

## **SURFACE ACCESS AND DAMAGE AGREEMENT**

This agreement is made between BOPCO L.P., with a mailing address of 201 Main St., Fort Worth, TX 76102 (hereinafter referred to as "Grantor") and Vecta Oil & Gas, Ltd., an entity authorized to do business in the State of Colorado, with a mailing address of 575 Union Blvd., Suite 208, Lakewood, Colorado 80228; its agents, successors, and assigns (hereinafter alternately referred to as "Vecta" and "Grantee").

WHEREAS, VECTA desires to drill the Vecta 1-13-2-98 well from a surface location within Section 13: SE/4SE/4, Township 2 North, Range 98 West, 6th PM in Rio Blanco County, Colorado, for the purpose of producing oil and/or gas and shall access said location by upgrading and improving Grantor's existing access and upon other lands owned by Grantor located in Section 13 of Township 2 North, Range 98 West, 6<sup>th</sup> PM, and Section 18 of Township 2 North, Range 97 West, 6<sup>th</sup> PM, in Rio Blanco County, Colorado ("Subject Lands"); and utilizing certain existing state, county, township and private roads located in the area; and

WHEREAS, Section 13, Township 2 North, Range 98 West, 6<sup>th</sup> PM of, the Subject Lands is covered by that certain Offer to Lease and Lease for Oil and Gas (Serial No. COC 64463) dated effective April 1, 2001 from The United States of America to Hanson & Strahn, Inc. and Section 18, Township 2 North, Range 98 West, 6<sup>th</sup> PM of the Subject Lands is covered by that certain Offer to Lease and Lease for Oil and Gas (Serial No. COC 64455) dated effective April 1, 2001 from The United States of America to Hanson & Strahn, Inc ("Subject Leases"); and

WHEREAS, Grantor owns the lands comprising a portion of the access route to the site as well as the location for the referenced well;

Now, therefore, in consideration of the mutual covenants contained herein, the parties agree as follows:

I.

Grantor hereby bargains, grants and lets unto VECTA, its officers, employees, contractors, subcontractors, invitees, successors and assigns, a non-exclusive right-of-way for the road access across the lands of Grantor located in Sections 13 & 18 of Township 2 North, Range 98 West, 6<sup>th</sup> PM, to the site or location for the Vecta 1-13-2-98 well (the "Subject Well") for the sole and express purpose of drilling, completing and producing the well for oil and/or gas. VECTA shall have the non-exclusive right to move derricks, drilling tools, vehicles and other machinery

and equipment necessary, convenient or incidental to the drilling and testing of an oil and/or gas well at the above location for the Subject Well; for use in maintaining, servicing, repairing, producing, re-working, replacing and removing the Subject Well; together with a non-exclusive right-of-way for laying, maintaining, servicing, repairing, replacing and removing buried flowlines for transportation of said oil and/or gas from the Subject Well. To the extent practicable, any flowlines or pipelines to be used for transportation of oil and/or gas shall be located under or immediately adjacent to the roadbed of Grantor's existing road. The well location and all disturbed areas shall be reclaimed and reseeded as much as is practicable and as further described in this Agreement. .

## II.

VECTA shall acquire, prior to the commencement of operations, all necessary licenses, permits, or papers required by governmental agencies pertaining to, but not limited to, mineral, or surface matters involved with the drilling of the Subject Well. VECTA agrees, at its cost, to comply with all applicable municipal, County, State and Federal laws and regulations now in force or which may hereafter be enforced concerning VECTA's particular use of the Subject Lands.

## III.

(a) As necessary and upon the mutual agreement of Grantor and Grantee, VECTA, at its sole expense, shall install suitable culverts or concrete low water crossings ("Culverts") at all water crossing points used in Vecta's operations including (i) in the existing approach to the access road to the proposed location for the Subject Well, (ii) in any new approach created by Grantor following the drilling and completion of the Subject Well, or (iii) in any low spot in the access road to the proposed location which may carry water. The Culverts shall be at least eighteen inches (18") in diameter and shall be maintained and kept free of fill and litter by VECTA until such time as the location for the Subject Well has been restored as near as practicable to its original condition. Culverts shall remain in place following drilling operations and restoration unless otherwise designated by Grantor. VECTA, its successors and assigns, shall maintain said Culverts except for damage caused by acts of Grantor, its successors and assigns, which Grantor, its successor and assigns shall immediately repair.

(b) Grantee shall have the right to drill, complete, produce and operate the Subject Well at a specific location ("Well Site"). The size of the Well Site shall be limited to be no more than four (4) acres, exclusive of the road access. Within six (6) months after the completion of

the Subject Well, the Well Site will be reduced in size to a maximum of 1.60 acres and thereafter will be herein referred to as "Reduced Well Site". After the above date, the Reduced Well Site will be considered as a Well Site for the purposes of Grantee's operations on the Subject Lands as herein set forth. Within thirty (30) days after the Reduced Well Site is completed, Grantee will provide Grantor a plat surveyed by a registered public surveyor at Grantee's sole cost and expense, depicting the boundary of the Reduced Well Site.

Notwithstanding the above, Grantee will have temporary access to an additional one (1) acre of the Subject Lands adjoining the Reduced Well Site for the limited purpose of accommodating any and all equipment necessary for the recompletion and/or fracture stimulation of the Subject Well on the Reduced Well Site. In such event, Grantee will notify Grantor's representatives on, or before, thirty (30) days prior to the commencement of such operations. Such additional one (1) acre will be identified in the survey of the Reduced Well Site as set forth above. Grantee's operations upon the additional one (1) acre will be subject to all terms and provisions hereof regarding operations upon the Well Site and Reduced Well Site.

Within sixty (60) days after Grantor's receipt of such survey, Grantee will remove all caliche, gravel or other substances which may have been placed on such Well Site outside the area of Reduced Well Site and restore such area to as near its original condition as possible, included but not limited to, the leveling of the area and reseeded of grass as further described in Paragraph IV. of this Agreement.

(c) The parties hereto understand, contemplate and agree that a survey of the Well Site, entry location onto the Subject Lands, road and pipeline locations will be conducted prior to the commencement of any of these operations. The Well Site and the entry location and all road and pipeline courses associated with the Well Site will be located and surveyed by a registered public surveyor at Grantee's sole cost and expense, with a copy of such surveyor's plat being provided to the Grantor within such time for Grantor's written consent or within fourteen (14) days of submission of surveyor's plat to Grantor.

(d) Grantee will use industry standards to drill the Subject Well as per the permit received from the regulatory agencies. Grantee will dispose of all drill cuttings as per Colorado Oil & Gas Conservation Commission regulations. Notwithstanding the above, Grantee agrees to line all pits with an impenetrable material so as not to allow any drilling fluids, chemicals, or other

substances to penetrate the soil of the Subject Lands in connection with Grantee's drilling or reworking operations on the Subject Lands. Before filling in the slush or reserve pits, Grantee shall first remove and haul all drilling fluids, chemicals and other substances off the Subject Lands.

(e) Grantee shall plug and abandon all wells in accordance with the rules and regulations of any governmental agency having jurisdiction, shall remove all casing and pipe from abandoned wells down to a depth of at least three (3) feet below ground level and three (3) feet below the bottom of any water bottom in which same may be located, and shall remove all other obstructions in such water bottom. Within six (6) months from abandonment of the Subject Well, Grantee will remove all caliche, gravel or other substances which may have been placed on such Well Site and restore such Well Site to as near its original condition as practicable including, but not limited to, the leveling and reseeding of grass as required by Grantor. Within ninety (90) days after abandonment of any road, if requested by Grantor, Grantee will remove all caliche, gravel, asphalt, concrete or other substance which may have been placed on or used in connection with the construction of such road and restore the location of such road to as near its original condition as practicable in the manner set forth above;

Grantee shall have the right, at any time during, or within six (6) months after the expiration or termination of the applicable oil and gas lease as to all or any part of the Subject Lands or one hundred and twenty (120) days after the cessation of production and operations from the Well Site to remove all property and fixtures placed by Grantee on the Subject Lands so terminated or such Well Site, and all property and fixtures not so removed within such time shall become the property of Grantor, and thereafter Grantor may, at Grantor's election, remove the same from the Subject Lands at Grantee's expense, and Grantee agrees to reimburse Grantor for all reasonable and necessary costs of removal. Grantee shall not, however, have the right to remove the casing from any dry hole or abandoned well not drilled by Grantee.

