



August 9, 2010

VIA ELECTRONIC MAIL

Elizabeth Ann Wethington Trust
4520 CR 27
Fort Lupton, Colorado 80621

Re: Wethington 8 Pad
Township 1 North, Range 66 West of the 6th P.M.
Section 7: SE/4NW/4
Weld County, Colorado (the "Property")

Dear Trustee:

This letter agreement will confirm and set forth the terms of an agreement concerning the operations of Kerr-McGee Oil & Gas Onshore LP ("KMG") on the referenced Property. KMG and you agreed to execute this letter agreement to allow KMG to move forward with its oil and gas operations while KMG and you negotiate a more detailed and definitive surface use agreement. The promises exchanged in this letter agreement are valuable consideration and a memorandum of this letter agreement will be recorded in the records of Weld County, Colorado.

Attached to and made a part of this letter agreement as Exhibit A is an aerial photograph depicting that portion of the Property that KMG may use for its oil and gas operations (the "Oil and Gas Operations Area"). Attached to and made a part of this letter agreement as Exhibit B is a surveyed Pad Drawing of the surface and bottom hole locations of the eight (8) wells to be drilled by KMG within the Oil and Gas Operations Area on the Property. KMG agrees to limit its oil and gas drilling and production activities to the Oil and Gas Operations Area to include its pipelines and production facilities. Accordingly, the parties agree to the following:

1. KMG may drill the following three (3) directional "318a-e" wells, entirely at its own expense, from surface locations in:

Wethington 24-7	the NE/4SE/4NW/4 of Section 7 at the location depicted on Exhibit B.
Wethington 27-7	the NE/4SE/4NW/4 of Section 7 at the location depicted on Exhibit B.
Wethington 41-7	the NE/4SE/4NW/4 of Section 7 at the location depicted on Exhibit B.

These wells may be used to produce oil and gas resources that are located partially under the property of one or more adjoining owners.

2. KMG may drill the following five (5) directional wells in the Oil and Gas Operations Area to produce oil and gas from certain Colorado Oil and Gas Conservation Commission ("COGCC") drilling windows located under portions of Section 7, T1N, R66W, Weld County, Colorado. The 5 directional wells will be drilled at the sole expense of KMG.

Wethington 2-7 Located in the NE/4SE/4NW/4 of Section 7 at the location depicted on Exhibit B with a bottom hole location under the NW/4NE/4 of Section 7 as depicted on Exhibit B.

Wethington 6-7 Located in the NE/4SE/4NW/4 of Section 7 at the location depicted on Exhibit B with a bottom hole location under the SE/4NW/4 of Section 7 as depicted on Exhibit B.

Wethington 7-7 Located in the NE/4SE/4NW/4 of Section 7 at the location depicted on Exhibit B with a bottom hole location under the SW/4NE/4 of Section 7 as depicted on Exhibit B.

Wethington 8-7 Located in the NE/4SE/4NW/4 of Section 7 at the location depicted on Exhibit B with a bottom hole location under the SE/4NE/4 of Section 7 as depicted on Exhibit B.

Wethington 17-7 Located in the NE/4SE/4NW/4 of Section 7 at the location depicted on Exhibit B with a bottom hole location under the approximate center of the NE/4 of Section 7 as depicted on Exhibit B.

3. ~~KMG will pay you \$16,000.00 at the time the permits to drill the eight wells have been issued by the COGCC and before operations are commenced on the Property. Such payment is in full satisfaction of any and all surface and crop damages, including the use of and damage to the Oil and Gas Operations Area access roads, surface facilities such as tank batteries and separators and flowlines, incurred as the result of KMG's operations in the Oil and Gas Operations Area to include and not be limited to the drilling, completion, operation, maintenance, recompletion, reworking and refracing of the wells. No other surface damages for drilling or the wells, installation of gathering lines, installation of production facilities, and initial connection to the production facilities on the Oil and Gas Operations Area will be due or paid, provided, however, KMG shall remain liable for damages caused by unreasonable use of the surface of the Property and negligence in drilling, completing and producing from the wells or for damages caused to areas outside of the Oil and Gas Operations Area access ways and designated pipeline easements and production facilities locations.~~

