

Surface Use Agreement

This SURFACE USE AGREEMENT, dated effective this 8 day of Oct. 2010, is made by and between the undersigned, Frank and Opal Cantrall, whose address is 1032 9<sup>th</sup> St., Wray, CO 80758 herein called "Owner", and Duke Gas Company, LLC whose address is 22500 Co. Rd. 24, Vernon, CO 80755, herein called "Operator".

WHEREAS, Owner represents that they are the surface owners and in possession of an interest in part or all of the surface estate for the following described land in Yuma County, Colorado, said land herein called "Lands", to wit;

South East Quarter, Section 6, Township 1 South, Range 44 West

WHEREAS, Owner gives Duke Gas Company, LLC the right to conduct operations on the Land while minimizing any surface damage to the land.

NOW, THEREFORE, in consideration of \$1 dollar and other valuable consideration, the sufficiency of which is hereby acknowledged, Owner and Duke Gas Company, LLC agree as follows:

1. Payment to Owner. Prior to commencement of drilling operations on the Land, Duke Gas Company, LLC shall pay the Owner the following sum as full settlement and satisfaction of all damages growing out of, incident to, or in connection with the usual and customary exploration, drilling stimulation, completion, re-stimulation, re-completion, deepening, reworking, equipping, production, maintenance, plugging and abandoning operations for the well(s) together with the installation, operation and maintenance of the associated flowline(s), access roads and production facilities, unless otherwise specifically provided herein:
  - \$1 dollar for the proposed wellsite located on the Land (and a like amount for subsequent wellsites to be located on the Land in which the Owner owns the entire surface estate, together with any lands used for road purposes, pipelines, flowlines or other necessary facilities in connection with the wellsite..
2. Duke Gas Company, LLC Obligations: In conducting operations on the Land, Duke Gas Company, LLC shall:
  - A. Limit the size of the wellsite to approximately 300 feet by 300 feet during any drilling, completion, recompletion or workover operations and shall be no more that ¼ acre in size during other periods. The area required by any tank battery location associated with the well shall be limited to approximately ½ acre in size upon completion of construction. Access roads shall be limited to approximately 30 feet in width during drilling, completion, deepening, refracing, recompletion, reworking, equipping, and

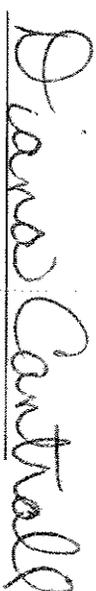
- production operations. The permanent access road to the wellhead and tank battery location shall be limited to 15 feet in width.
- B. Separate the topsoil at the time of excavation of pits in accordance with Rule 1002.b(2) of the rules and regulations of the Colorado Oil and Gas Conservation Commission so that the topsoil and subsurface soil can be placed back in proper order as close as practicable.
- C. Perform all reclamation in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission unless a variance is granted by the Colorado Oil and Gas Conservation Commission upon the request of the Owner.
- D. Use reasonable efforts to keep the well, land and production facilities free of weeds, debris and erosion.
- E. Owner shall have full responsibility to reseed the affected area if wellsite is located in pasture or non-crop land.
3. Good Faith Consultation. Duke Gas Company, LLC will consult in good faith with Owner as to its proposed operations, in accordance with Colorado Oil and Gas Conservation Commission requirements.
4. Successors and Assigns. When Duke Gas Company, LLC is used in this Agreement, it shall also mean the successors and assigns of Duke Gas Company, LLC, as well as its employees and officers, agents, affiliates, contractors, subcontractors and/or purchasers. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the Owner.
5. Governing Law/Venue. This agreement shall be interpreted according to the laws of the State of Colorado. Venue for any dispute shall be Yuma County, Colorado.
6. Written Modification/Notices. This agreement may only be amended in writing and signed by both parties.
7. Effective Date and Term. This agreement shall become effective when it is fully executed and shall remain in full force and effect until both parties deem it to be terminated and the well has been plugged and abandoned, and conducted reclamation in accordance with the Colorado Oil and Gas Conservation Commission rules and regulations.

Agreed to and accepted as of the date written above.

Owner:

Duke Gas Company, LLC

  
Frank Cantrell

  
Diana Cantrell, Owner

  
Opal Cantrell