(f) Grantee agrees that before abandoning the Subject Well drilled on the Subject Lands for oil or gas purposes, it will notify Grantor of its intention to do so, and will offer to Grantor any such well for use as a water well. Grantor may, within ten (10) business days if a drilling rig is off location or within twenty-four (24) hours exclusive of Saturday, Sunday and legal holidays if a drilling rig is on location, elect whether or not to direct Grantee to plug back the well as a water well complying with all rules and regulations of the Colorado Oil & Gas Conservation

Commission, Colorado Division of Water Resources and the Colorado Department of Public Health and Environment as well as any other governmental agency having jurisdiction, in accordance with applicable statutes and in accordance with the terms of this Agreement Grantee will, at its sole expense, set all plugs as may be required by any regulatory agency at the base of the water bearing sand and designated by Grantor, and, before the rig leaves the location, pressure test said well to Grantor's specifications and satisfaction as well as to the specifications of the Colorado Oil & Gas Conservation Commission or any other regulatory agency. If possible, a cast iron bridge plug shall be set at the bottom of the hole. In the event a cement plug is set on the bottom, it shall be left long enough to fully cure before circulating mud and pulling tubing out of the hole. If test results are acceptable to Grantor, Grantor may inspect the well bore and, if no problem is evident, Grantee will deliver the well to Grantor, leaving in such well all surface casing and such production casing necessary for Grantor's water well completion as may have been run and set. Full responsibility for the hole shall remain with Grantee until such time as Grantor accepts the tested and plugged back well. The casing of such well shall be left full of fresh water and shall include a flange or a bull plug and a needle valve for pressure relief screwed thereon; thereafter, Grantor shall execute Grantee's water well transfer agreement together with any forms required by the Colorado Oil & Gas Conservation Commission and the Colorado Division of Water Resources and upon execution thereof, shall own the water well and the casing therein, and shall be responsible for any subsequent plugging of such well. Should Grantor not wish to attempt to make a producing water well out of any such hole, or if the integrity of any such well is not proven by pressure test and/or inspection of the well bore, the results of which are acceptable to Grantor in his sole opinion, Grantee shall immediately plug the well in accordance with all applicable rules, regulations, and statutes, and in accordance with the other provisions of this lease. Under no circumstances shall the Subject Well be plugged or plugged back for water without Grantor or Grantor's representative being present, unless Grantor shall have waived this requirement in writing prior to plugging.

(g) Grantee shall not have the right to use any freshwater from Grantor ponds, tanks, lakes, water wells, windmills or other water sources of Grantor located on the Subject Lands. Grantee's only access to Grantor freshwater shall be from any water wells drilled by Grantee after written approval by Grantor and such access to Grantor freshwater from any water wells drilled by Grantee shall be restricted to Grantee's operations purposes only. Grantor shall have access to any excess capacity of freshwater from any water wells drilled by Grantee on Grantor's

Subject Lands. Grantee agrees, after cessation of its use of any water well drilled by Grantee on the Subject Lands and prior to plugging or removing the casing therefrom, to tender such water well or wells to Grantor free of cost and, if Grantor shall elect to accept same, such water well and the casing therein shall be and become the property of Grantor, but Grantor shall assume any future risks and obligations attendant to Grantor's ownership and use of said water well(s).

(h) In the Subject Well drilled by or for Grantee hereunder, Grantee shall set or cause to be set such character and amount of new surface casing as may be required to protect all fresh water zones, including but not limited to all fresh water zones by law or by any rule, regulation or order of either the Colorado State Engineers Office, Colorado Oil & Gas Conservation Commission and the Colorado Division of Water Resources or any other government body or agency having jurisdiction or authority in the matter. Regardless of any lesser requirement, surface casing shall be set through all fresh water zones.

(i) During the drilling and completion operations, trash pits will be fenced, or otherwise enclosed, to prevent trash from blowing off the Well Site. Roadways and location will be kept free of trash, litter and debris. VECTA shall police the Well Site and/or production facility on the Subject Lands, and otherwise maintain such Well Site in clean condition. VECTA shall also promptly remediate any and all oil or chemical spills on the Subject Lands in accordance with all applicable state and federal laws pertaining to hazardous substances.

(j) All access to the Subject Lands by Grantee shall be designated in Grantor's sole reasonable discretion. Grantor shall provide Grantee with reasonable access to the Subject Lands across other lands owned by Grantor and through entrances and roads designated in Grantor's sole reasonable discretion. Grantee shall limit its construction of additional roads on the Subject Lands to not more than one (1) road from existing roads to the Well Site on the Subject Lands, confining all travel incident to the drilling and production of such well to the single graded road. Grantee agrees to promptly repair, to as good or better condition, all roads, bridges and/or water crossings damaged as a result of Grantee's use thereof.

Roads shall be constructed in such a manner and out of such materials in line with typical industry practices for lease road construction. Grantee shall avoid whenever possible (but excluding emergencies and necessary repairs to equipment or facilities) the operation of

vehicles of any type whatsoever over the Subject Lands and roads thereon when such roads or lands are muddy or soft and shall repair any damage or ruts unavoidably incurred by reason of use of such roads or lands. All roads and locations made, used or constructed by Grantee shall be terraced in such manner as to best control and prevent erosion. Grantee shall use crushed rock to construct all new roads on the Subject Lands and shall use crushed rock to improve all existing roads used in its operations on the Subject Lands. Grantee shall, at all times, if required to maintain the roads as herein provided a level of at least six (6) inches of crushed rock on all roads utilized in its operations on the Subject Lands. Roadways shall not exceed a width of sixteen (16) feet unless Grantee secures Grantor's consent in writing.

VECTA shall bury all electrical lines to be utilized on the well site and location, and shall utilize the existing road bed and adjacent road access within which to bury such electrical lines. All costs for the installation and maintenance of such lines shall be borne by VECTA.

(k) The access for any pipeline over, through and across the Subject Lands will cover the same portion of Grantor's property as the access road as actually located for maintenance or improvement. Grantee shall bury all pipelines and flowlines placed on the Subject Lands at least thirty-six inches (36") below the surface and shall level and restore all ditches, ruts, mounds, ridges and depressions caused by burying pipelines upon the property and to return at any time and from time to time, upon request by Grantor, to correct, level and restore to the original ground level, any further settlement of the soil that shall occur following the previous filling or leveling of the same. All pipelines will be "double ditched" so that the topsoil is removed first and replaced last, so as to cause as little disturbance as possible to the surface of the Subject Lands. Grantee also agrees to remove all stakes, posts, welding rods and parts thereof, pipe coating material, paper, rubbish and other material used in the construction, repair or removal of any pipeline, so as to leave the entire cleared area free of non-native material. All future pipelines and flowlines including, but not limited to, saltwater lines, freshwater lines, and low-pressure gas lines shall be buried along designated alleys and utility corridors identified or as otherwise designated by Grantor.

(l) Except for the Well Site, lease equipment, roads, pipelines or flowlines, Grantee shall not locate or place on any part of the surface of the Subject Lands, or permit to be located or placed on any part of the Subject Lands, any wells, roads, pipes, pipelines, utility lines, wires,

tanks, buildings, separators, structures, processing equipment, compressors, vehicles or other equipment or property; and Grantee shall not have access to or ingress or egress over or the right to use or occupy any portion of the Subject Lands except as otherwise provided in this Agreement.

#### IV.

Upon completion of operations and plugging and abandonment of the Subject Well and removal of associated equipment, VECTA agrees to perform all dirt work necessary to restore the Well Site, related roads, and other disturbed areas to their previous contours or to Grantor's reasonable specifications. All such work shall be completed no later than six (6) months after the expiration or termination of the applicable oil and gas lease as to all or any part of the Subject Lands or six (6) months after cessation of production and operations from the Well Site and removal of the well and equipment. Noxious weeds will be sprayed not less than annually along the access road and the location, plus an area one hundred (100) feet on all sides of the location, as needed for a period of three (3) years following cessation of operations. In the course of such reclamation obligations, VECTA shall use reasonable commercial efforts in good faith to restore the surface of the leased premises as nearly as is practicable to its original condition. Where possible, VECTA shall use native, indigenous and introduced grasses, shrubs, trees, and plants to attempt reclamation of any such site, and, and in the course of such operations, shall use such plant and grass seed mixes recommended by the Bureau of Land Management, Colorado Oil and Gas Conservation Commission or Grantor. Grantor shall have the right of first refusal to conduct such reseeding and planting work, such work to be performed at prevailing market rates.

#### V.

Grantee shall be liable for all damages to the Subject Lands, as well as all improvements, growing crops, personal property, pasture land and livestock that may be caused by Grantee's operations hereunder. In addition, Grantee will pay Grantor the following amounts for Grantee's usage of the surface of the Subject Lands:

(a) Grantee shall pay [REDACTED] per acre for each Reduced Well Site utilized;

(b) The payment for all roads shall be [REDACTED] per rod;

(c) The payment for all pipelines shall be [REDACTED] per rod.

Each payment specified in items (a) through (c) above shall be made by Grantee to Grantor at least 30 days before Grantee commences construction on each identified location. In the event a final "as built" survey of a Reduced Well Site reflects a smaller or larger designated area than previously paid for by Grantee, then Grantor and Grantee will promptly adjust the damage payment required for Item one (a) or two (b) above based upon the actual surveyed acreage.

