trees for planting and also on the number of trees. Surface Owner will be solely responsible for the watering and maintenance of all trees planted upon the berms.

After Recording Return
To: Melissa Henemann
Kerr-McGee Oil & Gas Onshore LP
1099 18th St Ste 1800
Denver, CO 80202-1918



d. KMG may install and maintain, at its sole cost and expense, all fences around wells in compliance with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC");

e. KMG shall install and maintain, at its sole cost and expense, all gates and locks that are, in KMG's sole opinion, reasonably necessary for the security of any well or facility within the Operations Area; such gates and locks to be standard gates and locks used by KMG. KMG acknowledges that the Surface Owner is required by law for its business activities upon the Lands to maintain a closed fence around the perimeter of the Lands at all times; and

f. KMG shall paint production facilities, including tanks, with the color of paint approved by the COGCC.

3. Grant of Right of Way and Easement

a. Surface Owner hereby grants, bargains, sells, assigns and conveys to KMG and its successors and assigns an easement and right-of-way for the purpose of constructing, using and maintaining access roads, locations for surface equipment and subsurface gathering lines for the wells drilled upon the Operations Area, flowlines, pipelines, and pipeline interconnections provided however, no easement or right-of-way is granted which would interfere with any existing improvements. Ways of ingress and egress, pipeline easements, well site areas, surface equipment locations and tanker truck service areas shall be agreed to by and between Surface Owner and KMG prior to commencement of operations. The gathering line easements referred to herein are depicted on **Exhibit B** as a "Petroleum Pipeline Easement."

b. Any ditches dug during installation of pipelines shall be filled and compacted until the original contour is restored as reasonably practicable under the circumstances, restoring pavement and landscaping, if applicable. Pipelines shall be grounded and anodized and shall not adversely affect any other utility lines or equipment upon the Land. Additionally, KMG shall advise Surface Owner in writing at least five (5) days prior to entrance upon the Lands to begin actual construction of any pipelines. During the installation of a pipeline, KMG shall make every reasonable effort to prevent excess water infiltration of the soil, and the compaction of the soil around the pipeline after installation is the equivalent to compaction of the soil prior to installation. If the soil is not compacted to Surface Owner's reasonable satisfaction, KMG agrees to return when reasonably requested by the Surface Owner to compact the soil.

c. KMG will maintain any roads that are used by KMG on the Lands, including any new roads that may be used by KMG in accordance with this Agreement, and will make all necessary repairs to the roads caused by KMG's use. No roads on the Lands shall be constructed or used by KMG for access to lands not subject to this Agreement without a separately negotiated agreement.

d. KMG shall conduct dust suppression in such areas and at such times as necessary and/or as Owner shall reasonably request within the Operations Area.

e. Surface Owner agrees that, Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gas gatherer designated by KMG, may exercise the easement rights described herein.

4. Waivers

Surface Owner agrees not to object to the use of the surface in the Operations Area and the Petroleum Pipeline Easements so long as such use is consistent with this Agreement and Surface Owner will provide KMG or its successors and assigns with any and all written support they may reasonably require to obtain permits from the COGCC or any local jurisdiction.

5. Reclamation

Reclamation of the Operations Area shall commence as soon as practicable after drilling and completion activities are concluded and shall be completed in a reasonable time after recognizing the practical limitations of weather and season. The Operations Area shall be

restored as close as reasonably practicable to their condition when KMG first commenced operations on them and shall include filling drilling pits, grading disturbed areas, and seeding or replanting. The areas to be reclaimed include the pipeline surface disturbance areas and the Well pad surface area inside the Operations Area. All mitigation and reclamation activities by KMG will conform to applicable laws, rules and regulations.

6. Subsequent Surface Disturbance

All subsequent disturbances by KMG to areas reclaimed under the preceding paragraph will be similarly reclaimed by KMG within a reasonable amount of time, recognizing practical limitations of weather and season. KMG will make a reasonable attempt to notify Surface Owner in advance of any significant subsequent disturbance activities on the Operations Area, including, but not limited to, well servicing, well re-drill, and pipeline repairs, with the exception of emergency repairs.

