

**FIRST AMENDMENT  
TO  
SURFACE AND DAMAGE AGREEMENT**

THIS FIRST AMENDMENT TO SURFACE AND DAMAGE AGREEMENT ("Amendment") is effective the 15<sup>th</sup> day of June, 2010 between Miller Land & Cattle Company, a Colorado corporation; whose address is 7121 County Road 311, New Castle, Colorado 81647, and Augustus Energy Partners, LLC, a Delaware limited liability company authorized to conduct business in Colorado, whose address is 36695 Highway 385, P.O. Box 250, Wray, Colorado 80758.

**RECITALS**

A. Owner owns the surface of the real property in Yuma County, Colorado legally described as:

Township 1 North, Range 44 West

Section 8: E1/2NW1/4, S1/2NE1/4, NW1/4NE1/4, NE1/4SW1/4, SE1/4

Section 9: SW1/4NW1/4, W1/2SW1/4

Section 17: NE1/4NW1/4, S1/2NW1/4, NE1/4, N1/2S1/2, SE1/4SE1/4

B. AEP is the owner/operator of a working interest in certain oil and gas leases granting AEP certain rights to minerals underlying the Property.

C. Owner and Operator previously entered into a Surface and Damage Agreement effective March 8, 2010 (the "Agreement") concerning the payment for damages to the surface of the Property in connection with the drilling, construction, completion, re-completion, reworking, re-entry, production, maintenance and operation of oil and gas Wells on the Property for the extraction of the minerals described in the Lease, and for the construction, maintenance and use of roads and pipelines located on the Property. Unless specifically defined otherwise in this Amendment, capitalized terms in this Amendment shall have the same meaning as in the Agreement.

D. The parties wish to amend the terms and conditions of the Agreement to allow for the drilling of an additional Well on the Property pursuant to the terms of this Amendment.

THEREFORE, in consideration of the mutual covenants in the Agreement, as amended by this Amendment, the parties agree as follows:

**TERMS**

1. Well and Well Pad.

1.1. AEP may construct one additional Well Pad on the Property at the location referred to as Miller 32-08 on the map attached to this Amendment as Exhibit A, which shall be subject to all of the terms and conditions set forth in the Agreement.

1.2. Prior to the commencement of construction, AEP shall pay Owner the consideration set forth in the Agreement.

2. Rights-of-Way.

2.1. Owner grants to AEP a Road Right-of-Way and Pipeline Right-of-Way across the Property to the Well Pad at the locations depicted on Exhibit A, which shall be subject to all of the terms and conditions set forth in the Agreement.

2.2. Immediately upon completion of construction of the Rights-of-Way, AEP shall pay Owner the consideration set forth in the Agreement.

3. Construction. Notwithstanding anything in the Agreement to the contrary, AEP shall not commence construction of the Well Pad, access roads or pipelines prior to the harvesting of the crop on the portion of the Property to be disturbed by the construction of such improvements.

4. Incorporation. All of the remaining terms and conditions of the Agreement shall remain in full force and effect, and are incorporated into the terms and conditions of this Amendment by this reference; provided, however, that in the event of any conflict between any term or condition of this Amendment and any term or condition of the Agreement, the term or condition of this Amendment shall control.

MILLER LAND & CATTLE COMPANY

AUGUSTUS ENERGY PARTNERS, LLC

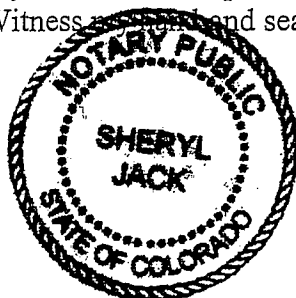
Ruth Miller, Pres.  
Ruth Miller, President

Gary Timmer  
Gary Timmer, Authorized Agent

STATE OF COLORADO                    )  
  ) ss  
COUNTY OF MESA                    )

The foregoing instrument was subscribed and sworn to before me on June 15, 2010, by Ruth Miller, President of Miller Land & Cattle Company.

My commission expires: 02/22/2012  
Witness \_\_\_\_\_ and seal.