## VI.

Grantee agrees to take full responsibility for the actions of all persons conducting any of its operations on the Subject Lands (including its contractors and agents). Grantor may bar further access to the Subject Lands as to any individual who commits any intentional or repeated violation of these rules. In addition, any individual violating rules (c) or (e) below shall be immediately expelled from the Subject Lands and will be forever banned therefrom.

(a) All personnel shall minimize, to the extent reasonably possible, the introduction of noxious plants or vegetation to the Subject Lands.

(b) Grantee shall keep the Subject Lands clean and free of all trash and litter which may emanate from Grantee's operations on the Subject Lands, and if Grantee does not do so within five (5) days notice from Grantor, Grantee agrees to pay Grantor's cost of picking up such litter and trash either on the Subject Lands or adjacent lands. Under no circumstances will Grantee bury or burn any trash, debris or foreign material of any nature on the Subject Lands.

(c) Grantee shall not bury, dump, spill or discharge any Hazardous Materials (as defined in Paragraph X. of this Lease), gasoline, oil, hydraulic fluid, fuel, paint or other foreign, toxic, or other waste substances on the Subject Lands.

(d) No wood, plants, animals (dead or alive), artifact or any other item that was not originally brought onto the Subject Lands by Grantee will be removed from the Subject Lands.

(e) It is expressly agreed and understood that Grantee shall not be permitted to hunt,

fish, hike, swim, camp, picnic or conduct a social gathering on the Subject Lands, and that no dog, gun, firearm, bow, sling shot, animal calling device, fishing equipment or other type of sport or recreation paraphernalia will be permitted on the Subject Lands. Grantee shall not bring any non-employee, friend or family member onto the Subject Lands. No illegal drugs or related paraphernalia or alcoholic beverages shall be brought onto the Subject Lands.

(f) Location of Operations: Grantee shall conduct all operations within the boundaries of the Well Site and Reduced Well Site, except as provided otherwise herein.

(g) Grantee's right to use the Well Site shall be limited to only drilling on Subject Lands. Grantee shall not use or cause the Well Site to be used for the purpose of drilling or drilling to land other than the Subject Lands without Grantor's prior written consent, which consent may be withheld in Grantor's sole and absolute discretion.

VII.

The location of Grantee's Well Site, pipelines and roads are subject to the rights of other owners of rights-of-ways and easements previously granted to others.

VIII.

Prior to entry upon the Subject Lands and not later than thirty (30) days prior to the commencement of operations hereunder, Grantee will contact Grantor's representatives, as named below, by telephone and mail, describing in detail Grantee's proposed operations and the timing of such operations to the following parties in order to coordinate any necessary accommodations to avoid Grantee's disturbance of Grantor's activities on the Subject Lands.

Trent Green  
BOPCO, L.P.  
9949 Oswego St.,  
Suite 200  
Parker, CO 80134  
(303)799-5080 – Work  
(303)882-8861 – Cell  
[twgreen@basspet.com](mailto:twgreen@basspet.com)

W. Ross Sutton  
BOPCO, L.P.  
201 Main Street,  
Suite 3100  
Fort Worth, Texas 76102  
(817) 390-8670 – Work  
[rsutton@basspet.com](mailto:rsutton@basspet.com)

IX.

GRANTEE SHALL BE SOLELY RESPONSIBLE FOR, AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS GRANTOR, BOPCO, L.P. AND THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, JOINT OWNERS, AND THEIR INSURERS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, SUITS, DEMANDS, COSTS AND EXPENSES, INCLUDING ATTORNEYS' FEES, FOR: (I) INJURIES OR DEATH OF ANY PERSON; (II) DAMAGE, DESTRUCTION OR LOSS OF PROPERTY BELONGING TO ANY PERSON; AND (III) ENVIRONMENTAL LIABILITIES, ARISING OUT OF OR IN CONNECTION WITH GRANTEE'S OPERATIONS OF WHATEVER NATURE, REGARDLESS OF WHETHER OR NOT SUCH CLAIMS, LOSSES, DEMANDS OR SUITS ARE OCCASIONED BY OR ARE THE RESULT IN PART FROM THE NEGLIGENCE OR FAULT OF GRANTOR, BOPCO, L.P. OR THEIR EMPLOYEES, OFFICERS, AGENTS, OR REPRESENTATIVES, EXCEPTING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF GRANTOR, BOPCO, L.P. AND THEIR EMPLOYEES, OFFICERS, AGENTS, OR REPRESENTATIVES. THIS INDEMNITY SHALL ALSO APPLY TO ANY LIABILITY IMPOSED UPON GRANTOR, BOPCO, L.P. AND THEIR OFFICERS, AGENTS, EMPLOYEES OR REPRESENTATIVES BY REASON OF ANY APPLICABLE STATUTE, LAW, REGULATION OR THEORY OF STRICT LIABILITY. AS USED IN THIS PARAGRAPH, THE TERM "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION, BUSINESS TRUST, JOINT STOCK COMPANY, TRUST, UNINCORPORATED ASSOCIATION, JOINT VENTURE OR GOVERNMENTAL AUTHORITY. THE TERM "ENVIRONMENTAL LIABILITIES," AS THAT TERM IS USED IN THIS PARAGRAPH, IS DEFINED AS ALL DAMAGES, LOSSES, CLAIMS, DEMANDS AND CAUSES OF ACTION (INCLUDING, BUT NOT LIMITED TO, ANY CIVIL FINES, PENALTIES, EXPENSES AND COSTS OF CLEAN-UP OR REMEDIATION) BROUGHT BY ANY AND ALL PERSONS (INCLUDING ANY THIRD-PARTIES OR ORGANIZATIONS, AND ANY AGENCY, BRANCH OR REPRESENTATIVE OF FEDERAL, STATE OR LOCAL GOVERNMENT) ON ACCOUNT OF ANY PERSONAL INJURY, DEATH, DAMAGE, DESTRUCTION, LOSS OF PROPERTY, CONTAMINATION OF NATURAL RESOURCE (INCLUDING OIL, SURFACE WATER OR GROUND WATER), INCLUDING, BUT NOT LIMITED TO, THE PRESENCE, DISPOSAL OR RELEASE OF ANY MATERIAL OF ANY KIND, AND SHALL INCLUDE ALL LIABILITY OR OBLIGATIONS THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PHYSICAL CONDITION OF THE PROPERTY OR ADJOINING PROPERTY OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE,

COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED (42 U.S.C. § 9601 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 TOXIC SUBSTANCES CONTROL ACT (15 U.S.C. § 2601 - 2629), THE CLEAN WATER ACT, AS AMENDED (42 U.S.C. § 7401 ET SEQ.) AND THE CLEAN AIR ACT AMENDMENTS OF 1990 (PUB. L. NO. 101-549, 104 STAT. 2399 (1990)).

GRANTEE'S FACILITIES, EQUIPMENT, VEHICLES, PIPELINES, OIL, GAS, HYDROCARBONS, HYDROCARBON BY-PRODUCTS AND PROPERTY OF ANY KIND ("GRANTEE'S PROPERTY") ARE SOLELY AT THE RISK OF GRANTEE AND GRANTEE HEREBY WAIVES ANY CLAIM FOR LOSS, DAMAGE OR DESTRUCTION OF GRANTEE'S PROPERTY AND ANY CONSEQUENTIAL DAMAGES ARISING THEREFROM IN FAVOR OF GRANTOR, BOPCO, L.P. AND THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, JOINT OWNERS AND THEIR INSURERS, EVEN IF CAUSED IN PART BY THE NEGLIGENCE, ACT OR OMISSION OF GRANTOR, BOPCO, L.P. OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, OR JOINT OWNERS. ANY INSURANCE MAINTAINED BY GRANTEE FOR THESE ITEMS SHALL INCLUDE A WAIVER OF SUBROGATION IN FAVOR OF GRANTOR, BOPCO, L.P., AND A CERTIFICATE OF INSURANCE VERIFYING THIS WAIVER SHALL BE SUPPLIED TO GRANTOR.

Furthermore, Grantee shall at all times maintain in effect Commercial General Liability Insurance including contractual liability coverage with minimum limits of [REDACTED] per occurrence and [REDACTED] in aggregate, covering GRANTOR and BOPCO, L.P. as additional insureds, and stating that said insurance is primary as respect to any other coverage available to GRANTOR and BOPCO, L.P. Also, Grantee shall at all times maintain in effect Umbrella Liability in the amount of [REDACTED] and Workers Compensation Insurance endorsed to waive all rights of subrogation in favor of GRANTOR and BOPCO, L.P. Should GRANTOR utilize contractors to perform any work contemplated herein said contractors shall be insured with limits not less than \$1,000,000 per occurrence during the construction operations, and GRANTOR and BOPCO, L.P. shall be an additional insured on a primary basis on their Commercial General Liability Insurance. The contractor's Workers Compensation Insurance policies shall also waive all rights of subrogation in favor of GRANTOR and BOPCO, L.P. Grantee shall provide a certificate of insurance prior to any construction and annually thereafter.

