

SURFACE USE AGREEMENT



THIS SURFACE USE AGREEMENT (the "Agreement") is made and entered into this 20th day of September, 2002, by and among **ANADARKO E&P COMPANY LP** formerly known as Union Pacific Resources Company, a Delaware limited partnership ("Anadarko E&P"), **RME LAND CORP**, formerly known as Union Pacific Land Resources Corporation, a Nebraska Corporation ("RME Land"), both with addresses of P.O. Box 1330, Houston, Texas 77251-3330, **PATINA OIL & GAS CORPORATION**, a Delaware corporation ("Patina"), 1625 Broadway Suite 2000, Denver, Colorado 80202 (Anadarko E&P, RME Land and Patina are sometimes referred to hereinafter together as the "Oil Companies") and **MOUNTAIN SHADOWS OF GREELEY, LLC**, a Colorado limited liability company, ("Mountain Shadows"), 1750 25th Avenue, Suite 305, Greeley, Colorado 80634.

RECITALS

- A. Mountain Shadows is the owner or has exclusive rights to purchase the surface estate in a tract of land located in the SE/4 of Section 7, Township 5 North, Range 66 West of the 6th P.M., City of Greeley, County of Weld, State of Colorado (the "Property"). The Property is further described on Exhibit "A-1" attached hereto and made a part hereof.
- B. Anadarko E&P and RME Land own the severed mineral estate in the Property.
- C. More precisely, Anadarko E&P owns the oil, gas and associated liquid hydrocarbons under the Property, and RME Land owns all other minerals, including the coal, exclusive of oil, gas and associated liquid hydrocarbons, and also a reversionary interest in the oil, gas and associated liquid hydrocarbons .
- D. Anadarko E&P, or a predecessor company, as owner of the oil and gas estate, has granted certain oil and gas leases for the Property, including interests which have been assigned to Patina.
- E. The mineral estate in and under the Property from the surface to the top of the Morrison Formation is presently subject to a valid and subsisting oil and gas lease which is recorded in Book 640, Rec. #1562223 of the Weld County, Colorado, records (the "Lease"), which leasehold interest is owned of record by Patina. Anadarko E&P and RME Land understand and believe that there are no valid and subsisting oil and gas leases covering formations below the top of the Morrison Formation.
- F. Patina is successor-in-interest to the interests of Gerrity Oil & Gas Corporation and Snyder Oil Corporation in and to the Lease. Patina's leasehold rights include, among other things, the right of ingress and egress for the purposes of exploration, development, drilling, re-drilling, testing, completion, re-completion, re-entry, deepening, fracturing, re-fracturing, stimulation, reworking, production and maintenance operations associated with oil and gas wells and the associated flowlines and production facility to be located on the Property.

G. The Oil Companies have identified a location ("the Wellsite Area") on the Property at which they desire to directionally drill up to four (4) oil and gas wells (collectively the "Wells"). The Wells and Wellsite Area are further described on Exhibit "A-2" attached hereto and made a part hereof.

H. Mountain Shadows desires to undertake certain development of the surface of the Property, including residential housing.

I. The Oil Companies and Mountain Shadows enter into this Agreement to provide for the coexistence and joint development of the surface estate and the oil and gas estate of the Property and to delineate the process by which the parties shall comply with respect to the development of the two estates.

J. This Agreement is limited to the compatible development of the surface estate and the oil and gas estate. It does not in any respect apply to the minerals other than oil and gas owned by RME Land.

NOW, THEREFORE, in consideration of the covenants set forth herein and the mutual benefits to be derived by the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. AREAS RESERVED FOR OIL AND GAS OPERATIONS.

1.1. Oil and Gas Operations. The Oil Companies shall have the right to undertake the drilling, deepening, recompleting, fracturing, re-fracturing, stimulation or reworking of wells to be located within the Wellsite Area and to otherwise utilize the Wellsite and Oil and Gas Operations Areas depicted on "Exhibit A-2" in the manner provided for in this Agreement, and hereby agree they shall not conduct such operations or otherwise use the surface, except in an emergency, on any other portion of the Property without the express written consent of Mountain Shadows.

