

## SURFACE USE AGREEMENT

THIS AGREEMENT is made and entered into this 5th day of February, 1993 by and among Robert Feit and Virginia Ann Feit, 32059 Weld County Road 47 , Greeley, Colorado 80631 (Surface Owner), and Gerrity Oil & Gas Corporation, a Delaware corporation, 4100 East Mississippi, Suite 1200, Denver, Colorado 80222 ("Gerrity").

In consideration of an aggregate of \_\_\_\_\_ in hand collectively paid to the Surface Owner, the receipt of which is hereby acknowledged, the parties do agree as follows:

1. Said payment constitutes the full and entire consideration to be paid by Gerrity for all damages to and use of the surface of the land associated with the drilling, testing, completion, operation and maintenance of the wellsites located in the SE1/4 Section 23, Township 6 North, Range 65 West, 6th P.M., Weld County, Colorado, (the "Property"). The payment is for all damages to the Property, including, but not limited to damages to growing crops, sod, damage to croplands, removal, transportation and care of livestock, construction of access roads, preparation and use of the drillsite areas, preparation and use of reserve pits, and construction, installation, and maintenance of production equipment and facilities such as flowlines, gas pipelines, separators, tank batteries and other equipment or facilities necessary or convenient for the production, transportation and sale of oil, gas, and other materials produced by or used for production of the above wells. With respect to the construction, installation and maintenance of production equipment and facilities such as flowlines, gas pipelines, separators, tank batteries and other necessary or convenient for the production, transportation equipment or facilities and sale of oil, gas and other materials produced by or used for production of the above wells, Gerrity may exercise the rights granted by this Agreement at any time and from time to time without further or additional consideration being payable to Surface Owner.

2. If, by reason of Gerrity's operations, there is damage to personal property located on the Property or if there is damage to the Property caused by negligence of Gerrity or unreasonable use of the surface of the Property by Gerrity that is not associated with reasonable and normal drilling, completion, production, reworking and recompleting operations, such as damage to structures, fences, culverts and cement ditches, such damage shall be repaired or replaced by Gerrity or Gerrity shall promptly pay Surface Owner for such damage.

3. Surface Owner agrees to indemnify and hold Gerrity harmless from all claims, demands, liability and actions asserted against Gerrity by any other surface tenant or occupant of Surface Owner's lands arising out of any damage by Gerrity to the lands or growing crops thereon asserted by any such other occupant or surface tenant. Surface owner may allocate the payments made hereunder with any surface tenant or occupant as they shall mutually determine between themselves and Gerrity shall have no liability therefor.

4. This Agreement constitutes written consent of Surface Owner for Gerrity to proceed with the drilling, completion and operation of the above-described wells. Except as provided in paragraph 2 hereof, Surface Owner, for itself, and its successors and assigns does hereby, in consideration of the above cash payment, release, relinquish, and discharge Gerrity, its successors and assigns from all claims, demands, damages and causes of action, past present and future, that Surface Owner may have by reason of the occupancy of the acreage provided in Paragraph 7 of Exhibit A attached hereto and for the drilling of the Wells and other damage or injury to the Property caused by the drilling, completion and operation of the Wells and Surface Owner accepts the above payment as full compensation therefor.

5. Following completion, recompletion and/or reworking operations, Gerrity shall return the topsoil to its relative position over excavated areas and shall, at its discretion, place any culverts necessary to practicably and adequately drain the wellsites and tank battery site.

6. This Agreement is subject to Exhibit "A" attached hereto and by this reference made a part of this Agreement.

7. This Agreement is subject to Exhibit "B", a drawing attached hereto and by this reference made a part of this Agreement.

8. Surface Owner agrees to keep confidential this Agreement and all negotiations leading up to or relating to this Agreement. Surface Owner shall not copy or distribute this Agreement or disclose the substance hereof or the nature of such negotiations to others outside of Gerrity unless required to do so by law.

9. For the consideration paid to Robert Feit and Virginia Ann Feit in connection with the execution of this Surface Use Agreement, Gerrity Oil & Gas Corporation and Robert Feit and Virginia Ann Feit hereby amend that certain Oil and Gas Lease dated February 12, 1982, and recorded on March 3, 1982, in Book 962, Reception No. 1884572 in the records of Weld County, Colorado by deleting therefrom in its entirety the Addendum to Oil and Gas Lease. The Addendum consists of a total of three pages and Paragraphs No. 15 through 27, inclusive. The obligations, duties and responsibilities of Gerrity Oil & Gas Corporation and Robert Feit and Virginia Ann Feit with respect to oil and gas development on the lands covered by the Lease are governed by the Lease, as amended hereby, and the Surface Use Agreement to which this Addendum is attached. This Addendum constitutes an integral part of the Surface Use Agreement and the signature of Robert Feit and Virginia Ann Feit on the Surface Use Agreement constitutes their acknowledgment and acceptance of the terms of this Addendum.