X.

As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Grantee agrees (1) to remove from the Subject Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Grantee, (2) to perform Remedial Work where the need therefore arises in connection with Grantee's operations or activities on the Subject Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Grantee and Remedial Work on or associated with the Subject Lands. Remedial Work shall be performed by one or more contractors selected by Grantee and approved in advance by Grantor and under the supervision of a consulting engineer selected by Grantee and approved in advance by Grantor. All costs and expenses of Remedial Work resulting from Grantee's operations shall be paid by Grantee, including, without limitation, the charges of such contractors and/or the consulting engineer and Grantor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Grantee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Grantor may (but shall not be required to), after first giving Grantee fifteen (15) days notice of its failure and Grantee's continued failure to perform, cause such Remedial Work to be performed and Grantee will reimburse all reasonable costs of same on demand. Grantee will notify Grantor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on the Subject Lands or on Grantor's adjoining property and to provide Grantor with copies of (1) any notice of any release of Hazardous Materials given by Grantee pursuant to any law or regulation and (2) any report of and response to any such incident. Grantee, its successors and assigns, will indemnify, pay and protect, defend and save Grantor, and Grantor's officers, directors, partners, owners, guests, licensees, contractors, and invitees, and their respective heirs, successors, agents, employees and assigns, and their insurers, harmless from all claims, liabilities, fees and expenses of any kind (including attorneys' fees and costs) that arise from the actual or alleged presence or release of any Hazardous Materials in connection with the operations of Grantee and Grantee's agents, invitees, guests, contractors, servants or employees on the Subject Lands. This indemnification shall include costs in connection with any Remedial Work when

performed by Grantor or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefor by Grantor.

## XI.

All the terms and provisions of this agreement are hereby expressly made subject to all Federal, State and local laws and to all orders, rules, regulations and standards issued thereunder by all duly constituted political subdivisions and agencies having jurisdiction and this agreement shall ipso facto be considered supplemented and/or amended accordingly to make this agreement subject thereto, and Grantee hereby warrants that it will comply with any and all such laws, orders, rules, regulations and standards of all such Federal, State and local political subdivisions and agencies applicable to the control, regulation and prevention of pollution and discharge and Grantee expressly agrees to indemnify and hold Grantor free and harmless from any damages, claims, costs, demands, fines, causes of action and losses of whatever nature arising out of or in connection with Grantee's failure of compliance or violation of any such laws, orders, rules, regulations and standards.

In addition to any duties implied by law or equity, Grantee agrees to drill all wells which may be drilled on the Subject Lands in a workmanlike manner; at all times to operate such wells and all appurtenances in connection therewith in an efficient and workmanlike manner and in accordance with good industry practices in order that such wells will currently produce the best possible yield; at all times to produce from such well or wells and run to the pipeline to which the well or wells may be connected, their maximum output of oil and/or gas, when so efficiently operated, but not to exceed the allowable for such well or wells according to the current orders, rules and regulations of the regulatory body, or bodies, if any, having jurisdiction governing the drilling and operations of such well or wells. Grantee also agrees to conform to all laws and regulations of the city and state in which the Subject Lands are located and of the United States, regarding the drilling or operation of said well or wells or the operation and development of said lease, and to the rules and regulations of any regulatory body or bodies, if any, governing the location, drilling, operations, abandonment and/or plugging of wells and of the control of water, gas or oil, and will furnish Grantor written approval of said regulatory body or bodies as to the abandonment of said wells or any of them.

XII.

If either party hereto files a legal action to enforce any express or implied obligation of this Lease and receives a favorable judgment from a court of competent jurisdiction, then the non-prevailing party shall reimburse the prevailing party for all costs of such legal proceedings, including reasonable attorneys' fees.

XIII.

The term of this Agreement shall commence on the date written below and shall continue thereafter for so long as the Subject Leases remain in full force and effect or one hundred and twenty (120) days after the cessation of production and operations per the Subject Leases from the Subject Well, whichever is the earlier.. Provided however, should all or any part of the Subject Leases terminate, then such lands covered by this Agreement and associated with the Subject Leases shall also terminate. Grantee shall file a release of record for this Agreement within thirty (30) days from termination of the Subject Leases or any portion thereof as provided herein.

XIV.

Grantor and Vecta have executed a Memorandum of Surface Access and Damage Agreement contemporaneously with the execution of this Agreement. Grantor and Vecta agree that such Memorandum of Surface Access and Damage Agreement shall be recorded in the appropriate records of Rio Blanco County, Colorado, in lieu of the recording of this Agreement in its entirety. The recording of said Memorandum of Surface Access and Damages Agreement shall be binding upon the Grantor and Vecta, and their respective heirs, successors, legal representatives and assigns.

XV.

Upon violation of any provisions of this Agreement, Vecta will have seven (7) days from date of notification from Grantor to remedy or rectify violation. Vecta agrees to promptly pay Grantor the sum of [REDACTED] for each and every subsequent violation that is not remedied or rectified. The damages for violation of the provisions contained in these Paragraphs is uncertain and this amount represents an approximation by Grantor and Vecta of damages and is not to be considered a penalty nor as liquidated damages, and shall be in

addition to any other remedies provided for herein.

XVI.

Grantor retains the right to use and enjoy the Subject Lands; provided, however, Grantor shall not exercise such use and enjoyment in a manner that will unreasonably impair or interfere with the exercise by Vecta of any of the rights herein granted.

XVII.

This agreement shall be a covenant running with the ownership of the lands and as such, shall be binding upon and inure to the benefit of the parties hereto, their heirs, personal representatives and successors.

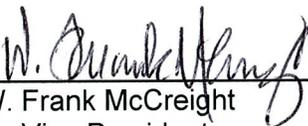
Dated this 26<sup>th</sup> day of August, 2011.

GRANTOR:

GRANTEE:

BOPCO, L.P.

VECTA OIL & GAS, LTD.

  
\_\_\_\_\_  
W. Frank McCreight  
Sr. Vice President

  
\_\_\_\_\_  
Jim Bob Byrd, Vice President - Land

#7

## **SURFACE ACCESS AND DAMAGE AGREEMENT**

This agreement is made between BOPCO L.P., with a mailing address of 201 Main St., Fort Worth, TX 76102 (hereinafter referred to as "Grantor") and Vecta Oil & Gas, Ltd., an entity authorized to do business in the State of Colorado, with a mailing address of 575 Union Blvd., Suite 208, Lakewood, Colorado 80228; its agents, successors, and assigns (hereinafter alternately referred to as "Vecta" and "Grantee").

WHEREAS, VECTA desires to drill the Vecta 3-18-2-97 well from a surface location within Section 18: SE/4SW/4, Township 2 North, Range 97 West, 6th PM in Rio Blanco County, Colorado, for the purpose of producing oil and/or gas and shall access said location by upgrading and improving Grantor's existing access located in Section 18 of Township 2 North, Range 97 West, 6<sup>th</sup> PM, in Rio Blanco County, Colorado ("Subject Lands"); and utilizing certain existing state, county, township and private roads located in the area; and

WHEREAS, Section 18, Township 2 North, Range 97 West, 6<sup>th</sup> PM of the Subject Lands is covered by that certain Offer to Lease and Lease for Oil and Gas (Serial No. COC 64455) dated effective April 1, 2001 from The United States of America to Hanson & Strahn, Inc ("Subject Lease"); and

WHEREAS, Grantor owns the lands comprising a portion of the access route to the site as well as the location for the referenced well;

Now, therefore, in consideration of the mutual covenants contained herein, the parties agree as follows:

I.

Grantor hereby bargains, grants and lets unto VECTA, its officers, employees, contractors, subcontractors, invitees, successors and assigns, a non-exclusive right-of-way for the road access across the lands of Grantor located in Section 18 of Township 2 North, Range 97 West, 6<sup>th</sup> PM, to the site or location for the Vecta 3-18-2-97 well (the "Subject Well") for the sole and express purpose of drilling, completing and producing the well for oil and/or gas. VECTA shall have the non-exclusive right to move derricks, drilling tools, vehicles and other machinery and equipment necessary, convenient or incidental to the drilling and testing of an oil and/or gas well at the above location for the Subject Well; for use in maintaining, servicing, repairing, producing,

re-working, replacing and removing the Subject Well; together with a non-exclusive right-of-way for laying, maintaining, servicing, repairing, replacing and removing buried flowlines for transportation of said oil and/or gas from the Subject Well. To the extent practicable, any flowlines or pipelines to be used for transportation of oil and/or gas shall be located under or immediately adjacent to the roadbed of Grantor's existing road. The well location and all disturbed areas shall be reclaimed and reseeded as much as is practicable and as further described in this Agreement. .