7. Indemnification

KMG agrees to indemnify, defend and hold Surface Owner harmless from and against any and all expenses, losses or damages resulting from or relating to KMG's operations and maintenance of the well and associated facilities such as the well pad, access roads and pipeline. Surface Owner will indemnify, defend and hold KMG harmless from such expenses, losses or damages to the extent resulting from or relating to the gross negligence or willful misconduct of Surface Owner or Surface Owner's employees, contractors, guest, invitees.

8. Burial of Pipelines

KMG will, to the extent reasonably practicable, bury all pipelines to a minimum depth of 36 inches below the surface.

9. Compliance with Law

Except as otherwise provided herein, KMG shall conduct operations and activities in accordance with existing local, state and federal laws, rules and regulations that apply to its operations. Surface Owner expressly acknowledges that this Agreement satisfies KMG's obligation under COGCC rules 305 and 306, as amended, to consult in good faith with the Surface Owner regarding the proposed oil and gas operations.

10. Water

This Agreement does not give KMG any right to use any water or water rights of Surface Owner, except as otherwise expressly agreed in writing by Surface Owner. KMG shall take all necessary steps to prevent its operations from polluting any water well, pond, spring or other water source (collectively, "Water" in this Article 10) located on or under the Lands KMG shall conduct all monitoring activities for groundwater and surface waters as required under the COGCC rules, as amended.

11. Remedy of Default

In the event the operations of the Surface Owner or KMG are not being conducted in compliance with this Agreement, the defaulting party shall be notified in writing by certified mail of the facts relied upon as constituting a breach thereof, and that party, if in default, shall within ten (10) days after receipt of such notice, commence compliance with the obligations imposed by this Agreement. If the defaulting party does not commence compliance with the obligations imposed by this Agreement within said ten (10) day period, the non-defaulting party may enforce its rights under this Agreement. The defaulting party agrees to pay any and all costs and reasonable attorney's fees of the other party incurred as a result of the breach of this Agreement.

12. Term

This Agreement is effective as of the date on the first page and shall continue until the oil and gas lease dated _____, 2011 expires and production from the well and any additional well have permanently ceased and are plugged and abandoned. After expiration, KMG shall have a



reasonable period of time within which to remove all well equipment and facilities from the Operations Area.

13. Applicable Law

This Agreement shall be interpreted under the laws of the State of Colorado.

14. Entire Agreement

This Agreement contains the final agreement of the parties of the matters addressed and supersedes any and all prior oral and written negotiations, understandings, and agreements. This Agreement may not be modified unless the modification is in writing and is signed by Surface Owner and an authorized representative of KMG.

15. Limitation on Rights

The surface of the Lands may not be used in connection with operations on other lands not specifically subject to this Agreement without Surface Owner's written consent except for the sole purposes of pooling pursuant to the oil and gas lease referred to in paragraph 12.

16. Produced Water

With respect to any water produced from wells drilled on the Lands in connection with the production of oil, gas, or other hydrocarbons, KMG agrees not to reinject produced water and to haul the same away from the Lands and properly dispose of such produced water off the Lands, unless otherwise agreed in writing by Surface Owner. KMG shall not construct evaporation pits for produced water, but may have a small "emergency pit" during drilling, completion, or reworking operations for produced water purposes within the Operations Area. Except as set forth herein surface discharge of produced water shall not be permitted anywhere on Surface Owner's Lands.

17. Seismic Operations

Land Owner recognizes that seismic operations on the Lands are essential to the exploration of the Lands. Land Owner and KMG agree that seismic operations and the compensation payable to Surface Owner therefore, shall not occur on the Lands without the written consent of the Land Owner which consent shall not be unreasonably withheld.