4. In consideration of the execution of this letter agreement by KMG and the covenants herein, you will execute the COGCC Waivers in the form attached as Exhibit C and, if necessary, other COGCC waivers that may be necessary to drill in the locations

specified in Paragraph 1 and 2 of this letter agreement. The COGCC Waivers will be executed by you at the time this letter agreement is signed by you.

5. After the execution of this letter agreement, KMG will seek to enter into a final surface use agreement with you as soon as reasonably possible, however, this letter agreement grants KMG your consent to begin the operations contemplated by this letter agreement before the surface use agreement is finalized. The parties agree to make all reasonable efforts to sign a final surface use agreement within 60 days of the execution of this letter agreement. KMG may use this letter to show the COGCC that we have held consultation and that you have agreed to the surface locations described above. The form of the surface use agreement will be the template sent to L. Steve Wagner by KMG by e-mail on February 23, 2010.
6. You expressly acknowledge that this letter agreement satisfies KMG's obligation under COGCC rules to consult in good faith with the surface owner regarding the proposed oil and gas operations. You further expressly acknowledge that this obligation of KMG to accommodate your use of the surface of the Property, existing or future, and you waive any statutory or common law claims to the contrary for the drilling, completion and production activities to be undertaken by KMG as contemplated in the letter agreement, provided KMG shall remain liable for damages caused by unreasonable use of the surface of the Property or negligence in drilling, completing and producing from the wells and for any damages to areas outside of the designated oil and gas operations areas, access ways and designated pipeline easements and production facilities locations. You waive the minimum thirty day written notice requirement described in the Notice Letter provided by KMG to you, provided however, that you do not waive the notice requirements and provisions set forth in COGCC Rule 305.e. and KMG agrees to coordinate its drilling and completion activities with you in order to reasonably cooperate to minimize interference with irrigating and farming activities undertaken by you on the Property. KMG anticipates beginning drilling activities in the fall of 2010 and to complete its drilling, completion, and gathering lines installation activities prior to the commencement of irrigating season in the spring of 2011.
7. You shall not oppose KMG in any agency or governmental proceedings, including but not limited to the COGCC, Weld County, Colorado or other governing body proceedings, related to KMG's operations on the Property, including but not limited to drilling, workovers, well deepenings and recompletions, provided that KMG's position in such proceedings is consistent with this letter agreement. For purposes of seeking a COGCC hearing on the approval of KMG's Application for Permit to Drill ("Form 2") for Existing or Future Wells or KMG's Oil and Gas Location Assessment ("Form 2A") for any related location, you hereby waive your right to allege noncompliance with COGCC rules or applicable statute, or to allege potential adverse impacts to public health, safety, and welfare, including the environment and wildlife resources, that are within the jurisdiction of the COGCC as the basis for such a hearing. You further agree to oppose any conditions of approval that would be incorporated into KMG's Form 2A or Application for Permit to Drill Form 2 pursuant to COGCC rule 306 that are inconsistent with this letter agreement.

8. No party to this letter agreement shall be liable for, or be required to pay for, special, punitive, exemplary, incidental, consequential or indirect damages to any other party for activities undertaken within the scope of this agreement.

Except as to claims arising out of pollution or environmental damage (which claims are governed by paragraph 9 below) or out of other provisions of this letter agreement (which claims shall be governed by the terms of this letter agreement), each party shall be and remain responsible for its own liability for all losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation attorneys' fees and other costs associated therewith (all of the aforesaid herein referred to collectively as "Claims"), arising out of or connected with each such party's ownership or operations on the Property, no matter when asserted, subject to applicable statutes of limitations. Each such party shall release, defend, indemnify and hold the other parties, their officers, directors, employees, successors and assigns, harmless against all such Claims. This provision does not, and shall not be construed to, create any rights in persons or entities not a party to this letter agreement, nor does it create any separate rights in parties to this letter agreement other than the right to be indemnified for Claims as provided herein.