## II.

VECTA shall acquire, prior to the commencement of operations, all necessary licenses, permits, or papers required by governmental agencies pertaining to, but not limited to, mineral, or surface matters involved with the drilling of the Subject Well. VECTA agrees, at its cost, to comply with all applicable municipal, County, State and Federal laws and regulations now in force or which may hereafter be enforced concerning VECTA's particular use of the Subject Lands.

## III.

(a) As necessary and upon the mutual agreement of Grantor and Grantee, VECTA, at its sole expense, shall install suitable culverts or concrete low water crossings ("Culverts") at all water crossing points used in Vecta's operations including (i) in the existing approach to the access road to the proposed location for the Subject Well, (ii) in any new approach created by Grantor following the drilling and completion of the Subject Well, or (iii) in any low spot in the access road to the proposed location which may carry water. The Culverts shall be at least eighteen inches (18") in diameter and shall be maintained and kept free of fill and litter by VECTA until such time as the location for the Subject Well has been restored as near as practicable to its original condition. Culverts shall remain in place following drilling operations and restoration unless otherwise designated by Grantor. VECTA, its successors and assigns, shall maintain said Culverts except for damage caused by acts of Grantor, its successors and assigns, which Grantor, its successor and assigns shall immediately repair.

(b) Grantee shall have the right to drill, complete, produce and operate the Subject Well at a specific location ("Well Site"). The size of the Well Site shall be limited to be no more than four (4) acres, exclusive of the road access. Within six (6) months after the completion of the Subject Well, the Well Site will be reduced in size to a maximum of 1.60 acres and thereafter

will be herein referred to as "Reduced Well Site". After the above date, the Reduced Well Site will be considered as a Well Site for the purposes of Grantee's operations on the Subject Lands as herein set forth. Within thirty (30) days after the Reduced Well Site is completed, Grantee will provide Grantor a plat surveyed by a registered public surveyor at Grantee's sole cost and expense, depicting the boundary of the Reduced Well Site.

Notwithstanding the above, Grantee will have temporary access to an additional one (1) acre of the Subject Lands adjoining the Reduced Well Site for the limited purpose of accommodating any and all equipment necessary for the recompletion and/or fracture stimulation of the Subject Well on the Reduced Well Site. In such event, Grantee will notify Grantor's representatives on, or before, thirty (30) days prior to the commencement of such operations. Such additional one (1) acre will be identified in the survey of the Reduced Well Site as set forth above. Grantee's operations upon the additional one (1) acre will be subject to all terms and provisions hereof regarding operations upon the Well Site and Reduced Well Site.

Within sixty (60) days after Grantor's receipt of such survey, Grantee will remove all caliche, gravel or other substances which may have been placed on such Well Site outside the area of Reduced Well Site and restore such area to as near its original condition as possible, included but not limited to, the leveling of the area and reseeded of grass as further described in Paragraph IV. of this Agreement.

(c) The parties hereto understand, contemplate and agree that a survey of the Well Site, entry location onto the Subject Lands, road and pipeline locations will be conducted prior to the commencement of any of these operations. The Well Site and the entry location and all road and pipeline courses associated with the Well Site will be located and surveyed by a registered public surveyor at Grantee's sole cost and expense, with a copy of such surveyor's plat being provided to the Grantor within such time for Grantor's written consent or within fourteen (14) days of submission of surveyor's plat to Grantor.

(d) Grantee will use industry standards to drill the Subject Well as per the permit received from the regulatory agencies. Grantee will dispose of all drill cuttings as per Colorado Oil & Gas Conservation Commission regulations. Notwithstanding the above, Grantee agrees to line all pits with an impenetrable material so as not to allow any drilling fluids, chemicals, or other

substances to penetrate the soil of the Subject Lands in connection with Grantee's drilling or reworking operations on the Subject Lands. Before filling in the slush or reserve pits, Grantee shall first remove and haul all drilling fluids, chemicals and other substances off the Subject Lands.

(e) Grantee shall plug and abandon all wells in accordance with the rules and regulations of any governmental agency having jurisdiction, shall remove all casing and pipe from abandoned wells down to a depth of at least three (3) feet below ground level and three (3) feet below the bottom of any water bottom in which same may be located, and shall remove all other obstructions in such water bottom. Within six (6) months from abandonment of the Subject Well, Grantee will remove all caliche, gravel or other substances which may have been placed on such Well Site and restore such Well Site to as near its original condition as practicable including, but not limited to, the leveling and reseeded of grass as required by Grantor. Within ninety (90) days after abandonment of any road, if requested by Grantor, Grantee will remove all caliche, gravel, asphalt, concrete or other substance which may have been placed on or used in connection with the construction of such road and restore the location of such road to as near its original condition as practicable in the manner set forth above;

Grantee shall have the right, at any time during, or within six (6) months after the expiration or termination of the applicable oil and gas lease as to all or any part of the Subject Lands or one hundred and twenty (120) days after the cessation of production and operations from the Well Site to remove all property and fixtures placed by Grantee on the Subject Lands so terminated or such Well Site, and all property and fixtures not so removed within such time shall become the property of Grantor, and thereafter Grantor may, at Grantor's election, remove the same from the Subject Lands at Grantee's expense, and Grantee agrees to reimburse Grantor for all reasonable and necessary costs of removal. Grantee shall not, however, have the right to remove the casing from any dry hole or abandoned well not drilled by Grantee.

(f) Grantee agrees that before abandoning the Subject Well drilled on the Subject Lands for oil or gas purposes, it will notify Grantor of its intention to do so, and will offer to Grantor any such well for use as a water well. Grantor may, within ten (10) business days if a drilling rig is off location or within twenty-four (24) hours exclusive of Saturday, Sunday and legal holidays if a drilling rig is on location, elect whether or not to direct Grantee to plug back the well as a water well complying with all rules and regulations of the Colorado Oil & Gas Conservation

Commission, Colorado Division of Water Resources and the Colorado Department of Public Health and Environment as well as any other governmental agency having jurisdiction, in accordance with applicable statutes and in accordance with the terms of this Agreement Grantee will, at its sole expense, set all plugs as may be required by any regulatory agency at the base of the water bearing sand and designated by Grantor, and, before the rig leaves the location, pressure test said well to Grantor's specifications and satisfaction as well as to the specifications of the Colorado Oil & Gas Conservation Commission or any other regulatory agency. If possible, a cast iron bridge plug shall be set at the bottom of the hole. In the event a cement plug is set on the bottom, it shall be left long enough to fully cure before circulating mud and pulling tubing out of the hole. If test results are acceptable to Grantor, Grantor may inspect the well bore and, if no problem is evident, Grantee will deliver the well to Grantor, leaving in such well all surface casing and such production casing necessary for Grantor's water well completion as may have been run and set. Full responsibility for the hole shall remain with Grantee until such time as Grantor accepts the tested and plugged back well. The casing of such well shall be left full of fresh water and shall include a flange or a bull plug and a needle valve for pressure relief screwed thereon; thereafter, Grantor shall execute Grantee's water well transfer agreement together with any forms required by the Colorado Oil & Gas Conservation Commission and the Colorado Division of Water Resources and upon execution thereof, shall own the water well and the casing therein, and shall be responsible for any subsequent plugging of such well. Should Grantor not wish to attempt to make a producing water well out of any such hole, or if the integrity of any such well is not proven by pressure test and/or inspection of the well bore, the results of which are acceptable to Grantor in his sole opinion, Grantee shall immediately plug the well in accordance with all applicable rules, regulations, and statutes, and in accordance with the other provisions of this lease. Under no circumstances shall the Subject Well be plugged or plugged back for water without Grantor or Grantor's representative being present, unless Grantor shall have waived this requirement in writing prior to plugging.

(g) Grantee shall not have the right to use any freshwater from Grantor ponds, tanks, lakes, water wells, windmills or other water sources of Grantor located on the Subject Lands. Grantee's only access to Grantor freshwater shall be from any water wells drilled by Grantee after written approval by Grantor and such access to Grantor freshwater from any water wells drilled by Grantee shall be restricted to Grantee's operations purposes only. Grantor shall have

access to any excess capacity of freshwater from any water wells drilled by Grantee on Grantor's Subject Lands. Grantee agrees, after cessation of its use of any water well drilled by Grantee on the Subject Lands and prior to plugging or removing the casing therefrom, to tender such water well or wells to Grantor free of cost and, if Grantor shall elect to accept same, such water well and the casing therein shall be and become the property of Grantor, but Grantor shall assume any future risks and obligations attendant to Grantor's ownership and use of said water well(s).

(h) In the Subject Well drilled by or for Grantee hereunder, Grantee shall set or cause to be set such character and amount of new surface casing as may be required to protect all fresh water zones, including but not limited to all fresh water zones by law or by any rule, regulation or order of either the Colorado State Engineers Office, Colorado Oil & Gas Conservation Commission and the Colorado Division of Water Resources or any other government body or agency having jurisdiction or authority in the matter. Regardless of any lesser requirement, surface casing shall be set through all fresh water zones.

