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MAR 24 2011
COGCC

March 14, 2011

Ed Schifferns
Cottonwood Grazing Association
62630 Rd. 44
Arriba , CO 80804

Re: Surface Use and Rental Agreement
Well: Cottonwood Grazing #3-22
Location: 660' FSL, 880' FWL
Section 22, Township 12 South, Range 52 West, of the 6th P. M.
Lincoln County, Colorado

CJ Nolte, LLC. has acquired the mineral rights for the above captioned lands. The staked location is 660' FSL, 880' FWL. As the surface owner for the above captioned lands, we want to assure you that all proper precautions will be taken in order to protect your land.

CJ Nolte, LLC. in its best effort will:

Pay in good faith \$ 3000.00 for any damages caused by drilling, completion, and production operations.

Pay a road access fee of \$ 1,000.00

Only use such land necessary for said drilling, completion, and production operations.

Upon discovery of natural gas and or oil, CJ Nolte, LLC. will install a gas pipeline and associated above ground apparatus.

Make reasonable effort to minimize the impact of all equipment associated with this well.

I hereby understand and accept the above stated Surface Agreement.

3-5-11

Date

Ed Schifferns

3/24/11

Date

Cliff Nolte