Upon the assignment or conveyance of a party's entire interest in the Property, that party shall be released from its indemnification in this paragraph 8 for all actions or occurrences happening after such assignment or conveyance.

9. The provisions of paragraph 8 above, except for the first full paragraph of paragraph 8., shall not apply to any environmental matters, which shall be governed exclusively by the following, subject to the limitations of paragraph 8. above:

"Environmental Claims" shall mean all Claims asserted by governmental bodies or other third parties for pollution or environmental damage of any kind, arising from operations on or ownership of the Property or ownership of the oil and gas leasehold interest, whichever is applicable, and all cleanup and remediation costs, fines and penalties associated therewith, including but not limited to any Claims arising from Environmental Laws or relating to asbestos or to naturally occurring radioactive material. Environmental Claims shall not include the costs of any remediation undertaken voluntarily by any party, unless such remediation is performed under the imminent threat of a Claim by a governmental body or other third party;

"Environmental Laws" shall mean any laws, regulations, rules, ordinances, or order of any governmental authority(ies), which relate to or otherwise impose liability, obligation, or standards with respect to pollution or the protection of the environment, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.), the Clean Water Act (33 U.S.C. §§ 466 et seq.), the Safe Drinking Water Act (14 U.S.C. §§ 1401-1450), the Hazardous Material Transportation Act (49 U.S.C. §§ 1801 et seq.), the Clean Air Act, and the Toxic Substances Control Act (15 U.S.C. §§ 2601-2629); and

KMG shall protect, indemnify, and hold harmless you and your successors and assigns from any Environmental Claims relating to the Property or oil and gas leasehold thereunder that arise out of KMG's ownership and operation of the OGOA(s) and its ownership and operation of its pipeline easement or rights-of-way on the Property. You shall fully protect, defend, indemnify and hold harmless KMG and its successors and assigns from any and all Environmental Claims relating to the Property that arise out of your ownership of and activities on the Property.

10. The indemnities of the parties herein shall not cover or include any amounts which the indemnified party is actually reimbursed by any third party. Except as provided in Sections 8 and 9 of this letter agreement, the indemnities in this letter agreement shall not relieve any party from any obligations to third parties.
11. The terms of the final surface use agreement will contain provisions incorporating the additional following terms which we have discussed:
 - a. KMG is agreeable to installing the gathering lines within the areas shown on the attached Exhibit A. Easements for such pipelines shall be 50 feet in width during construction and 30 feet in width as a final easement with such easements to be non-exclusive.
 - b. Surface facilities will be placed only within the area shown on the attached Exhibit A.
 - c. KMG's activities the Property will be restricted to the Oil and Gas Operations Area, production facilities location areas, and gathering line areas as shown on Exhibit A. KMG will install its necessary access roads at locations acceptable to you and you will have the option to designate replacement access roads to accommodate your future plans for the Property. The expense of any replacement access roads will be borne by you or your successors in interest.
 - d. KMG will consult with you to accommodate the location of well tie-downs and type of fencing used. KMG will utilize low profile stock tanks at the production facility location areas. In addition, KMG may use standard size pumping units for a period not to exceed ninety (90) consecutive days on any well that requires such a unit in KMG's discretion. After the initial 90 day period, KMG shall utilize low profile pumping units for any such well.
 - e. You and your successors will not pave over the top of flowlines or pipelines except that you may cross such lines at approximately right angles to allow for the installation of paved or concrete streets, trails or sidewalks. Any other plan to pave over the top of flowlines or pipelines must be pre-approved by KMG. You may install rock base trails or roads over the top of flowlines or pipelines. You may also cross the flowlines or pipelines at approximately right angles for installation and use of utility lines provided such utility lines are installed in accordance with the necessary separation safety requirements.