1.2 Use of Wellsite Area. The Wellsite Area shall be reserved and utilized for the exclusive purpose of oil and gas operations by the Oil Companies, including, but not limited to, drilling and production activities, workovers, well deepening, recompletions, fracturing, drilling of replacement wells, and re-fracturing, installation of tanks, compressors, dehydrators and other surface facilities among other things. The Oil Companies shall not be allowed to drill new wells, or conduct any other operations that require the reconfiguration of the detention pond between April 1 and September 30 of each year. Within forty-five days of receipt of written notice from an Oil Company, Mountain Shadows, its successors and assigns, at their sole cost, risk and expense, shall have the responsibility and obligation, on a one time basis, to provide the material, labor and permits to prepare and construct a stable (95% compaction standard), dry, level, drill pad for the initial well(s) to be drilled by the Oil Companies by reclaiming a portion of the detention pond, if necessary, and any additional land adjacent thereto as depicted on Exhibit "A-2". Mountain Shadows shall also be obligated to reconfigure, restore and reclaim said pond to its original condition following completion of the initial drilling operations, but only one (1) time. In the event Mountain Shadows fails to meet the requirements set forth in this paragraph, the Oil Companies shall have right, but not the obligation, to take whatever steps the Oil Companies deem necessary or advisable to prepare such site and reclaim the detention pond. In

such event, Mountain Shadows shall be liable for the Oil Companies' costs and expenses they incur. The Oil Companies shall perform interim reclamation of the Wellsite Area pursuant to COGCC Rule 1003, or any successor rule or amendment to the COGCC interim reclamation rules, prior to Mountain Shadows restoration of the detention pond. Thereafter, all new well bores, which shall not exceed four (4) active well bores on the surface at any time, shall be drilled on such drill pad, or a substantially similar drill pad in size and location constructed by the Oil Companies at their sole cost for wells drilled after the initial interim reclamation of the Wellsite Area or restoration of the detention pond. In no event shall any new well bore on the surface be commenced at a location that would extend the 350 foot setbacks from the wellbore locations on the initial drillpad, as depicted on Exhibit A-2, to the east, west and south.

1.3 Limitation on Use of the Property. Except for the Wellsite Area and the Oil and Gas Operations Area, the Oil Companies shall not use or occupy any part of the surface of the Property except in the event of an emergency or for necessary incidental and temporary activities. As part of the consideration for this limitation by the Oil Companies of what would otherwise be their right to make reasonable use of any part of the Property in the conduct of their operations, and without limiting the applicability of Sections 9 and 10 below, the Oil Companies shall not be obligated to pay, and Mountain Shadows hereby waives any right to receive, any further surface damage payments, license or use fees, now or in the future, associated with the operations of the Oil Companies within the Wellsite Area and the Oil and Gas Operations Area, provided that the Oil Companies are not in material breach of their collective obligations hereunder.

1.3.1 Except for the detention pond and the bicycle path depicted on "Exhibit A-2" and as provided in Section 3, Mountain Shadows shall place no building, structure or improvement of any kind within the Oil and Gas Operations Area, without the written consent of the Oil Companies which shall not be unreasonably withheld and will be presumed to have been granted if Oil Companies do not respond, in writing, to a written request from Mountain Shadows for such consent within fifteen (15) business days of receipt.

1.3.2 Except for the detention pond and the bicycle path depicted on "Exhibit A-2" and as provided in Section 3, Mountain Shadows shall place no permanent building, structure or improvement within the Well Site Area or within 350 feet of any existing or prospective Wells.

1.4 Waiver of Certain Requirements. So long as the Oil Companies have not substantially breached any material terms of this Agreement, Mountain Shadows waives, to the extent that it is entitled to waive, all setback requirements in Colorado Oil and Gas Conservation Commission ("COGCC") Rule 603, or any successor rule or amendment to the COGCC setback rules, and to any other state or local setback requirements or other requirements or regulations that are or become inconsistent with this Agreement or prohibit the Oil Companies from exploring for and producing oil and gas in conformance with their obligations hereunder; Mountain Shadows understands that the Oil Companies may cite the waiver in this Section 1.4 in order to obtain a location requirement exception or variance under COGCC rules or from a local jurisdiction; Mountain Shadows also agrees that it will not object in any forum to the use by the Oil Companies of the surface of the Property consistent with this Agreement and that it will also

provide the Oil Companies with whatever support in writing they may reasonably require to obtain permits from the COGCC or any local jurisdiction.