Sheryl Jack  
Notary Public

STATE OF COLORADO )

) ss

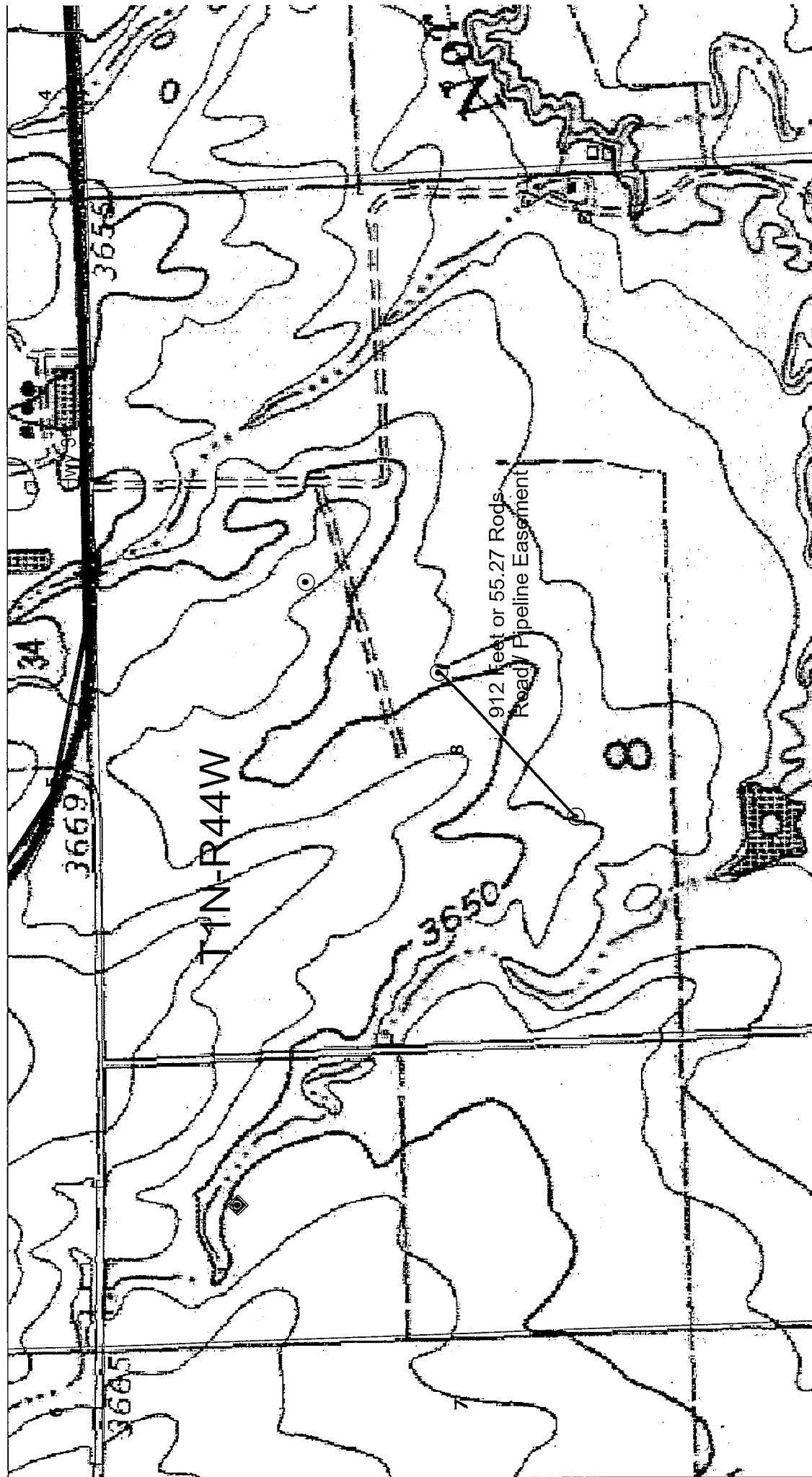
COUNTY OF Yuma )

The foregoing instrument was subscribed and sworn to before me on JUNE 23<sup>RD</sup>  
2010, by Gary Timmer, Authorized Agent of Augustus Energy Partners, LLC.

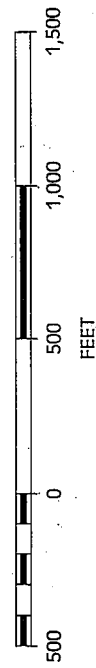
My commission expires: \_\_\_\_\_

Witness my hand and seal. My Comm. expires 6-01-2013

Mary C. Swiss  
Notary Public



SCALE 1 : 7,561



(Continued)  
**EXHIBIT "A"**

**First Amendment to Surface and Damage Agreement**

**Miller Land & Cattle Company /  
Augustus Energy Partners, LLC**

ROAD RIGHTS-OF-WAY /  
PIPELINE RIGHTS-OF-WAY:

**Township 01 North, Range 44 West, 6<sup>th</sup> P.M.**

**Section 08: SE/4NW/4, SW/4NE/4;** being more particularly described as beginning at a point at the Miller 22-08-1N-44W well located 2,225 feet from the North and 2,331 feet from the West line of said Section 08; thence proceeding in a Northeasterly direction 912 feet to a point at the proposed location of the Miller 32-08 well located 1,004 feet from the North line and 1,802 feet from the East line of said Section 08, being a total distance of 912 feet or 55.27 rods, more or less.