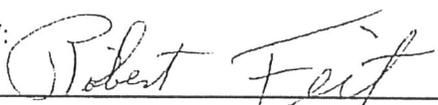
10. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

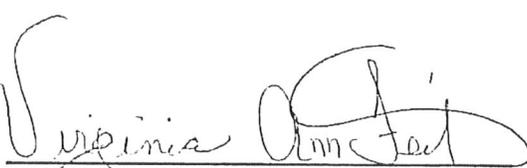
Agreed to and accepted the day and year first written above.

GERRITY OIL & GAS CORPORATION  
A Delaware Corporation

By:   
\_\_\_\_\_  
Roger Lowe, Agent

SURFACE OWNER,

BY:   
\_\_\_\_\_  
Robert Feit

  
\_\_\_\_\_  
Virginia Ann Feit

Tax Identification Number: 522-48-8777

## EXHIBIT 'A'

Attached to and by reference made a part of that certain Surface Use Agreement dated February 5, 1993, by and between Gerrity Oil & Gas Corporation, as "Gerrity" and Robert Feit and Virginia Ann Feit, 32059 Weld County Road 47, Greeley, Colorado 80631, "Surface Owner" covering the following lands:

Township 6 North, Range 65 West  
Section 23: SE1/4

1. The wellsites shall be located in the NE1/4SE1/4, NW1/4SE1/4, SE1/4SE1/4 according to the governing regulations.

2. The topsoil shall be removed from the area over the pits, stockpiled and held in reserve until the contour of the site is re-established. The wellsites shall be ripped and returned to original slope and contour, as is reasonably practicable, following completion operations.

3. Gerrity reserves the right to dispose of cuttings and a minimal amount of drilling mud in the reserve pit by back-filling the reserve pit. The amount of drilling mud buried will be defined as that amount that is too thick to be suctioned out of the reserve pit by a pump. The remaining mud shall be allowed to dry and will be mixed with the subsoil prior to the final back-filling process.

4. Gerrity agrees to be responsible for any alterations needed to existing fences for the purpose of drilling, completion or production of the wells herein proposed.

5. Gerrity agrees to bury all flowlines to a depth of forty-eight (48) inches below the surface of the ground.

6. Gerrity agrees to pay \_\_\_\_\_ per acre proportionately reduced for damages occurring as a result of future reworking operations.

7. Pursuant to Paragraph 4 of the Surface Use Agreement to which this Exhibit is attached, Gerrity is authorized to occupy a maximum of three acres for each well to be drilled on the Property. If Gerrity occupies more than three acres for any drillsite, it shall pay Surface Owner at a rate of \$400 per acre, proportionately reduced.

8. Gerrity shall maintain and control the weeds on the wellsites, access roads and tank battery site or Gerrity shall promptly pay Surface Owner for such maintenance.

9. Gerrity agrees to use temporary fencing and flagging along access road to wellsites and perimeter of the wellsite operations area.