1.5 Waiver of Notice Requirements. So long as Mountain Shadows has not substantially breached any material terms of this Agreement, the Oil Companies waive, to the extent that they are entitled to waive, all requirements that they be provided notice concerning matters involving Mountain Shadows' surface development activities, including all notice requirements in C.R.S. § 24-65.5-101, *et. seq.* or any other state or local requirements that are or become inconsistent with this Agreement or that would prohibit Mountain Shadows from developing the surface of the Property in accordance with this Agreement; provided, however, RME Land does not waive such notice with respect to the minerals other than the oil and gas until such time as RME Land and Mountain Shadows enter into a formal written agreement with respect to the minerals other than the oil and gas. The Oil Companies understand that Mountain Shadows will rely on this Agreement as a waiver of the Oil Companies' entitlement to notice pursuant to C.R.S. § 24-65.5-104; the Oil Companies also agrees that they will not object in any forum to the use of the surface of the Property by Mountain Shadows consistent with this Agreement and that they will also provide Mountain Shadows with whatever support in writing it may reasonably require to obtain permits from the City of Greeley or any other governmental authority with jurisdiction.

2. SURFACE RECLAMATION. The Oil Companies shall conduct all operations and activities on the Property in compliance with all applicable laws and regulations including, without limitation, the regulations of the Colorado Oil and Gas Conservation Commission in the 800 – 1100 series; provided, however, that the foregoing shall not create a private right of action between Mountain Shadows and the Oil Companies. The Oil Companies or succeeding oil and gas operators shall be responsible for their respective costs of interim and final reclamation and surface restoration related to such future operations to the extent required by the COGCC and shall comply with all of the requirements set forth in Exhibit "B" and Sections 3 and 4.

3. ACCESS AND PIPELINES.

3.1 During Mountain Shadows' development of the surface of the Property and at all times thereafter, it shall provide the Oil Companies access to the Wellsite Area and Oil and Gas Operations Area, though the location of that access may vary from time to time in accordance with the needs and progress of such surface development.

3.2 Upon completion of surface development, Mountain Shadows will permit and construct the access road entrance from the public street to the western boundary of the existing public right-of way for 83rd Avenue within the Oil and Gas Operations Area under standards determined by the Public Works Director of the City of Greeley, and as depicted on Exhibit "A-2", to a width of 20 feet. The Oil Companies shall be responsible for constructing the remainder of the access roadway to the Well Site Area and maintaining such access road at their sole cost and expense. It is contemplated that the pipeline required to transport production from the Well Site Area will be located along the access road within the Oil and Gas Operations Area. In the event, the route or course for access depicted for such access road and pipeline on Exhibit "A-2" is not allowed or approved by the City of Greeley for any reason, Mountain Shadows shall provide, at its sole cost risk and expense, an alternate route and course that is acceptable to the

Oil Companies and the Oil and Gas Operations Area, or portions thereof, shall be relocated accordingly.

3.3 The Oil Companies' access shall be limited in scope and duration to activities reasonably necessary for the safe and prudent drilling, operation and maintenance of the wells and associated facilities in accordance with this Agreement and applicable laws and regulations. The Oil Companies shall not construct any roads on the Property, except within the Wellsite Area and the access road contemplated in Section 3.2, without the written consent of Mountain Shadows. The Oil Companies shall repair, regrade, upgrade and maintain all roads, fences and gates they use, from time to time, as may be necessary to mitigate the impact of the Oil Companies' uses on the quality of such roads, fences and gates.