- f. KMG shall only be responsible for restoration of the drilling, production facilities locations, and flowline locations on the Property to the condition as it currently exists, including restoration of the grade to accommodate reasonable irrigating practices and the replacement of topsoil in tillable areas. After completion of the wells, if in the future, KMG's activities within the Oil and Gas Operations Areas shown on Exhibit A related to operations, reworking and the like cause damage to future improvements you may install in such Oil and Gas Operations Area and/or flowlines location (e.g. trails, landscaping, sprinklers), KMG shall not be responsible for the costs of restoring your future improvements. After completion of the wells, if in the future, KMG's future activities within the Oil and Gas Operations Area cause damage to the Property, KMG will restore such areas to the grade as then exists and reseed such areas with native grass (or if you are still farming such areas, then KMG will reseed such areas with seed selected by you which is comparable to the crop(s) you have planted on adjoining areas of the Property).

If you agree that this letter agreement accurately reflects our understanding, please sign and date both originals of this letter agreement in the space indicated below, return one to me in the enclosed self-addressed stamped envelope, and retain one for your files. Do not hesitate to contact me if you have any questions.

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

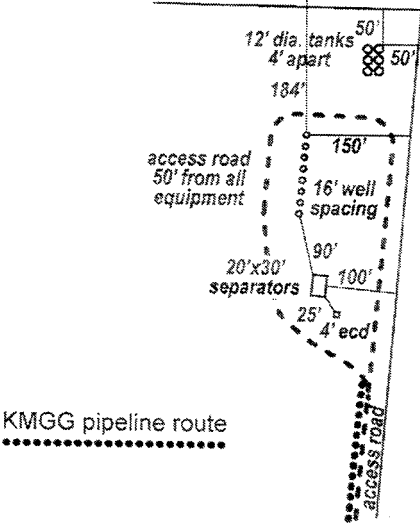
By: Terry D. Enright
Name: Terry D. Enright
Title: Staff Landman

ACCEPTED AND AGREED TO THIS
17 DAY OF AUGUST, 2010:

