

**AGREEMENT FOR  
RIGHT OF WAY, PIPELINE EASEMENT AND SURFACE ACCESS**

THIS AGREEMENT made and entered into this 28<sup>th</sup> day of March, 2011, by and between Equus Farms Inc., of 555 17<sup>th</sup> Street, Suite 2400, Denver, CO, hereinafter designated as "Surface Owner" and Anschutz Exploration Corporation, hereinafter referred to as "Operator", whose address is 555 17<sup>th</sup> Street, Suite 2400, Denver, CO.

WITNESSETH, that

WHEREAS, Operator is the Lessee under those certain Oil and Gas Leases by and between Surface Owner and Operator, covering the lands described on Exhibit "A" attached hereto; and

WHEREAS, Operator wishes to use a portion of Surface Owner's lands for Operator's proposed operations, in order to properly drill, complete rework or re-complete, equip, operate, maintain, produce and plug and abandon any wells and thereafter restore the surface

NOW, THEREFORE, For and in consideration of the mutual covenants and agreements of the parties herein contained, and other good and valuable consideration, the parties hereto AGREE AS FOLLOWS:

1. Said Land. The Surface Owner owns the surface estate to the lands described on Exhibit "A" hereto, hereinafter referred to as "Said Land" in Weld County, State of Colorado, containing 20,665.18 acres, more or less. The lands describe on Exhibit "A" are based on the county assessor records and the Surface Owner does not warrant title to the surface estate or the accuracy of the description of Said Land.

2. Right-of-Way. That in order for Operator to enter, drill, complete, produce and operate oil and/or gas well(s) and production facilities on Said Land, it is necessary that it cross and use certain property of Surface Owner, as provided for under the pertinent oil and gas lease(s), and the parties do hereby agree as to the compensation for the right of entry and surface use thereof. For and in consideration of the hereinafter specified amounts, Surface Owner hereby grants to Operator the non-exclusive right for it, its agents, employees and contractors, and their agents and employees, to enter upon the surface of Said Land for the purpose of conducting oil and gas exploration, drilling, production and marketing activities. Surface Owner agrees to Operator's use of access roads, gathering pipelines and power lines across Lands for gathering of non-lease materials, only to the extent the non-lease materials are committed to that certain Joint Operating Agreement dated effective December 8, 2010, by and between Operator and EOG Resources, Inc.

3. Termination of Rights. Except as may otherwise be provided herein, this Agreement shall automatically terminate upon the termination of those certain Oil and Gas Leases by and between Surface Owner and Operator, covering the lands described on Exhibit "A" attached hereto.

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4. Well Sites. Operator has agreed to pay the sum of [REDACTED] per well drill site location on lands as consideration for all damages associated with the construction, maintenance and use of such location for drilling, completion and production activities. In the event that a well is completed as a well capable of producing oil and/or gas in commercial quantities, Operator shall have the right to install tank batteries, compressor stations, oil and gas flow lines, pipelines, and any facilities necessary for the production, storage, disposal, transportation and marketing of gas, water and/or oil from said location. This shall include the right of Operator to install a central production facility which may have off-lease gas, water and/or oil delivered to such location as a central point for transmitting the gas, water and/or oil to a downstream point, only to the extent the off-lease gas, water and/or oil are committed to that certain Joint Operating Agreement dated effective December 8, 2010, by and between Operator and EOG Resources, Inc..

5. Facility Sites. For lands not previously used as a well drill site location, Operator has agreed to pay [REDACTED], per site, as consideration for the construction, maintenance and use of any production, injection, storage, transportation and/or marketing facility, to be constructed on Said Lands. Production and/or marketing facilities shall include but shall not be limited to tank batteries, compressor stations, gas processing facilities, gas, water and oil flow lines, and any facilities necessary for the production, storage, disposal, transportation and marketing of gas, water and/or oil. This shall include the right of Operator to install a central production facility which may have off-lease gas, water and/or oil delivered to such location as a central point for transmitting to a downstream point.