4. **BATTERIES AND EQUIPMENT.** The Oil Companies shall have the right to locate, relocate, build, repair and maintain tanks, separators, dehydrators, compressors and other equipment necessary, appropriate or convenient for the operation and production of the Wells, only within the Wellsite Area to the north of the drill pad, and within the areas designated for such purpose on Exhibit "A-2". With respect to the equipment and facilities of the Oil Companies, other than pipelines and access roads, the Oil Companies shall install and maintain fences, gates and locks reasonably necessary for the security of such wells and/or facilities and the Wellsite Area. Such fences, gates and locks shall be installed at the expense of Mountain Shadow, but maintained at the expense of the Oil Companies and shall be of a type and quality customarily used for such purpose for facilities in the vicinity of a residential subdivision. Mountain Shadows shall have the right at any time to require and install such other and further security measures as it may deem prudent at its sole expense, including the replacement or upgrade of fences, gates or locks installed by the Oil Companies, provided that such measures do not limit the Oil Companies access in any way or unreasonably interfere with the security measures implemented by the Oil Companies for their safe operations on the Property.

5. **DIRECTIONAL DRILLING COSTS** On the Effective Date hereof, Mountain Shadows shall pay Patina the sum of [REDACTED] as a contribution for the cost of surveying, outside consulting and associated expenses related to this agreement. Within thirty (30) days of the final plat approval by the City of Greeley (or other municipal body having jurisdiction in such matters) for the Property that is not subject to any appeal, Mountain Shadows shall tender to the Oil Companies the sum set forth in that certain confidential letter by and between the Oil Companies and Mountain Shadows executed contemporaneously herewith as a contribution for the directional drilling of wells and other incremental expenses the Oil Companies may incur to comply with this Agreement.

6. **NOTICE OF FUTURE OPERATIONS.** The Oil Companies shall provide at least thirty (30) days prior written notice to Mountain Shadows in advance of the initial commencement of any well. The Oil Companies shall provide at least seven (7) days prior written notice to Mountain Shadows in advance of any operations (other than the initial commencement of new wells) within the Oil and Gas Operations Areas in connection with the reworking, fracturing, deepening or other unusual or other than routine operations on the Wells; provided, however, that the Oil Companies shall have immediate access in the event of an emergency. The Oil Companies shall provide Mountain Shadows, at Oil Companies' sole expense, three (3) copies of an "as built" survey prepared and certified by a licensed surveyor

that identifies the location of each pipeline and surface facility within six (6) months after it is installed.

7. NOTICES TO HOMEOWNER AND BUILDERS. Mountain Shadows shall furnish all buyers of any part of the Property with a copy of this Agreement including Exhibits A-1 and A-2 attached hereto identifying the Well Site Area and Oil and Gas Operations Area. In addition, at least thirty (30) days prior to the closing of any transaction therewith, Mountain Shadows shall provide written notice to any homeowners association, developer, builder, homeowner and other buyers of the Property that:

- 7.1 there may be ongoing oil and gas operations in the Wellsite Area and Oil and Gas Operations Area;
- 7.2 Mountain Shadows is obligated to reclaim a portion of the detention pond, prepare an appropriate drill pad and reconfigure, restore and reclaim the detention pond one (1) time pursuant to Section 1.2, or that such obligation has been performed;
- 7.3 the Oil Companies shall only be allowed to drill new well(s) on the Property or conduct any other operations that require reconfiguration of the detention pond only during the dry seasons that occur between October 1st and April 1st in any given year; and
- 7.4 purchasers of all or a portion of the Property, as successors in interest to Mountain Shadows, will be acquiring a proportionate interest in Mountain Shadow's rights and obligations under this Agreement and will be subject to the waivers contained in this Agreement which pursuant to paragraph 1.4 above, shall constitute a waiver of the setback requirements provided in Commission Rule 603(c)(6) and also local setback requirements, among other obligations.

8. FUTURE OPERATIONS. The Oil Companies shall make all reasonable efforts to pursue any drilling, re-drilling, reworking and/or recompletion operations in a diligent manner so as to minimize the total time period on location and to avoid rig relocations or startup delays during the course of drilling. Mountain Shadows waives and shall not assert any right to require that wellhead or production equipment be located in conformance with setback requirements different from those agreed to in this Agreement (including but not limited to those concerning any "high density" rules of the COGCC). Such waiver shall not operate or be construed as a waiver of Oil Companies' compliance with any other provision of this Agreement.

