

EASEMENT

and

SURFACE USE AGREEMENT

This Easement and Surface Use Agreement ("Agreement") is entered into this 30th day of September, 1992, by and between ELVERNA BURCHFIELD and SHERRY ROSE, whose address is c/o Agricola Realty & Management Co., 724 West Railroad Avenue, Fort Morgan, Colorado 80701 ("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 67 West, of the 6th P.M.

Section 16: Lots 2, 3, 6, 7, 9, SW/4
Section 20: SE/4 and Part of NE/4
Section 21: W/2, Part of the SE/4

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 September 30th, 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, flow lines and any and all other reasonable and customary uses of land as a result of drilling and completion operations. The above facilities shall only be used for production, storage, treatment and transportation of oil, gas and their constituents produced from wells on the Lands.

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 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. When all wells on the Lands are abandoned, easements related to the wells shall immediately revert to the then Surface Owner of the Lands. Elk, its successors and assigns, agree to execute any documents reasonably required to evidence such reversion. This grant of right of way and easement shall apply only to roads, locations for surface equipment and subsurface gathering lines reasonably necessary for production, treatment, storage and conveyance of oil, gas and their constituents produced from wells located on the Lands.

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

Executed this 30th day of September, 1992.

Elverna Burchfield

Sherry Rose

Elverna Burchfield

Sherry Rose

ELK EXPLORATION, INC.

By: [Signature]

Ronald B. Jacobs
Vice President, Operations

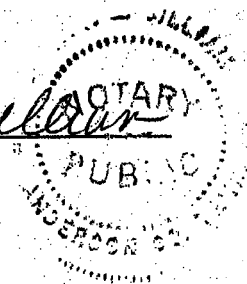
STATE OF Tennessee)
COUNTY OF Anderson) ss.

The foregoing instrument was acknowledged before me this 30th day of September, 1992, by Elverna Burchfield.

Witness my hand and official seal.

My commission expires: Feb. 22, 1994.

Artha Gellman
Notary Public



STATE OF COLORADO)
COUNTY OF Denver) ss.

The foregoing instrument was acknowledged before me this 28th day of September, 1992, by Sherry Rose.

Witness my hand and official seal.

My commission expires: August 29, 1995.

Mauro Caputo
Notary Public