ELIZABETH ANN WETHINGTON TRUST

By: Elizabeth A. Wethington
Name: ELIZABETH A. WETHINGTON
Title: TRUSTEE

Exhibit A

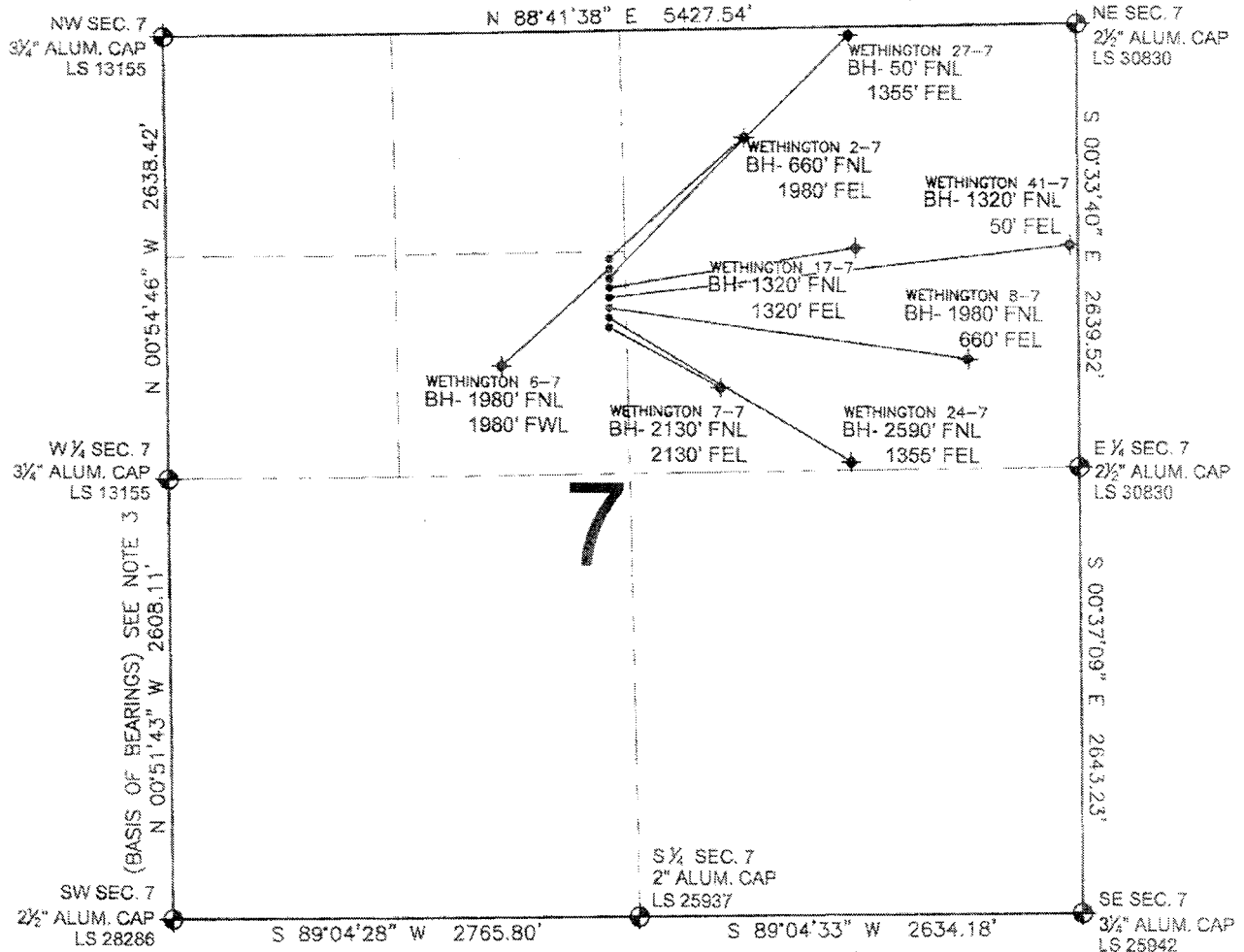


KerrMcGee
Wethington
Sec. 7 T1N R66W
Town of Fort Lupton, CO

Exhibit B

PAD DRAWING - WETHINGTON 8 PAD

SECTION 7, TOWNSHIP 1 NORTH, RANGE 66 WEST, 6TH P.M.



LEGEND

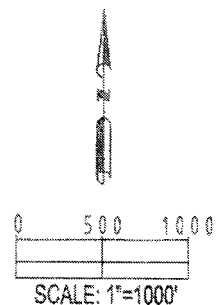
- ⊕ = EXISTING MONUMENT
- ⬢ = PROPOSED WELL
- ⬢ = BOTTOM HOLE
- ⬢ = EXISTING WELL
- BH= BOTTOM HOLE

NOTES:

- THIS SURVEY WAS DONE BY GPS METHODS AND CONFORMS TO THE MINIMUM STANDARDS SET BY THE C.O.G.C.C., RULE NO. 215
- ELEVATIONS SHOWN AT THE WELL HEAD, AS WELL AS HORIZONTAL CONTROL, ARE BASED ON GPS-RTK VALUES DERIVED FROM DOING 2-HOUR STATIC GPS SESSIONS AND REDUCTIONS USING O.P.U.S. SOLUTIONS.
VERTICAL = NAVD88; HORIZONTAL = NAD83/92
- THE BEARINGS SHOWN HEREON ARE BASED ON GPS OBSERVATIONS BETWEEN THE MONUMENTS SHOWN HEREON AS FOUND ON THE FIELD DATE BELOW.
- DISTANCES SHOWN ARE AT GROUND LEVEL, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED AT A PERPENDICULAR TO SECTION LINES.