(i) During the drilling and completion operations, trash pits will be fenced, or otherwise enclosed, to prevent trash from blowing off the Well Site. Roadways and location will be kept free of trash, litter and debris. VECTA shall police the Well Site and/or production facility on the Subject Lands, and otherwise maintain such Well Site in clean condition. VECTA shall also promptly remediate any and all oil or chemical spills on the Subject Lands in accordance with all applicable state and federal laws pertaining to hazardous substances.

(j) All access to the Subject Lands by Grantee shall be designated in Grantor's sole reasonable discretion. Grantor shall provide Grantee with reasonable access to the Subject Lands across other lands owned by Grantor and through entrances and roads designated in Grantor's sole reasonable discretion. Grantee shall limit its construction of additional roads on the Subject Lands to not more than one (1) road from existing roads to the Well Site on the Subject Lands, confining all travel incident to the drilling and production of such well to the single graded road. Grantee agrees to promptly repair, to as good or better condition, all roads, bridges and/or water crossings damaged as a result of Grantee's use thereof.

Roads shall be constructed in such a manner and out of such materials in line with

typical industry practices for lease road construction. Grantee shall avoid whenever possible (but excluding emergencies and necessary repairs to equipment or facilities) the operation of vehicles of any type whatsoever over the Subject Lands and roads thereon when such roads or lands are muddy or soft and shall repair any damage or ruts unavoidably incurred by reason of use of such roads or lands. All roads and locations made, used or constructed by Grantee shall be terraced in such manner as to best control and prevent erosion. Grantee shall use crushed rock to construct all new roads on the Subject Lands and shall use crushed rock to improve all existing roads used in its operations on the Subject Lands. Grantee shall, at all times, if required to maintain the roads as herein provided a level of at least six (6) inches of crushed rock on all roads utilized in its operations on the Subject Lands. Roadways shall not exceed a width of sixteen (16) feet unless Grantee secures Grantor's consent in writing.

VECTA shall bury all electrical lines to be utilized on the well site and location, and shall utilize the existing road bed and adjacent road access within which to bury such electrical lines. All costs for the installation and maintenance of such lines shall be borne by VECTA.

(k) The access for any pipeline over, through and across the Subject Lands will cover the same portion of Grantor's property as the access road as actually located for maintenance or improvement. Grantee shall bury all pipelines and flowlines placed on the Subject Lands at least thirty-six inches (36") below the surface and shall level and restore all ditches, ruts, mounds, ridges and depressions caused by burying pipelines upon the property and to return at any time and from time to time, upon request by Grantor, to correct, level and restore to the original ground level, any further settlement of the soil that shall occur following the previous filling or leveling of the same. All pipelines will be "double ditched" so that the topsoil is removed first and replaced last, so as to cause as little disturbance as possible to the surface of the Subject Lands. Grantee also agrees to remove all stakes, posts, welding rods and parts thereof, pipe coating material, paper, rubbish and other material used in the construction, repair or removal of any pipeline, so as to leave the entire cleared area free of non-native material. All future pipelines and flowlines including, but not limited to, saltwater lines, freshwater lines, and low-pressure gas lines shall be buried along designated alleys and utility corridors identified or as otherwise designated by Grantor.

(l) Except for the Well Site, lease equipment, roads, pipelines or flowlines, Grantee shall not locate or place on any part of the surface of the Subject Lands, or permit to be located or placed on any part of the Subject Lands, any wells, roads, pipes, pipelines, utility lines, wires, tanks, buildings, separators, structures, processing equipment, compressors, vehicles or other equipment or property; and Grantee shall not have access to or ingress or egress over or the right to use or occupy any portion of the Subject Lands except as otherwise provided in this Agreement.

#### IV.

Upon completion of operations and plugging and abandonment of the Subject Well and removal of associated equipment, VECTA agrees to perform all dirt work necessary to restore the Well Site, related roads, and other disturbed areas to their previous contours or to Grantor's reasonable specifications. All such work shall be completed no later than six (6) months after the expiration or termination of the applicable oil and gas lease as to all or any part of the Subject Lands or six (6) months after cessation of production and operations from the Well Site and removal of the well and equipment. Noxious weeds will be sprayed not less than annually along the access road and the location, plus an area one hundred (100) feet on all sides of the location, as needed for a period of three (3) years following cessation of operations. In the course of such reclamation obligations, VECTA shall use reasonable commercial efforts in good faith to restore the surface of the leased premises as nearly as is practicable to its original condition. Where possible, VECTA shall use native, indigenous and introduced grasses, shrubs, trees, and plants to attempt reclamation of any such site, and, in the course of such operations, shall use such plant and grass seed mixes recommended by the Bureau of Land Management, Colorado Oil and Gas Conservation Commission or Grantor. Grantor shall have the right of first refusal to conduct such reseeding and planting work, such work to be performed at prevailing market rates.

#### V.

Grantee shall be liable for all damages to the Subject Lands, as well as all improvements, growing crops, personal property, pasture land and livestock that may be caused by Grantee's operations hereunder. In addition, Grantee will pay Grantor the following amounts for Grantee's usage of the surface of the Subject Lands:

(a) Grantee shall pay [REDACTED] per acre for each Reduced Well Site utilized;

(b) The payment for all roads shall be [REDACTED] per rod;

(c) The payment for all pipelines shall be [REDACTED] per rod.

Each payment specified in items (a) through (c) above shall be made by Grantee to Grantor at least 30 days before Grantee commences construction on each identified location. In the event a final "as built" survey of a Reduced Well Site reflects a smaller or larger designated area than previously paid for by Grantee, then Grantor and Grantee will promptly adjust the damage payment required for Item one (a) or two (b) above based upon the actual surveyed acreage.

#### VI.

Grantee agrees to take full responsibility for the actions of all persons conducting any of its operations on the Subject Lands (including its contractors and agents). Grantor may bar further access to the Subject Lands as to any individual who commits any intentional or repeated violation of these rules. In addition, any individual violating rules (c) or (e) below shall be immediately expelled from the Subject Lands and will be forever banned therefrom.

(a) All personnel shall minimize, to the extent reasonably possible, the introduction of noxious plants or vegetation to the Subject Lands.

(b) Grantee shall keep the Subject Lands clean and free of all trash and litter which may emanate from Grantee's operations on the Subject Lands, and if Grantee does not do so within five (5) days notice from Grantor, Grantee agrees to pay Grantor's cost of picking up such litter and trash either on the Subject Lands or adjacent lands. Under no circumstances will Grantee bury or burn any trash, debris or foreign material of any nature on the Subject Lands.

(c) Grantee shall not bury, dump, spill or discharge any Hazardous Materials (as defined in Paragraph X. of this Lease), gasoline, oil, hydraulic fluid, fuel, paint or other foreign, toxic, or other waste substances on the Subject Lands.

(d) No wood, plants, animals (dead or alive), artifact or any other item that was not originally brought onto the Subject Lands by Grantee will be removed from the Subject Lands.

(e) It is expressly agreed and understood that Grantee shall not be permitted to hunt, fish, hike, swim, camp, picnic or conduct a social gathering on the Subject Lands, and that no dog, gun, firearm, bow, sling shot, animal calling device, fishing equipment or other type of sport or recreation paraphernalia will be permitted on the Subject Lands. Grantee shall not bring any non-employee, friend or family member onto the Subject Lands. No illegal drugs or related paraphernalia or alcoholic beverages shall be brought onto the Subject Lands.

(f) Location of Operations: Grantee shall conduct all operations within the boundaries of the Well Site and Reduced Well Site, except as provided otherwise herein.

(g) Grantee's right to use the Well Site shall be limited to only drilling on Subject Lands. Grantee shall not use or cause the Well Site to be used for the purpose of drilling or drilling to land other than the Subject Lands without Grantor's prior written consent, which consent may be withheld in Grantor's sole and absolute discretion.

## VII.

The location of Grantee's Well Site, pipelines and roads are subject to the rights of other owners of rights-of-ways and easements previously granted to others.

## VIII.

Prior to entry upon the Subject Lands and not later than thirty (30) days prior to the commencement of operations hereunder, Grantee will contact Grantor's representatives, as named below, by telephone and mail, describing in detail Grantee's proposed operations and the timing of such operations to the following parties in order to coordinate any necessary accommodations to avoid Grantee's disturbance of Grantor's activities on the Subject Lands.

Trent Green  
BOPCO, L.P.  
9949 Oswego St.,  
Suite 200  
Parker, CO 80134  
(303)799-5080 – Work

W. Ross Sutton  
BOPCO, L.P.  
201 Main Street,  
Suite 3100  
Fort Worth, Texas 76102  
(817) 390-8670 – Work

IX.

