

## Surface and Damage Agreement

THIS AGREEMENT made and entered in this 30th day of May, 2008, by and between John K. & Mary Ellen Hardwick, 24700 County Road 19, Vernon, Colorado 80755, owner of the surface of Ground in the W1/2NW1/4, Section 10, N1/2, Sec. 9, S1/2, Sec. 4, Township 2 South, Range 44 West, 6<sup>th</sup> P.M., in the county of Yuma County, Colorado, hereinafter referred to as "Owner", and Petroleum Development Corporation, hereinafter referred to as "PDC".

For and in consideration of PDC's agreement to pay Owner prior to commencing the Operations referred to below, if it determines to conduct such Operations, the sum of Two Thousand Five Hundred Dollars (\$2,500.00) (the "Surface Damage Payment") per drill site. Owner, hereby releases and discharges PDC, its agents, employees and contractors (the "PDC Group") from and against any claims by Owner for surface damages of whatsoever nature and character growing out of, incident to, or in connection with the drilling and completing by the PDC Group of the following oil and gas well (the "Well") or the plugging and abandoning such Well as a dry hole (the "Operations"):

Well Names:	Hardwick #11-10	Hardwick # 12-10	Hardwick # 42-9
	Hardwick # 32-9	Hardwick # 22-9	Hardwick # 13-4

Legal Location: Township 2 South, Range 44 West, 6<sup>th</sup> P. M.  
Sec. 10: W1/2NW1/4, Sec. 4: S1/2, Sec. 9: N1/2  
Yuma County, Colorado

Subject to receipt of the Surface Damage Payment, Owner hereby gives, grants and conveys unto the PDC Group, the right to use the Property for all purposes necessary for the PDC Group to perform the Operations and all rights incident and appurtenant thereto, including the right of unimpeded ingress and egress across the Property to access the Well.

The Surface Damage Payment shall not compensate Owner for damages to improvements on Owner's land, including, without limitation, damages to buildings, fences, gates, livestock and growing crops and other extraordinary losses of damages caused by the PDC Group. PDC agrees to compensate Owner promptly for such extraordinary losses and damages upon mutually agreeable terms.

Owner shall have the responsibility of notifying any affected tenant, lessee or other party who may own or have an interest in any crops or surface improvements which could be affected by PDC's proposed Operations. Owner agrees that all damages claimed by a surface tenant, lessee or other party having an interest, resulting from PDC's Operations shall be settled by Owner and Owner shall indemnify and hold PDC harmless against any claims resulting therefrom.

PDC agrees to perform all necessary interim reclamation work so the land affected by its Operations is restored as nearly as possible to its original contour and vegetative state.

Concerning any matter relating to PDC's proposed Operations, Owner may contact:

Operator:	Petroleum Development Corporation
Person to Contact:	Jeffery T. Davis
Address:	2970 29 <sup>th</sup> Street Greeley, CO. 80631
Phone Number:	970 506 - 9272
Fax:	970 506 - 9276
Cellular:	970 371 - 2204
Wray, CO. office	970 - 332 - 3520 Seth Chappell

Commencement of PDC's Operations with heavy equipment is estimated to begin on July 2008.

Owner acknowledges that they have consulted with PDC, concerning roads and location of roads, and the Necessary production facilities and the location and size of the well site for the Well, or hereby waives such consultation requirements. Owner also acknowledges that Owner had an opportunity to comments to PDC regarding preferences for the timing of the Operations and preferred locations for the Well and associated facilities Owner has requested that all consultations be conducted directly with Owner.

**VARIATIONS AS FOLLOWS:**

Parties hereto further agree as follows:

- Remove topsoil prior to excavating for pits or surface location
- Pits will be fenced off
- Water tanks & meter sheds are to be located on the edge of fields, along county roads.
- Gates will be closed whenever livestock are present.

This agreement shall extend to and bind Owner, PDC, and their respective heirs, personal representatives, successors and assigns.

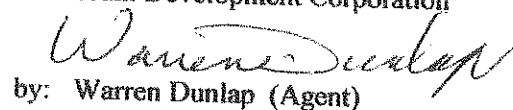
IN WITNESS WHEREOF, the parties have executed this Agreement on the same date as shown above.