6. Access Roads. Whenever possible, Operator agrees to use existing roads for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land. Operator has agreed to pay [REDACTED] consideration for the construction, maintenance and use of any new roads and rights-of-way necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land. Said roads shall not exceed forty feet (40') in width.

7. Pipelines and Powerlines. Operator agrees that, whenever possible, Operator will construct any pipeline and/or powerlines within the access road right-of-way, if one exists. If Operator is unable to construct its pipelines and/or powerlines in the said access road right-of-way, Operator agrees to pay the sum [REDACTED] as consideration for a non-exclusive right-of-way to lay, install, maintain, operate, replace, protect, repair, relocate, change and remove one or more pipelines, powerlines, flow lines, and any appurtenances useful and incident to the operation and protection thereof, for the transportation of oil, gas, water, or any other like or unlike substances which may be moved by and through a pipeline(s), and/or flow line(s), and appurtenances thereto, on over and through Said Land. Said non-exclusive right-of-way shall not exceed forty feet (40') in width without the express written consent of Surface Owner, and Operator agrees to bury all pipe to a minimum depth of thirty six inches (36") and to restore the surface over the same as nearly as possible to its condition prior to the laying of the line or lines. In order to provide public notice of the existence of a pipeline, upon the request of the Operator,



Surface Owner agrees to execute a formal "Non-Exclusive Right of Way Grant" to be recorded in said county. Operator shall back fill, compact, reseed, and re-contour the area disturbed by Operator's construction, installation, repair, or removal of any power line or pipeline. Upon termination of this Agreement, as set out in Paragraph 3., and upon request from Owner, Operator shall remove all above ground temporary pipeline and power line facilities. Operator shall allow Owner to have reasonable access and use to any power lines installed upon Owner's property upon agreement between Owner and power company for purchase of power. Upon cessation of operations by Operator, Owner may at its election keep said power lines in place.

8. **Existing Well Pads and Access Roads.** If any existing well pads exist on Surface Owner's lands, Operator has agreed to pay the sum [REDACTED] as consideration for the use of any existing roads and rights-of-way necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land.

9. **Cattle Guards and Gates.** The Operator shall construct cattle guards at all places where Operator requires access through Surface Owner's fences. Stock gates shall be constructed at Surface Owner's request if the movement of livestock will be interfered with.

10. **Fences and Reclamation.** Operator shall install fences around any dangerous area, including, any pits, where Operator drills any new wells. Operator shall reclaim and restore all areas disturbed by Operator's operations as near as practical to their original condition within twelve (12) months after termination of activities at the site or right-of-way. Operator agrees to notify and consult with Owner prior to cutting or damaging any fences, cattle guards, or other improvements of Owner. All areas disturbed by Operator's activities will be reseeded unless otherwise agreed to by Owner.

11. **Weeds and Debris.** Operator agrees to keep the roads, locations, and other areas utilized for its purposes, free from weeds, debris and litter and will properly maintain such areas in such a manner as to minimize interference with the Surface Owners normal use of contiguous lands.

12. **Maintenance and General Operations.** Operator shall at all times keep the well sites, road rights-of-way, facility locations, and other areas disturbed by Operator safe and in good order, free of noxious weeds, litter, and debris. Operator shall dispose of all litter, sewage, and debris off of Owner's property at an approved disposal site. Using reasonable efforts, Operator shall not allow or permit erosion to continue on any disturbed sites and shall promptly repair, reclaim and reseed all erosion sites. Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on the Lands. All cattle guards and fences installed by Operator shall be kept clean and in good repair.

13. **Mud Pits.** Upon the conclusion of drilling operations by Operator on a location on Said Land, Operator will dispose of any trash and debris and will fill and level the mud pits and return Said Land to its original condition as nearly as is practicable within a reasonable and customary period of time. During its clean-up of the mud return pit, Operator shall be allowed to let water in said pit evaporate and further, Operator shall be allowed to use the entire drilling pad in its operation to reclaim said pit.