18. Extraordinary Damages

The compensation provided for herein is acknowledged by Surface Owner as sufficient and in full satisfaction for damages and use of the Lands caused or created by the reasonable drilling and completion activities of KMG and customary entry, rights-of-way, and operation and use of roads and well sites. However, the compensation does not include damage to animals, buildings, or improvements, or injuries to persons, or the surface of the Lands outside the Operations Area. This Agreement does not relieve Operator from liability due to KMG's negligence or due to spills or discharges of any hydrocarbon or toxic substance or hazardous chemicals or wastes, or from leaks or breaks in KMG's pipelines.

19. Designated Contact Person

KMG and Surface Owner will each from time to time designate an individual, with appropriate 24-hour telephone numbers, who is to be the primary contact person for discussions and decisions concerning matters related to this Agreement. Current contact information is as follows:

KMG: Dave Haertel
303-524-5856

Surface Owner: Steve Mast
303-946-7270 or
Jim Dill
970-576-4538



3811956 12/14/2011 12:14P Weld County, CO
5 of 11 R 61.00 D 0.00 Steve Moreno Clerk & Recorder

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

The undersigned have executed this Agreement as of the day first above written.

Kerr-McGee Oil & Gas Onshore LP

By: Michael A. Nixon
Michael A. Nixon
Agent & Attorney-in-Fact

Stillroven Farm, Inc.

By: Steven C. Mast
Name: Steven C. Mast
Title: V.P. / Secy

STATE OF COLORADO)
)ss
COUNTY OF DENVER)

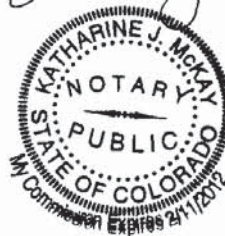
The foregoing instrument was acknowledged before me this 23rd day of September, 2011, by Steven C. Mast as Vice President of Stillroven Farm, Inc.

Witness my hand and official seal.

Katharine J. McKay
Notary Public

My commission expires 2/11/2012

STATE OF COLORADO)
)ss
COUNTY OF DENVER)



This instrument was acknowledged before me this 23rd day of September, 2011, by Michael A. Nixon, Agent & Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, on behalf of said company.

Witness my hand and official seal.

Katharine J. McKay
Notary Public

My commission expires 2/11/2012



EXHIBIT A

Attached to and made a part of that certain Easement, Right-of-Way and Surface Use Agreement between Stillroven Farm, Inc. and Kerr-McGee Oil & Gas Onshore, LP dated September 23, 2011.

Legal Description

PARCEL 1:

A parcel of land located in the NW1/4 of Section 5, Township 3 North, Range 68 West of the 6th P.M., being more particularly described as follows:

Beginning at the SW corner of the NW1/4 of said Section 5, and considering the South line of the NW1/4 of said Section 5, as bearing North 89°11'48" West, with all other bearings contained herein relative thereto;

Thence South 89°11'48" East, along said South line 1803.23 feet;

Thence North 12°00'43" East, 350.00 feet to a point on the South and West right of way line of the Ish Ditch;

Thence along said South and West right of way line of the Ish Ditch by the following 14 courses and distances:

North 02°49'22" East, 157.36 feet;

North 11°45'38" East, 145.08 feet;

North 06°00'06" West, 94.21 feet;

North 50°07'40" West, 42.96 feet;

North 27°34'42" West, 91.80 feet;

North 12°07'41" West, 140.36 feet;

North 43°09'12" West, 112.57 feet;

North 78°15'56" West, 59.30 feet;

South 75°36'48" West, 361.06 feet;

South 38°27'30" West, 116.44 feet;

South 58°55'30" West, 53.07 feet;

North 81°06'26" West, 49.62 feet;

North 57°20'38" West, 158.14 feet;

North 49°50'49" West, 378.25 feet;

Thence South 00°50'08" West, 350.37 feet;

Thence North 89°09'52" West, 707.00 feet to a point on the West line of the NW1/4 of said Section 5;

Thence South 00°50'08" West, along said West line, 838.68 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion thereof as conveyed to the Ish Reservoir Company, a corporation, by deed recorded March 19, 1906 in Book 212 at Page 370.