9. GOVERNMENTAL PROCEEDINGS.

9.1 Mountain Shadows shall not, directly or indirectly, oppose or encourage opposition to the Oil Companies in any agency, administrative or other governmental proceedings, including but not limited to the COGCC, the City of Greeley or other governing body proceedings, related to the operations of the Oil Companies on the Property, including but not limited to drilling and production activities, workovers, well deepenings, recompletions, fracturing, replacement wells and re-fracturing, provided that the position of the Oil Companies in such proceedings is consistent with this Agreement. This shall not preclude Mountain

Shadows from participating and offering comments in any proceeding that pertains generally to oil and gas operations.

9.2 The Oil Companies shall not directly or indirectly oppose or encourage opposition to Mountain Shadows in any agency, administrative, county, City of Greeley or other governing body proceedings, relating to Mountain Shadows' operations on and development of the Property, including residential and associated development, provided that Mountain Shadows' position in such proceedings is consistent with this Agreement. This shall not preclude Oil Companies from participating and offering comments in any proceeding that pertains generally to real estate developments.

10. LIMITATION OF LIABILITY, RELEASE AND INDEMNITY.

10.1 NO PARTY SHALL BE LIABLE FOR, OR BE REQUIRED TO PAY FOR, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES TO ANY OTHER PARTY FOR ACTIVITIES UNDERTAKEN WITHIN THE SCOPE OF THIS AGREEMENT.

10.2 Each party shall be and remain responsible for all liability for losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation attorneys' fees and other costs associated therewith (all of the aforesaid herein referred to collectively as "Claims"), arising out of or connected with each such party's ownership or operations, including each such parties' agents, contractors, sub-contractors or other invitees on the Property, no matter when asserted, subject to applicable statutes of limitations. Each such party shall release, defend, indemnify and hold the other parties, their officers, directors, employees, successors and assigns, harmless against all such Claims that arise from its negligence. This provision does not, and shall not be construed to, create any rights in persons or entities not a party to this Agreement, nor does it create any separate rights in parties to this Agreement other than the right to be indemnified for Claims as provided herein.

10.3 Mountain Shadows shall have no liability for the release or discharge by the Oil Companies, their lessees, sublessee, contractors or agents, of oil, gas or any other substance on or under the Property. Each Oil Company shall have no liability for any such release or discharge caused in whole or in part by Mountain Shadows, Mountain Shadows' tenants, licensees, invitees, or agents. An Oil Company (individually and not jointly or collectively) shall indemnify and hold Mountain Shadows harmless from and against any and all damages or injuries to persons or property, including environmental hazards, caused by the willful act or negligence of the Oil Company or its, agents, employees and contractors that is not associated with reasonable and prudent and normal drilling, testing, completion and connection operations on the Property, including all costs and expenses (including reasonable attorneys' fees) for any such release or discharge. Mountain Shadows shall indemnify and hold each Oil Company harmless from and against any and all damages or injuries to persons or property, including environmental hazards, caused by the willful act or negligence of Mountain Shadows or its lessees, sublessees, agents, employees and contractors that is not associated with reasonable, prudent development of the surface of the Property, including all costs and expenses (including reasonable attorneys' fees) for any such release or discharge.

11. EXCLUSION FROM INDEMNITIES. The indemnities of any party herein shall not cover or include any amounts which the indemnified party may recoup from any third party, or for which the indemnified party is reimbursed by any third party. The indemnities in this Agreement shall not relieve any party from any obligations to third parties.

12. NOTICE OF CLAIM FOR INDEMNIFICATION. If a Claim is asserted against a party for which another party would be liable under the provisions of Section 10 above, it is a condition precedent to the indemnifying party's obligations hereunder that the indemnified party give the indemnifying party written notice of such Claim setting forth all particulars of the Claim, as known by the indemnified party, including a copy of the Claim (if it is a written Claim). The indemnified party shall make a good faith effort to notify the indemnifying party within thirty days of its discovery of a Claim or within such time as will allow the indemnifying party to defend against such Claim.

13. INDIVIDUAL LIABILITY OF OIL COMPANIES. The liability of the Oil Companies to perform any covenant or fulfill any obligation hereunder is individual and not joint or collective. Nothing in this Agreement is intended to enlarge or diminish any right or obligation created by any agreement or lease as between Patina or its predecessors and Anadarko E&P or its predecessors, including the obligations in Section 10.