14. **Water.** Without prior approval of Owner, Operator shall not use any water from any existing water wells owned by Owner, reservoirs or springs on the Lands. Operator shall not disturb, interfere with, fill, or block any creek, reservoir, spring, or other source of water on the Lands.

15. **Notice.** Operator agrees that prior to drilling any well or constructing any production and/or marketing facility on Said Land, it will first consult with Surface Owner in order to minimize interference with Surface Owner's normal use of Said Land.

16. **Dogs and Firearms.** Operator agrees that no dogs, firearms or hunting will be allowed on the property covered by this Agreement without the express written consent of the Surface Owner and that Operator will notify all of its contractors, agents and employees of this restriction.

17. **Indemnity.** Operator shall, and hereby expressly agrees to defend, indemnify and hold Surface Owner, its subsidiaries and affiliates, its successors, assigns, employees and agents, harmless from and against any and all loss, expense, liens, claims, demands and causes of action of every kind and character (including those of the parties, their agents and employees), for death, personal injury, property damage or other liability, damage, fine or penalty, including costs, attorney fees and settlements arising out of or in connection with the operations of Operator and associated work performed by Operator pursuant to this Agreement, by any act or omission of Operator or any of its subcontractors, agents, employees, invitees or licensees.

18. **Law.** This agreement shall be governed and construed in accordance with the laws of the State of Colorado.

19. **Assignment.** This Agreement shall be binding upon and shall be for the benefit of the parties hereto, their respective heirs, successors and assigns. Any sale by Surface Owner of his interest in Said Land shall be made subject to the terms and conditions of this Agreement. A Memorandum of this Agreement for Right of Way, Pipeline Easement and Surface Agreement shall be filed in the records of the Weld County, Colorado.

20. **Notification.** Any notice required or permitted to be given hereunder shall be deemed to be delivered when deposited in the U.S. Mail, postage prepaid, certified with return



receipt requested, or registered mail, addressed to the party to which it is intended at the address set forth below for such party.

21. Other Provisions. The right of entry and use of the surface by Operators shall be limited and subject to the Operator Committed Mitigation Measures described on Exhibit "B" attached hereto. Should there be a conflict between the terms and conditions of this agreement and Exhibit "B", Exhibit "B" shall prevail.

If to Surface Owner:

Equus Farms, Inc.  
555 17<sup>th</sup> Street, Suite 2200  
Denver, Colorado 80202  
Attn: Bill Miller

If to Operator:

Anschutz Exploration Corporation  
555 17<sup>th</sup> Street, Suite 2200  
Denver, Colorado 80202  
Attn: Land Department

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS, THE DAY  
AND YEAR FIRST ABOVE WRITTEN.

Equus Farms, Inc.

Anschutz Exploration Corporation

By:  \_\_\_\_\_

William J. Miller, President

By:  \_\_\_\_\_

William J. Miller, President

## EXHIBIT "A"

Attached to and made a part of that certain Agreement for Right of Way, Pipeline Easement and Surface  
Access dated March 28, 2011.