PARCEL 2:

All that part of the NW1/4 of Section 5, Township 3 North, Range 68 West of the 6th P.M., being more particular described as follows:



3811956 12/14/2011 12:14P Weld County, CO
7 of 11 R 61.00 D 0.00 Steve Moreno Clerk & Recorder

Beginning at the NW corner of said Section 5, and considering the West line of said NW1/4 as bearing South 00°50'08" West, with all other bearings contained herein relative thereto;
Thence South 00°50'08" West, along said West line of said NW1/4 of Section 5, 1626.48 feet to the TRUE POINT OF BEGINNING;
Thence South 89°09'52" East, 707.00 feet;
Thence South 00°50'08" West, 166.52 feet;
Thence North 89°09'52" West, 707.00 feet to a point on the West line of the NW1/4 of said Section 5,
Thence North 00°50'08" East, along said West line, 166.52 feet to the TRUE POINT OF BEGINNING.

PARCEL 3:

All that part of the NW1/4 of Section 5, Township 3 North, Range 68 West of the 6th P.M., being more particular described as follows:

Beginning at the Northwest corner of said Section 5, and considering the West line of the NW1/4 of said Section 5, as bearing S00°50'08"W, with all other bearings contained herein relative thereto;
Thence S00°50'08"W, along said West line, 934.83 feet to the TRUE POINT OF BEGINNING;
Thence S89°09'52"E, 431.18 feet;
Thence S27°41'14"E, 577.85 feet;
Thence S00°50'08"W, 183.85 feet;
Thence N89°09'52"W, 707.00 feet to a point on the West line of the NW1/4 of said Section 5;
Thence N00°50'08"E, along said West line, 691.65 feet to the TRUE POINT OF BEGINNING.

PARCEL 4:

The NE1/4 of Section 5, Township 3 North, Range 68 West of the 6th P.M., EXCEPT that parcel conveyed by Deed recorded July 12, 1971 in Book 649 as Reception No. 1571451 and described as follows:

Beginning at the Northwest corner of the NE1/4 of said Section 5, thence East along the North line of said Section 5 a distance of 1943.1 feet to a point on the Westerly side of an irrigation ditch,
Thence S34°52'W 170 feet to a point on the North side of a large ditch, known as the Mead Lateral;
Thence Southwesterly along and North of said ditch approximately 25 feet from the center thereof by the following courses:
S68°10'W 185.0 feet;
Thence S75°38'W 534.0 feet;
Thence S46°43'W 75.0 feet;
Thence S34°33'W 300.0 feet;



3811956 12/14/2011 12:14P Weld County, CO
8 of 11 R 61.00 D 0.00 Steve Moreno Clerk & Recorder

Thence S57°52'W 87.0 feet;
Thence S82°36'W 335.0 feet;
Thence S34°49'W 265.0 feet;
Thence S80°52'W 145.0 feet;
Thence S57°58'W 100.0 feet;
Thence S36°22'W 288.5 feet; to a point on the West line of the NE1/4 of said
Section 5, leaving said ditch at this point,
Thence N00°52'E 1253.7 feet more or less to the TRUE POINT OF BEGINNING.

All bearings used herein in relation to the North line of the NE1/4 of said Section 5;
which line is used and described as East and West; AND
EXCEPT Parcels conveyed by instruments recorded December 2, 1904, in Book 218
at Page 488, May 18, 1906, in Book 241 at Page 288, June 5, 1908, in Book 280 at
Page 206.

PARCEL 5:

That part of the SE1/4 of the NW1/4 of Section 5, Township 3 North, Range 68 West of the
6th P.M., described as follows:

BEGINNING at the Southeast corner of said NW1/4
Thence West 830 feet to peg,
Thence Northeasterly 350 feet to iron peg on West side of the Ish Ditch,
Thence East 150 feet to iron peg on East side of Ditch,
Thence Northeasterly along said ditch to East line of NW1/4,
Thence South along East line to the POINT OF BEGINNING.