14. REPRESENTATIONS. Each party represents that it has the full right and authority to enter into this Agreement and Mountain Shadows specifically confirms its capacity to grant the rights provided for herein. Patina specifically represents that it owns the oil and gas leasehold interest in the Lease as set forth in Recital E and Anadarko E&P and RME Land specifically represent that they own the oil and gas and associated liquid hydrocarbons under the Property and understand and believe that there are no valid and subsisting oil and gas leases covering formations below the top of the Morrison Formation.

15. SUCCESSORS. The terms, covenants, obligations and conditions hereof shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, devisees, executors, administrators, successors and assigns. This Agreement and all of the covenants herein shall be covenants running with the land.

16. NOTICES. Any notice or other communication required or permitted under this Agreement shall be sufficient if deposited in the U.S. Mail, postage prepaid, with a copy sent via facsimile, addressed to each of the following:

If to Patina Oil & Gas Corporation:

Patina Oil & Gas Corporation
1625 Broadway, Suite 2000
Denver, Colorado 80202
Attention: General Counsel
FAX (303) 389-3680

If to Mountain Shadows of Greeley, LLC

Mountain Shadows of Greeley, LLC
1750 25th Avenue , Suite 305
Greeley, Colorado 80634
Attn: Jim Rawson, Manager
FAX (970) 353-3348

If to Anadarko E&P Company LP or RME Land

c/o Anadarko Petroleum Corporation
Attn: Land Manager, Western Division
P.O. Box 1330
Houston, TX 77251-1330
FAX (218) 539-4069

Any party may, by written notice so delivered to the other party, change the address, fax number or individual to which delivery shall thereafter be made.

17. **RECORDING.** This Agreement shall be promptly recorded in the Office of the Clerk and Recorder for Weld County by Mountain Shadows, and Mountain Shadows shall provide the other parties with a copy thereof showing the recording information as soon as practicable thereafter.

18. **SURFACE DAMAGES.** In consideration of the parties' respective rights, obligations and benefits, as outlined herein, this Agreement shall constitute a surface use or surface damage agreement provided for under the COGCC's Rules and Regulations or under any oil and gas lease covering the Property.

19. **APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to its conflict of laws provisions.

20. **ENTIRE AGREEMENT.** This Agreement sets forth the entire understanding among the Parties regarding the matters addressed herein, and supersedes any previous communications, representations or agreement, whether oral or written. This Agreement shall not be amended, except by written document signed by all parties.

21. **HEADINGS.** The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

22. **TIME OF ESSENCE.** Time is of the essence in this Agreement.

23. **NON-WAIVER.** Waiver by any party or of the failure of any party to insist upon the strict performance of any provision of this Agreement shall not constitute a waiver of the right or prevent any such party from requiring the strict performance of any provision in the future.

24. **SEVERABILITY.** Any covenant, condition or provision herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Agreement, but such deletion shall in no way affect any other covenant, condition or provision herein contained so long as such deletion does not materially prejudice a party in its rights and obligations contained in valid covenants, conditions or provisions. In the event that any part of this Agreement would otherwise be unenforceable or in conflict with applicable laws due to the term or period for which such part is in effect, the term or period for which such part of this Agreement shall be in effect shall be limited to the longest period allowable which does not cause such part to be unenforceable or in conflict with applicable laws.
25. **NO JOINT VENTURE.** This Agreement is not intended to, nor shall it be interpreted to create a joint venture, partnership or any other relationship among the parties.
26. **ATTORNEYS FEES.** In the event of any dispute regarding the rights or obligations of the parties hereunder, the prevailing party shall be entitled to reimbursement for the reasonable expenses, including expert witness and attorneys' fees, it has incurred.
27. **EFFECTIVE DATE.** This Agreement shall become effective (the "Effective Date") upon the execution of this Agreement by all parties hereto.
28. **TERMINATION.** If within four (4) years after the Effective Date, Mountain Shadows fails to obtain final plat approval, this Agreement shall terminate.
29. **COUNTERPARTS.** This Agreement may be executed by facsimile and in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument.