NOTES:

- WETHINGTON 7-7 TO BE AT 1505' FNL, 2628' FWL. BOTTOM HOLE AT 2130' FNL & 2130' FEL.
- WETHINGTON 24-7 TO BE AT 1496' FNL, 2629' FWL. BOTTOM HOLE AT 2590' FNL & 1355' FEL.
- WETHINGTON 8-7 TO BE AT 1488' FNL, 2630' FWL. BOTTOM HOLE AT 1980' FNL & 660' FEL.
- WETHINGTON 41-7 TO BE AT 1476' FNL, 2631' FWL. BOTTOM HOLE AT 1320' FNL & 50' FEL.
- WETHINGTON 17-7 TO BE AT 1486' FNL, 2632' FWL. BOTTOM HOLE AT 1320' FNL & 1320' FEL.
- WETHINGTON 27-7 TO BE AT 1455' FNL, 2633' FWL. BOTTOM HOLE AT 50' FNL & 1355' FEL.
- WETHINGTON 6-7 TO BE AT 1446' FNL, 2634' FWL. BOTTOM HOLE AT 1980' FNL & 1980' FWL.
- WETHINGTON 2-7 TO BE AT 1438' FNL, 2635' FWL. BOTTOM HOLE AT 660' FNL & 1980' FEL.

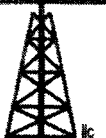


REVISIONS	
INITIAL	DATE
SMF	07-27-10

PREPARED BY:

PFS

Petroleum Field Services, LLC
1801 W. 13th Ave.
Denver, CO 80204



KERR-MCGEE OIL & GAS ONSHORE LP

FIELD DATE:
05-14-10

DRAWING DATE:
05-20-10

BY:
SMF

PAD NAME:
WETHINGTON 8 PAD

SURFACE LOCATION:

WELD COUNTY, COLORADO
SE 1/4 NW 1/4, SEC. 7, T1N, R66W

EXHIBIT C

August 9, 2010

Elizabeth Ann Wethington Trust
4520 CR 27
Fort Lupton, Colorado 80621

Re: Request for Exception to Rule 318A-a
Request for Exception to Rule 318A-c
WETHINGTON 2-7: C of the N/2 WETHINGTON 6-7: C of the N/2
WETHINGTON 7-7: C of the N/2 WETHINGTON 8-7: C of the N/2
WETHINGTON 24-7: C of the N/2 WETHINGTON 27-7: C of the N/2
WETHINGTON 41-7: C of the N/2
Township 1 North, Range 66 West Section 7
Weld County, Colorado


Dear Trustee:

Kerr-McGee Oil and Gas Onshore LP plans to drill the listed oil and gas wells from the above described surface locations.

Rule 318A of the Colorado Oil and Gas Commission's Rules and Regulations requires the wells be drilled in a square with sides four hundred (400) feet in length, the center of which is the center of any quarter/quarter, or a square with sides eight hundred (800) feet in length, the center of which is the center of any quarter. Rule 318A of the Colorado Oil and Gas Commission's Rules and Regulations also requires any new twinned well be located 50' or less from an existing oil and gas well. We will drill the wells at the above described location, but we will need this waiver as this location is more than 50' from the existing well and falls outside the legal drilling window.

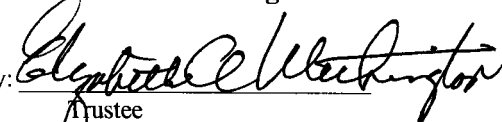
Please waive both of the above referenced requirements showing your approval by signing below. Should you have any questions, please contact our office. Thank you for your consideration.

Very truly yours,
KERR-MCGEE OIL AND GAS ONSHORE LP


Terry D. Enright
Staff Landman

I/we waive the above requirement and approve the above described location.

Elizabeth Ann Wethington Trust

By: 
Trustee