GRANTEE SHALL BE SOLELY RESPONSIBLE FOR, AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS GRANTOR, BOPCO, L.P. AND THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, JOINT OWNERS, AND THEIR INSURERS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, SUITS, DEMANDS, COSTS AND EXPENSES, INCLUDING ATTORNEYS' FEES, FOR: (I) INJURIES OR DEATH OF ANY PERSON; (II) DAMAGE, DESTRUCTION OR LOSS OF PROPERTY BELONGING TO ANY PERSON; AND (III) ENVIRONMENTAL LIABILITIES, ARISING OUT OF OR IN CONNECTION WITH GRANTEE'S OPERATIONS OF WHATEVER NATURE, REGARDLESS OF WHETHER OR NOT SUCH CLAIMS, LOSSES, DEMANDS OR SUITS ARE OCCASIONED BY OR ARE THE RESULT IN PART FROM THE NEGLIGENCE OR FAULT OF GRANTOR, BOPCO, L.P. OR THEIR EMPLOYEES, OFFICERS, AGENTS, OR REPRESENTATIVES, EXCEPTING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF GRANTOR, BOPCO, L.P. AND THEIR EMPLOYEES, OFFICERS, AGENTS, OR REPRESENTATIVES. THIS INDEMNITY SHALL ALSO APPLY TO ANY LIABILITY IMPOSED UPON GRANTOR, BOPCO, L.P. AND THEIR OFFICERS, AGENTS, EMPLOYEES OR REPRESENTATIVES BY REASON OF ANY APPLICABLE STATUTE, LAW, REGULATION OR THEORY OF STRICT LIABILITY. AS USED IN THIS PARAGRAPH, THE TERM "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION, BUSINESS TRUST, JOINT STOCK COMPANY, TRUST, UNINCORPORATED ASSOCIATION, JOINT VENTURE OR GOVERNMENTAL AUTHORITY. THE TERM "ENVIRONMENTAL LIABILITIES," AS THAT TERM IS USED IN THIS PARAGRAPH, IS DEFINED AS ALL DAMAGES, LOSSES, CLAIMS, DEMANDS AND CAUSES OF ACTION (INCLUDING, BUT NOT LIMITED TO, ANY CIVIL FINES, PENALTIES, EXPENSES AND COSTS OF CLEAN-UP OR REMEDIATION) BROUGHT BY ANY AND ALL PERSONS (INCLUDING ANY THIRD-PARTIES OR ORGANIZATIONS, AND ANY AGENCY, BRANCH OR REPRESENTATIVE OF FEDERAL, STATE OR LOCAL GOVERNMENT) ON ACCOUNT OF ANY PERSONAL INJURY, DEATH, DAMAGE, DESTRUCTION, LOSS OF PROPERTY, CONTAMINATION OF NATURAL RESOURCE (INCLUDING OIL, SURFACE WATER OR GROUND WATER), INCLUDING, BUT NOT LIMITED TO, THE PRESENCE,

DISPOSAL OR RELEASE OF ANY MATERIAL OF ANY KIND, AND SHALL INCLUDE ALL LIABILITY OR OBLIGATIONS THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PHYSICAL CONDITION OF THE PROPERTY OR ADJOINING PROPERTY OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED (42 U.S.C. § 9601 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 TOXIC SUBSTANCES CONTROL ACT (15 U.S.C. § 2601 - 2629), THE CLEAN WATER ACT, AS AMENDED (42 U.S.C. § 7401 ET SEQ.) AND THE CLEAN AIR ACT AMENDMENTS OF 1990 (PUB. L. NO. 101-549, 104 STAT. 2399 (1990)).

GRANTEE'S FACILITIES, EQUIPMENT, VEHICLES, PIPELINES, OIL, GAS, HYDROCARBONS, HYDROCARBON BY-PRODUCTS AND PROPERTY OF ANY KIND ("GRANTEE'S PROPERTY") ARE SOLELY AT THE RISK OF GRANTEE AND GRANTEE HEREBY WAIVES ANY CLAIM FOR LOSS, DAMAGE OR DESTRUCTION OF GRANTEE'S PROPERTY AND ANY CONSEQUENTIAL DAMAGES ARISING THEREFROM IN FAVOR OF GRANTOR, BOPCO, L.P. AND THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, JOINT OWNERS AND THEIR INSURERS, EVEN IF CAUSED IN PART BY THE NEGLIGENCE, ACT OR OMISSION OF GRANTOR, BOPCO, L.P. OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, OR JOINT OWNERS. ANY INSURANCE MAINTAINED BY GRANTEE FOR THESE ITEMS SHALL INCLUDE A WAIVER OF SUBROGATION IN FAVOR OF GRANTOR, BOPCO, L.P., AND A CERTIFICATE OF INSURANCE VERIFYING THIS WAIVER SHALL BE SUPPLIED TO GRANTOR.

Furthermore, Grantee shall at all times maintain in effect Commercial General Liability Insurance including contractual liability coverage with minimum limits of [REDACTED] per occurrence and [REDACTED] in aggregate, covering GRANTOR and BOPCO, L.P. as additional insureds, and stating that said insurance is primary as respect to any other coverage available to GRANTOR and BOPCO, L.P. Also, Grantee shall at all times maintain in effect Umbrella Liability in the amount of [REDACTED] and Workers Compensation Insurance endorsed to waive all rights of subrogation in favor of GRANTOR and BOPCO, L.P. Should GRANTOR utilize contractors to perform any work contemplated herein said contractors shall be insured with limits not less than \$1,000,000 per occurrence during the construction operations, and GRANTOR and BOPCO,

DISPOSAL OR RELEASE OF ANY MATERIAL OF ANY KIND, AND SHALL INCLUDE ALL LIABILITY OR OBLIGATIONS THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PHYSICAL CONDITION OF THE PROPERTY OR ADJOINING PROPERTY OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED (42 U.S.C. § 9601 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 TOXIC SUBSTANCES CONTROL ACT (15 U.S.C. § 2601 - 2629), THE CLEAN WATER ACT, AS AMENDED (42 U.S.C. § 7401 ET SEQ.) AND THE CLEAN AIR ACT AMENDMENTS OF 1990 (PUB. L. NO. 101-549, 104 STAT. 2399 (1990)).

GRANTEE'S FACILITIES, EQUIPMENT, VEHICLES, PIPELINES, OIL, GAS, HYDROCARBONS, HYDROCARBON BY-PRODUCTS AND PROPERTY OF ANY KIND ("GRANTEE'S PROPERTY") ARE SOLELY AT THE RISK OF GRANTEE AND GRANTEE HEREBY WAIVES ANY CLAIM FOR LOSS, DAMAGE OR DESTRUCTION OF GRANTEE'S PROPERTY AND ANY CONSEQUENTIAL DAMAGES ARISING THEREFROM IN FAVOR OF GRANTOR, BOPCO, L.P. AND THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, JOINT OWNERS AND THEIR INSURERS, EVEN IF CAUSED IN PART BY THE NEGLIGENCE, ACT OR OMISSION OF GRANTOR, BOPCO, L.P. OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, OR JOINT OWNERS. ANY INSURANCE MAINTAINED BY GRANTEE FOR THESE ITEMS SHALL INCLUDE A WAIVER OF SUBROGATION IN FAVOR OF GRANTOR, BOPCO, L.P., AND A CERTIFICATE OF INSURANCE VERIFYING THIS WAIVER SHALL BE SUPPLIED TO GRANTOR.

Furthermore, Grantee shall at all times maintain in effect Commercial General Liability Insurance including contractual liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in aggregate, covering GRANTOR and BOPCO, L.P. as additional insureds, and stating that said insurance is primary as respect to any other coverage available to GRANTOR and BOPCO, L.P. Also, Grantee shall at all times maintain in effect Umbrella Liability in the amount of \$5,000,000 and Workers Compensation Insurance endorsed to waive all rights of subrogation in favor of GRANTOR and BOPCO, L.P. Should GRANTOR utilize contractors to perform any work contemplated herein said contractors shall be insured with limits not less than \$1,000,000 per occurrence during the construction operations, and GRANTOR and BOPCO,

L.P. shall be an additional insured on a primary basis on their Commercial General Liability Insurance. The contractor's Workers Compensation Insurance policies shall also waive all rights of subrogation in favor of GRANTOR and BOPCO, L.P. Grantee shall provide a certificate of insurance prior to any construction and annually thereafter.

X.