The parties have executed this Agreement as of the day and year first above written.

PATINA OIL & GAS CORPORATION

By:  *DS*
David W. Siple, Vice President

**MOUNTAIN SHADOWS OF
GREELEY, LLC**

By: _____
James C. Rawson, Manager

By: _____
Jeff Demaske, Manager

By: _____
Scott Mueller, Manager

ANADARKO E&P COMPANY LP

By Its Agent and Attorney-In-Fact:

Name _____

RME LAND CORP.

By: _____
Its: _____

The parties have executed this Agreement as of the day and year first above written.

PATINA OIL & GAS CORPORATION

By: _____
David W. Siple, Vice President

**MOUNTAIN SHADOWS OF
GREELEY, LLC**

By: _____
~~_____~~

By: _____ *manager*
Jeff Demaske, Manager

By: _____ *manager*
Scott Mueller, Manager

ANADARKO E&P COMPANY LP

By Its Agent and Attorney-In-Fact:

Name _____

RME LAND CORP.

By: _____
Its: _____

STATE OF COLORADO

)

) ss.

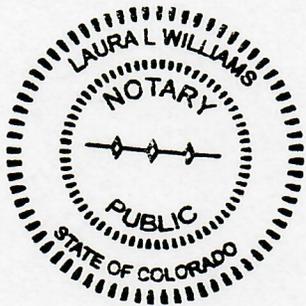
COUNTY OF WELD

)

The foregoing instrument was acknowledged before me this 11th day of October, 2002, by ~~XXXXXX~~ Jeff Demaske and Scott Mueller as Managers of Mountain Shadows of Greeley LLC, a Colorado limited Liability Company, on behalf of that limited liability company.

Witness my hand and official seal.

My Commission expires: August 20, 2005



Notary Public Laura L Williams

The parties have executed this Agreement as of the day and year first above written.

PATINA OIL & GAS CORPORATION

By: _____
David W. Siple, Vice President

**MOUNTAIN SHADOWS OF
GREELEY, LLC**

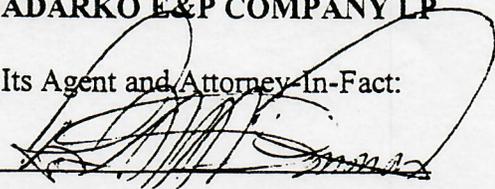
By: _____
James C. Rawson, Manager

By: _____
Jeff Demaske, Manager

By: _____
Scott Mueller, Manager

ANADARKO E&P COMPANY LP

By Its Agent and Attorney In-Fact:



Name _____
ROBERT M. McCOMMON Jr.

ATTORNEY IN FACT
RME LAND CORP.

By: _____
Its: _____


ROBERT M. McCOMMON Jr.
ATTORNEY IN FACT

Handwritten notes:
Attu
my
date

Attu
my
date

STATE OF TEXAS)
) ss
COUNTY OF MONTGOMERY)

The foregoing instrument was acknowledged before me this 30th day of September, 2002, by Robert M. McCommon, Jr., as Attorney in Fact for RME Land Corp., a Nebraska corporation, on behalf of that corporation AND as Agent and Attorney in Fact for Anadarko E&P Company, LP, a Delaware limited partnership, on behalf of that partnership.

Witness my hand and official seal.

My Commission expires: September 6, 2005.