OWNER:

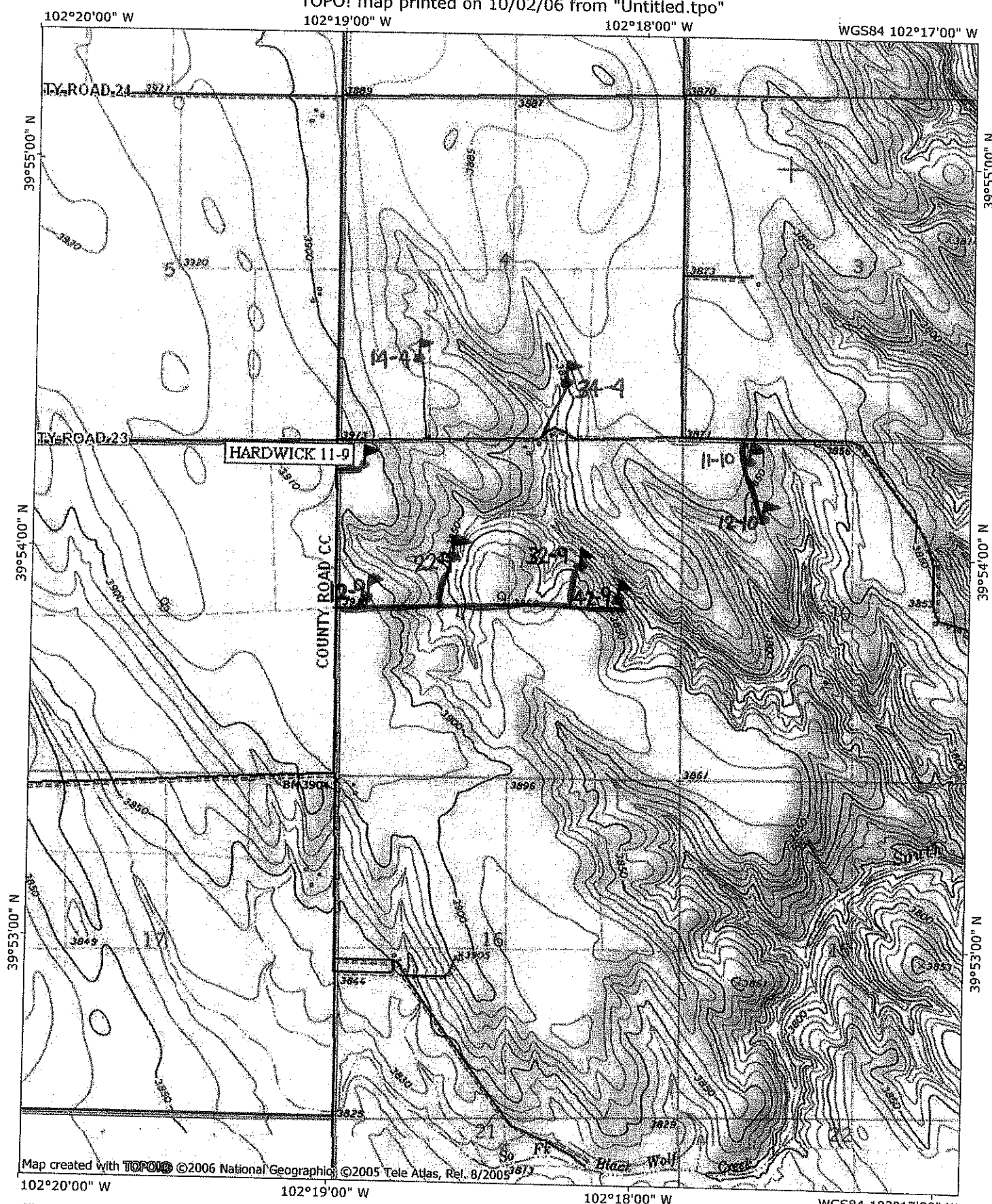
  
John K. Hardwick

  
Mary Ellen Hardwick

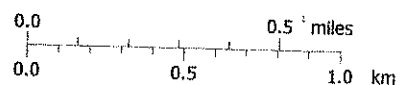
Petroleum Development Corporation

  
by: Warren Dunlap (Agent)

TOPO! map printed on 10/02/06 from "Untitled.tpo"



Map created with TOPO! ©2006 National Geographic, ©2005 Tele Atlas, Rel. 8/2005



WGS84 102°17'00\"/>  
TN 8 1/2°  
10/02/06

John Hardwick T2S, R44W, Sec 4: SW Sec 10: W 1/2 NW 1