



BASIN EXPLORATION  **INC.**

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APR 26 1990

COLO. OIL & GAS CONS. COMM.

Surface Damages Agreement
Between Harold W. Luhman and Louise A. Luhman
and Basin Exploration, Inc. for
Luhman UPRR 31-13 (#3) NWNE Sec 13, T3N, R66W
Weld County, Colorado

Basin Exploration, Inc. agrees to take every reasonable precaution and to make every reasonable effort to minimize the disruption of the property for continued farming activity. This includes:

1. To stockpile eight (8) inches of top soil in areas where the surface area is disturbed by Basin's operations, and at the completion of Basin's operations, to reshape the disturbed lands as near a possible to its original contour. During the backfilling of any pits that were dug, the soil shall be compacted to prevent subsidence. Should subsidence occur in spite of the above efforts, Basin will be responsible for correcting the subsidence.
2. To use, where feasible, any existing agricultural or oil and gas lease roads and to minimize the amount of new road installation required to access the drill site and production equipment.
3. To restore the surface of any abandoned well site and any road to a level condition compatible with any irrigation system now located on the premises. It is the intent that the irrigation system shall not be disturbed by Basin's operations.
4. To pay for damages to person and property caused by Basin's negligence during the operating of a producing well.
5. To fence all producing wells, tanks and equipment and all other improvements with a protective fence at least four (4) feet high.
6. To locate the well(s) according to a mutually agreed legal location.
7. To locate the separator and tank battery at a location close in to the well head.
8. To notify the surface owner at least five (5) days prior to entering upon the premises for drilling purposes of Basin's intention to drill.
9. To refrain from using permanent ground anchors.

This Surface Damages Agreement is intended to cover all damages which occur as the result of the location, drilling, completion, equipping and operation of the referenced well, including, but not limited to, Basin's reentry upon the referenced lands for the purpose of recompletion or reworking operations on the referenced well. This Surface Damages Agreement is also intended to cover all surface damages occasioned by location and use of the access road to the well, location, use and servicing of tank batteries and flow lines or gas gathering lines on the referenced lands and any other damages or claims arising out of or in any way connected with entry upon the referenced lands by Basin, its successors or assigns.

Prior to the commencement of drilling operations for this well, Basin agrees to pay to the surface owner the sum of Two Thousand Five Hundred Dollars (\$2,500) as payment for surface damages relating to drilling and completion of any specific well and for the installation of the production equipment and flow line required for the production of oil and gas from that well. It is specifically understood that the \$2,500 shall not cover any damages to existing crops at the drill site resulting from Basin's operations. The intent of both parties is to base any crop damages on the selling price of specific crops on a per acre basis.

This agreement shall be binding on any subsequent surface owner(s) and represents the full and complete agreement between the parties. Any additional provisions would have to be agreed to in writing by both the surface owner and Basin.

Signed:

Dan L. Schwartz
Dan L. Schwartz
Basin Exploration, Inc.

Date:

April 26, 1990

Signed:

Harold W. Luhman
Harold W. Luhman
Surface Owner
8727 Weld County Road 24
Platteville, CO 80651
(303) 785-2480

Date:

4-26-90

SS # 522-07-8482

Signed:

Louise A. Luhman
Louise A. Luhman
Surface Owner

Date:

4-26-90

SS # 511-20-4263

any loss, costs, damages, or expenses. These interpretations are also subject to Clause 7 of our General Terms and Conditions as set out in our current price schedule.

SPONTANEOUS-POTENTIAL
MILLIVOLTS

DEPTHS

CONDUCTIVITY

MILLIMHOS/M $\frac{1000}{\text{OHMS M}^2/\text{M}}$

6FF40

1000

0

2000

1000

RESISTIVITY

OHMS M²/M

A-16" M
SHORT NORMAL

50

500

INDUCTION

50

500

AMP. SHORT NORMAL

50

500

88614892

10
MV

0200
Casing

0300

0400

0500

0600

0200 0300 0400 0500 0600