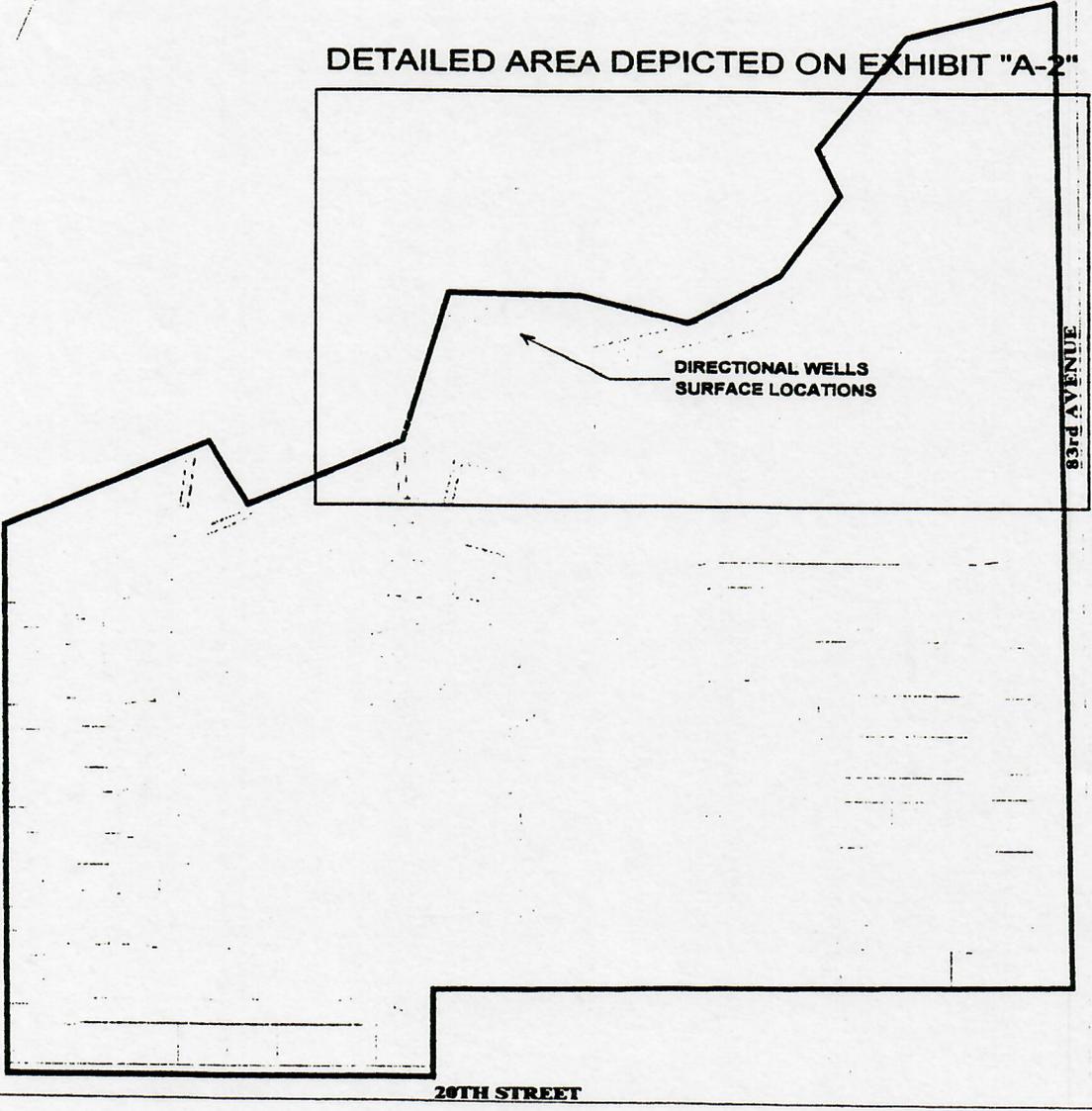


Jane P. Jones
Notary Public

Exhibit "A-1"
"THE PROPERTY"

7

DETAILED AREA DEPICTED ON EXHIBIT "A-2"



This map has been carefully prepared and is a graphical representation of the area depicted. However, it is not intended to be presented as a survey. The information contained hereon is not warranted and Patina shall not in any event be liable for any inaccuracies.

PATINA
OIL & GAS CORPORATION

SNOWDANCE DEVELOPMENT
CITY OF GREELEY PUD

PATINA OIL & GAS CORPORATION

SE/4 SECTION 7
TOWNSHIP 5 NORTH - RANGE 66 WEST

— Property Boundary



MAP PREPARED BY: MARK CURTIS
Scale 1:5000
1" = 300 FEET
10/22/2002
only-1.GPJ

EXHIBIT "A-2"

PART OF THE N/2SE/4 OF SECTION 7
TOWNSHIP 5 NORTH - RANGE 66 WEST
OF THE SIXTH PRINCIPAL MERIDIAN
WELD COUNTY, COLORADO

