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MEMORANDUM OF SURFACE DAMAGE AND RELEASE AGREEMENT

This Memorandum is made and entered into this 22nd day of July, 2006 by and between Donald Lee Thompson, ("SURFACE OWNER") whose address is 4625 Horse Canyon Road, DeBeque CO 81630 and Black Hills Plateau Production, LLC ("BHPP") 350 Indiana Street, Suite 400 Golden CO 80401

As of the date described above SURFACE OWNER and BHPP entered into a Surface Damage and Release Agreement (the "Agreement") providing for the use of the surface of the land described below by BHPP in connection with certain oil and gas operations and compensation to Surface Owner for use of and damage to the surface of the land associated with and not limited to the drilling, testing completion, recompletion, reworking, reentry, pumping, operation and maintenance of the wellsite to be located in

Township 9 South Range 97 West, 6th P.M.
Section 35 S/2SW/4 ✓
 Mesa County Colorado

This Memorandum of Surface Damage and Release Agreement is executed by SURFACE OWNER and BHPP and placed of record in Mesa County, Colorado for the purpose of placing all persons on notice of the existence of the Surface Damage and Release Agreement

This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties

Owner:

Donald Lee Thompson
 Donald Lee Thompson

Operator

BLACK HILLS PLATEAU PRODUCTION, LLC
 BLACK HILLS EXPLORATION AND
 PRODUCTION, INC. ITS SOLE MEMBER

By *Carlton Ekberg*
Carlton Ekberg
 Director of Land

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State of Colorado)
) ss
County of)

On this 25th day of July, 2005 before me personally appeared Donald Lee Thompson, known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that they executed the same

(SEAL)

My commission expires 12-1-08

[Signature]
Notary Public

State of Colorado)
) ss
County of Jefferson)

On this 21st day of April, 2005, before me personally appeared Carleton Ekberg known to me to be the Director of and of BLACK HILLS PLATEAU PRODUCTION LLC, BLACK HILLS EXPLORATION AND PRODUCTION, INC. ITS SOLE MEMBER and that he executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth

(SEAL)

My commission expires 11-2-08

[Signature]
Notary Public