PARCEL 6:

A parcel of land located in the NW1/4 of Section 5, Township 3 North, Range 68 West of
the 6th P.M., being more particularly described as follows:

Beginning at the Northwest corner of said Section 5, and considering the North line
of the NW1/4 of said Section 5 as bearing S89°52'35"E with all other bearings
contained herein relative thereto;
Thence S89°52'35"E, along said North line, 1951.24 feet to the TRUE POINT OF
BEGINNING
Thence continuing S89°52'35"E along said North line, 690.82 feet to the Northeast
corner of the NW1/4 of said Section 5;
Thence S01°01'16"W along the East line of the NW1/4 of said Section 5 1319.14 feet
to the South and East ROW line of the Ish Ditch;
Thence along the South and East line of the Ish Ditch by the following 11 courses and
distances:
S63°22'29"W 98.99 feet;
along the arc of a curve to the left whose radius is 213.49 feet and whose long chord
bears S45°12'33"W 133.11 feet;
S27°02'37"W 67.42 feet;



3811956 12/14/2011 12:14P Weld County, CO
9 of 11 R 61.00 D 0.00 Steve Moreno Clerk & Recorder

along the arc of a curve to the right whose radius is 316.47 feet and whose long chord bears S36°18'10"W 101.84 feet;
South 45°33'43"W 201.41 feet;
along the arc of a curve to the left whose radius is 71.59 feet and whose long chord bears S16°03'51"W 70.50 feet;
S13°26'00"E 221.78 feet;
along the arc of a curve to the right whose radius is 76.50 feet and whose long chord bears S27°45'36"W 160.77 feet;
S68°57'13"W 133.45 feet;
along the arc of a curve to the left whose radius is 53.50 feet and whose long chord bears S40°20'25"W 51.24 feet;
S11°43'37"W 113.57 feet;
Thence S89°11'48"W 167.60 feet to a point on the South and West ROW Line of the Ish Ditch;
Thence along said South and West ROW Lines of the Ish Ditch, by the following 14 courses and distances;
N02°49'22"E, 157.36 feet;
N11°45'38"E, 145.08 feet;
N06°00'06"W, 94.21 feet;
N50°07'40"W, 42.96 feet;
N27°34'42"W, 91.80 feet;
N12°07'41"W, 140.36 feet;
N43°09'12"W, 112.57 feet;
N78°15'56"W, 59.30 feet;
S75°36'48"W, 361.06 feet;
S38°27'30"W, 116.44 feet;
S58°55'30"W, 53.07 feet;
N81°06'26"W, 49.62 feet;
N57°20'38"W, 158.14 feet;
N49°50'49"W, 378.25 feet;
Thence N00°50'08"E, 155.60 feet;
Thence N44°19'46"E, 1807.54 feet to the TRUE POINT OF BEGINNING.

PARCEL 7:

A parcel of land located in the NW1/4 of Section 5, Township 3 North, Range 68 West of the 6th P.M., being more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 5, and considering the North line of the NW1/4 of said Section 5 as bearing S89°52'35"E, with all other bearings contained herein relative thereto;
Thence S89°52'35"E, along said North line, 1951.24 feet;
Thence S44°19'46"W, 1807.54 feet;
Thence S00°50'08"W, 155.60 feet;
Thence N27°41'14"W, 577.85 feet;
Thence N89°09'52"W, 431.18 feet; to a point on the West line of the NW1/4 of Section 5;



3811956 12/14/2011 12:14P Weld County, CO
10 of 11 R 61.00 D 0.00 Steve Moreno Clerk & Recorder

Thence N00°50'08"E, along said West line, 934.83 feet to the POINT OF BEGINNING.

EXCEPT therefrom that portion conveyed to the Ish Reservoir Company, a Corporation by Deed recorded March 19, 1906, in Book 212 at Page 370.

County of Weld, State of Colorado.

3811956 12/14/2011 12:14P Weld County, CO
 11 of 11 R 61.00 D 0.00 Steve Moreno Clerk & Recorder