<b>Township 3 North, Range 62 West of the 6th p.m., Weld County, Colorado</b>	
Section 1:	Lot 2 (N2NW4), S2NW4, SW4
Section 2:	Lots 1-2 (N2N2), S2N2, S2
Section 3:	Lot 1 (N2NE4), S2NE4, SE4
<b>Township 4 North, Range 61 West of the 6th p.m., Weld County, Colorado</b>	
Section 2:	Lot 4 (NW4NW4), SW4NW4
Section 3:	Lots 1-4 (N2N2), S2N2, S2
Section 4:	Lots 1-4 (N2N2), S2N2, S2
Section 5:	Lots 1-2 (N2NE4), S2NE4, E2SE4
	Except 15.88 acres of Riverside Reservoir in SW4NE4
Section 8:	SE4SE4
Section 9:	All
Section 10:	N2
	Except parcel 104710100009 in N2NE4 (35.42 acres)
	Except parcel 104710400011 in S2NE4 (69.22 acres)
Section 15:	That portion of S2SW4 lying S of R/W of inlet ditch to Jackson Lake Res including that portion formerly UPRR R/W of the Julesburg branch
Section 16:	All
Section 17:	All, including former UPRR R/W of the Julesburg branch
	Except parcel 104717200017 in NW4NW4 (6.93 acres)
	Except parcel 104717300001 in SW4SW4 (< 0.01 acres)
	Except parcel 104717300002 in SW4SW4 (0.66 acres)
Section 18:	Lots 1-4 (W2W2), E2W2, E2
	Except parcel 104718100002 in SE4NE4 (2.61 acres)
	Except parcel 104718400005 in E2SE4 (2.61 acres)
	Except parcel 104708400004 in SE4SE4 (0.10 acres)
Section 19:	Lots 1-4 (W2W2), E2W2, E2
	Except parcel 104718400005 in NE4NE4 (0.98 acres)
	Except parcel 104719100005 in SE4NE4 (1.46 acres)
	Except 24.59 acres of Highway R/W in S2S2
Section 20:	SW2NW4, E2E2SW4, W2W2SE4, W2E2W2SE4
	Except 6.33 acres of Highway R/W in S2S2
Section 21:	E2NE4
Section 22:	NW4
Section 28:	W2
Section 29:	E2E2NW4, W2W2NE4, W2E2W2NE4
	Except parcel 104729100003 in the S2N2 (20.39 acres)
	Except parcel 104729100004 in the S2N2 (2.08 acres)

**Acres**

320.51  
642.02  
644.44

**Acres**

82.81  
649.17  
652.16  
231.34  
  
40.00  
640.00  
215.36 \*

33.49 \*

640.00  
632.41 \*

634.68 \*

612.97 \*

173.67

80.00  
160.00  
320.00  
77.53 \*

**Township 4 North, Range 62 West of the 6th p.m., Weld County, Colorado**

	Acres
Section 3: SW4SE4, that portion of SW4 lying S of C/L of Riverside Inlet Canal	149.42 *
Section 4: That portion of S2 lying S of C/L of Riverside Inlet Canal	208.51 *
Section 9: All	640.00
Section 10: All	640.00
Section 11: NW4SW4, S2SW4	120.00
Section 13: S2N2, S2, including former UPRR R/W of the Julesburg branch	329.68 *
Exept parcel 104913300012 in the S2S2 (150.32 acres)	
Section 14: NW4, S2NE4, S2, including former UPRR R/W of the Julesburg branch	426.65 *
Exept parcel 104914300004 in the S2S2 (133.35 acres)	
Section 15: All, including former UPRR R/W of the Julesburg branch	570.91 *
Except parcel 104915400006 in the SE4 (69.09 acres)	
Section 16: All, including former UPRR R/W of the Julesburg branch	640.00
Section 17: S2	299.13 *
Except parcel 104917200012 in the N2S2 (20.87 acres)	
Section 18: SE4	136.59 *
Except parcel 104918100014 in the NW4SE4 (23.41 acres)	
Section 19: Lots 1-2 (W2W2), E2W2, E2	629.07
Section 20: All	640.00
Section 21: All	640.00
Section 22: All	640.00
Section 23: S2N2, S2	472.52
Except 7.48 acres of Highway R/W in SE4SE4	
Section 24: All	609.42
Except 30.58 acres of Highway R/W in S2S2	
Section 25: E2NW4, NW4NE4	120.00
Section 27: All	640.00
Section 28: All	640.00
Section 29: All	640.00
Section 30: Lots 1-2 (W2W2), E2W2, E2	630.72
Section 32: That portion lying north of a line from NW cor to SE cor	320.00
Section 33: All	640.00
Section 34: All	640.00
Section 35: All	640.00
Section 36: W2	320.00

**Township 5 North, Range 61 West of the 6th p.m., Weld County, Colorado**

	Acres
Section 20: NW4	160.00

\* Acreage calculated using GIS

TOTAL ACREAGE = 20,665.18