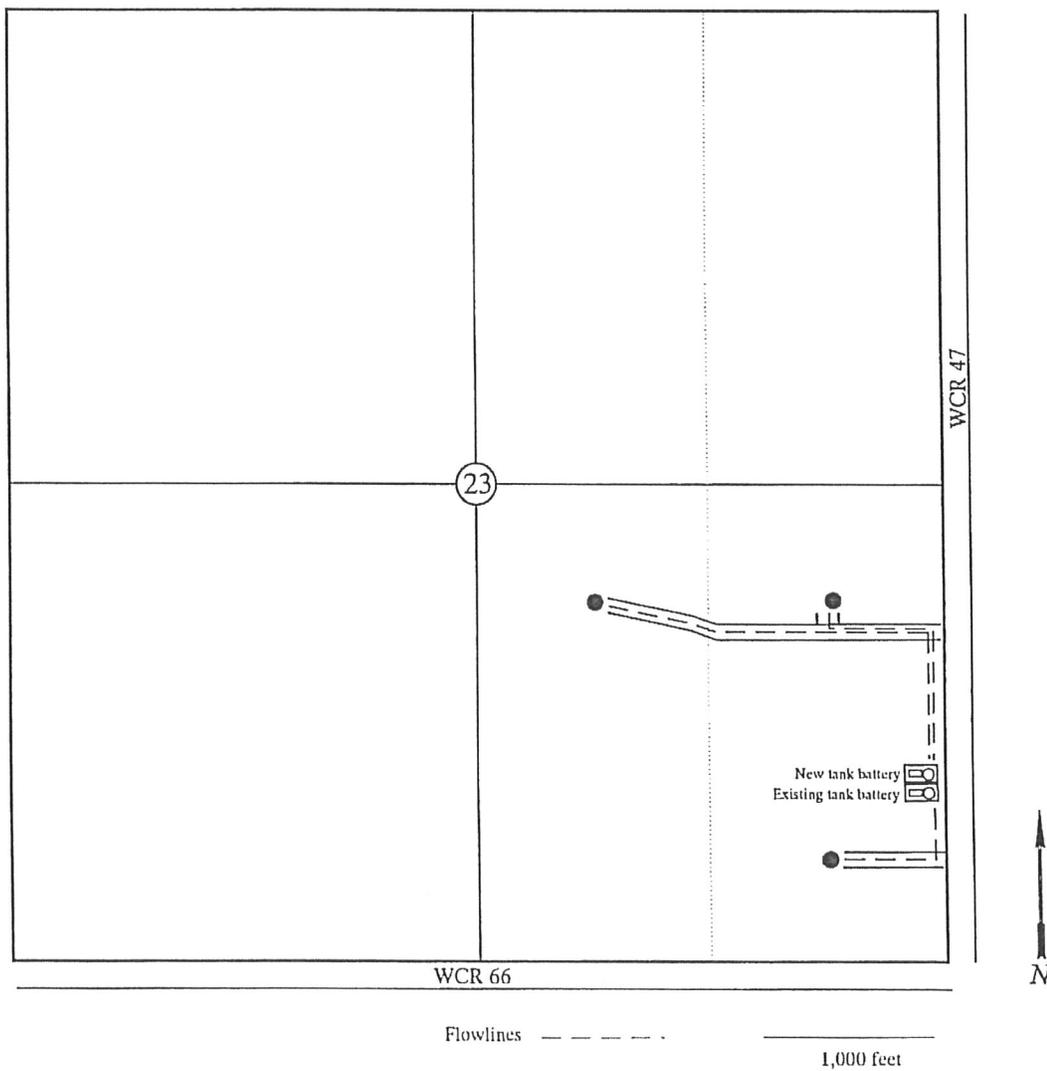
10. Consideration herein shall be for three (3) wells.

EXHIBIT 'B'

Attached to and by reference made a part of that certain Surface Use Agreement dated February 5, 1993 by and between Gerrity Oil & Gas Corporation, as "Gerrity" and Robert Feit and Virginia Ann Feit, as "Surface Owner" covering the following lands:

Township 6 North, Range 65 West

Section 23: SE1/4



**ADDENDUM TO SURFACE USE AGREEMENT  
BY AND BETWEEN  
GERRITY OIL & GAS CORPORATION  
AND  
ROBERT K. FEIT AND VIRGINIA FEIT**

For the consideration paid to Robert K. Feit and Virginia Feit in connection with the execution of this Surface Use Agreement, Gerrity Oil & Gas Corporation and Robert K. Feit and Virginia Feit hereby amend that certain Oil and Gas Lease dated February 12, 1982, and recorded on March 3, 1982, in Book 962, Reception No. 1884572 in the records of Weld County, Colorado by deleting therefrom in its entirety the Addendum to Oil and Gas Lease.

The Addendum consists of a total of three pages and Paragraphs No. 15 through 27, inclusive. The obligations, duties and responsibilities of Gerrity Oil & Gas Corporation and Robert K. Feit and Virginia Feit with respect to oil and gas development on the lands covered by the Lease are governed by the Lease, as amended hereby, and the Surface Use Agreement to which this Addendum is attached.

This Addendum constitutes an integral part of the Surface Use Agreement and the signature of Robert K. Feit and Virginia Feit on the Surface Use Agreement constitutes their acknowledgment and acceptance of the terms of this Addendum.

*see Para 9 of SUR*