As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Grantee agrees (1) to remove from the Subject Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Grantee, (2) to perform Remedial Work where the need therefore arises in connection with Grantee's operations or activities on the Subject Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Grantee and Remedial Work on or associated with the Subject Lands. Remedial Work shall be performed by one or more contractors selected by Grantee and approved in advance by Grantor and under the supervision of a consulting engineer selected by Grantee and approved in advance by Grantor. All costs and expenses of Remedial Work resulting from Grantee's operations shall be paid by Grantee, including, without limitation, the charges of such contractors and/or the consulting engineer and Grantor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Grantee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Grantor may (but shall not be required to), after first giving Grantee fifteen (15) days notice of its failure and Grantee's continued failure to perform, cause such Remedial Work to be performed and Grantee will reimburse all reasonable costs of same on demand. Grantee will notify Grantor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on the Subject Lands or on Grantor's adjoining property and to provide Grantor with copies of (1) any notice of any release of Hazardous Materials given by Grantee pursuant to any law or regulation and (2) any report of and response to any such incident. Grantee, its successors and assigns, will

indemnify, pay and protect, defend and save Grantor, and Grantor's officers, directors, partners, owners, guests, licensees, contractors, and invitees, and their respective heirs, successors, agents, employees and assigns, and their insurers, harmless from all claims, liabilities, fees and expenses of any kind (including attorneys' fees and costs) that arise from the actual or alleged presence or release of any Hazardous Materials in connection with the operations of Grantee and Grantee's agents, invitees, guests, contractors, servants or employees on the Subject Lands. This indemnification shall include costs in connection with any Remedial Work when performed by Grantor or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefor by Grantor.

## XI.

All the terms and provisions of this agreement are hereby expressly made subject to all Federal, State and local laws and to all orders, rules, regulations and standards issued thereunder by all duly constituted political subdivisions and agencies having jurisdiction and this agreement shall ipso facto be considered supplemented and/or amended accordingly to make this agreement subject thereto, and Grantee hereby warrants that it will comply with any and all such laws, orders, rules, regulations and standards of all such Federal, State and local political subdivisions and agencies applicable to the control, regulation and prevention of pollution and discharge and Grantee expressly agrees to indemnify and hold Grantor free and harmless from any damages, claims, costs, demands, fines, causes of action and losses of whatever nature arising out of or in connection with Grantee's failure of compliance or violation of any such laws, orders, rules, regulations and standards.

In addition to any duties implied by law or equity, Grantee agrees to drill all wells which may be drilled on the Subject Lands in a workmanlike manner; at all times to operate such wells and all appurtenances in connection therewith in an efficient and workmanlike manner and in accordance with good industry practices in order that such wells will currently produce the best possible yield; at all times to produce from such well or wells and run to the pipeline to which the well or wells may be connected, their maximum output of oil and/or gas, when so efficiently operated, but not to exceed the allowable for such well or wells according to the current orders, rules and regulations of the regulatory body, or bodies, if any, having jurisdiction governing the drilling and operations of such well or wells. Grantee also agrees to conform to all laws and

regulations of the city and state in which the Subject Lands are located and of the United States, regarding the drilling or operation of said well or wells or the operation and development of said lease, and to the rules and regulations of any regulatory body or bodies, if any, governing the location, drilling, operations, abandonment and/or plugging of wells and of the control of water, gas or oil, and will furnish Grantor written approval of said regulatory body or bodies as to the abandonment of said wells or any of them.

XII.

If either party hereto files a legal action to enforce any express or implied obligation of this Lease and receives a favorable judgment from a court of competent jurisdiction, then the non-prevailing party shall reimburse the prevailing party for all costs of such legal proceedings, including reasonable attorneys' fees.

XIII.

The term of this Agreement shall commence on the date written below and shall continue thereafter for so long as the Subject Lease remain in full force and effect or one hundred and twenty (120) days after the cessation of production and operations per the Subject Lease from the Subject Well, whichever is the earlier. Provided however, should all or any part of the Subject Lease terminate, then such lands covered by this Agreement and associated with the Subject Lease shall also terminate. Grantee shall file a release of record for this Agreement within thirty (30) days from termination of the Subject Lease or any portion thereof as provided herein.

XIV.

Grantor and Vecta have executed a Memorandum of Surface Access and Damage Agreement contemporaneously with the execution of this Agreement. Grantor and Vecta agree that such Memorandum of Surface Access and Damage Agreement shall be recorded in the appropriate records of Rio Blanco County, Colorado, in lieu of the recording of this Agreement in its entirety. The recording of said Memorandum of Surface Access and Damages Agreement shall be binding upon the Grantor and Vecta, and their respective heirs, successors, legal

representatives and assigns.

XV.

Upon violation of any provisions of this Agreement, Vecta will have seven (7) days from date of notification from Grantor to remedy or rectify violation. Vecta agrees to promptly pay Grantor the sum of [REDACTED] for each and every subsequent violation that is not remedied or rectified. The damages for violation of the provisions contained in these Paragraphs is uncertain and this amount represents an approximation by Grantor and Vecta of damages and is not to be considered a penalty nor as liquidated damages, and shall be in addition to any other remedies provided for herein.

XVI.

Grantor retains the right to use and enjoy the Subject Lands; provided, however, Grantor shall not exercise such use and enjoyment in a manner that will unreasonably impair or interfere with the exercise by Vecta of any of the rights herein granted.

XVII.

This agreement shall be a covenant running with the ownership of the lands and as such, shall be binding upon and inure to the benefit of the parties hereto, their heirs, personal representatives and successors.

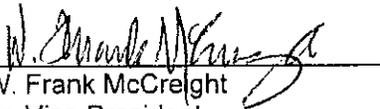
Dated this 26<sup>th</sup> day of August, 2011.

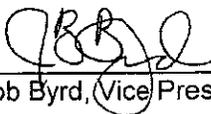
GRANTOR:

GRANTEE:

BOPCO, L.P.

VECTA OIL & GAS, LTD.

#   
W. Frank McCreight  
Sr. Vice President

  
Jim Bob Byrd, Vice President - Land

SELF-CERTIFICATION STATEMENT  
FROM LESSEE/OPERATOR

SURFACE OWNER IDENTIFICATION

Federal or Indian Lease No. COC64455

I hereby certify to the Authorized Officer of the Bureau of Land Management that I have reached one of the following agreements with the Surface Owner, or after failure of my good-faith effort to come to an agreement of any kind with the Surface Owner, have provided a bond and will provide evidence of service of such bond to Surface Owner:

1.  I have a signed access agreement to enter the leased lands;
2.  I have a signed waiver from the Surface Owner;
3.  I have entered into an agreement regarding compensation to the Surface Owner for damages for loss of crop and tangible improvements
4.  Because I have been unable to reach either 1., 2., or 3., with the Surface Owner, I have obtained a bond to cover loss of crops and damages to tangible improvements and served the Surface Owner with a copy of the bond.

Surface Owner Information: (if available after diligent effort)

Surface Owner Name: BOPCO, L.P.

Surface Owner Address: 201 Main St., Ft Worth, TX 76102

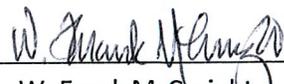
Surface Owner's Phone Number: 817-390-8669

Signed this 30<sup>th</sup> day of August, 2011

  
~~Steve McPherson~~ VP Lead  
~~Senior Landman~~ Jim Bob Byrd  
Vecta Oil & Gas, Ltd.

I, BOPCO L.P., accept  do not accept  the lessee or operator's Surface Owner Agreement under 1., 2., or 3., above.

(Surface Owner)  
BOPCO, L.P.

By:   
W. Frank McCreight  
Sr. Vice President

SELF-CERTIFICATION STATEMENT  
FROM LESSEE/OPERATOR

SURFACE OWNER IDENTIFICATION

Federal or Indian Lease No. COC64463

I hereby certify to the Authorized Officer of the Bureau of Land Management that I have reached one of the following agreements with the Surface Owner, or after failure of my good-faith effort to come to an agreement of any kind with the Surface Owner, have provided a bond and will provide evidence of service of such bond to Surface Owner:

1.  I have a signed access agreement to enter the leased lands;
2.  I have a signed waiver from the Surface Owner;
3.  I have entered into an agreement regarding compensation to the Surface Owner for damages for loss of crop and tangible improvements
4.  Because I have been unable to reach either 1., 2., or 3., with the Surface Owner, I have obtained a bond to cover loss of crops and damages to tangible improvements and served the Surface Owner with a copy of the bond.

Surface Owner Information: (if available after diligent effort)

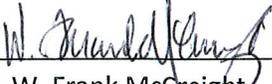
Surface Owner Name: BOPCO, L.P.  
Surface Owner Address: 201 Main St., Ft Worth, TX 76102  
Surface Owner's Phone Number: 817-390-8669

Signed this 30<sup>th</sup> day of August, 2011

  
~~Steve McPherson~~ VP Lead  
~~Senior Landman~~ Jim Bob Byrd  
Vecta Oil & Gas, Ltd.

I, BOPCO L.P., accept  do not accept  the lessee or operator's Surface Owner Agreement under 1., 2., or 3., above.

(Surface Owner)  
BOPCO, L.P.

By:   
W. Frank McCreight  
Sr. Vice President