

SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement"), dated effective this 27th day of December, 2006, is made by and between the undersigned, Daniel K. Gibbs and Janet J. Gibbs, whose address is 20504 WCR 54, Greeley, CO 80631, herein called "Owner", and Noble Energy Production, Inc., 1625 Broadway, Suite 2000, Denver, Colorado 80202, herein called "Noble";

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

Township 5 North, Range 65 West, 6th P.M.
Section 28: N/2

WHEREAS, Owner recognizes that Noble has the right to conduct operations on the Lands pursuant to Oil & Gas Lease(s) covering the Lands and Owner and Noble desire to minimize any surface damage to the Lands and to reach an agreement regarding such surface damage;

NOW, THEREFORE, in consideration of the ten dollars and other valuable consideration, the sufficiency of which is hereby acknowledged, Owner and Noble agree as follows:

1. Payment to Owner. Prior to commencement of drilling operations on the Lands, Noble shall pay Owner the following sum as full settlement and satisfaction of all damages growing out of, incident to, or in connection with the usual and customary exploration, drilling, completion, deepening, refracing, recompletion, reworking, equipping and production operations, unless otherwise specifically provided herein:

A. [REDACTED] for the proposed wellsite as shown on Exhibit "A" ("Wellsite"), attached hereto and located on the Lands ~~(and a like amount for any subsequent wellsites to be located on the Lands)~~ in which Owner owns the entire surface estate, together with any lands used for road purposes, production facilities, pipelines, flowlines or other necessary facilities in connection with the Wellsite. [Handwritten initials]

B. The Wellsite qualifies as a GWA infill well ("Infill Well") pursuant to Colorado Oil and Gas Conservation Commission Rule 318A(e), effective March 2, 2006. Prior to the commencement of drilling operations on the Lands, Noble shall pay Owner consideration in the amount of [REDACTED] for locating [REDACTED] the Infill Well at a surface location at which Noble's preferred bottom hole location can be reached by utilizing vertical drilling techniques. Said consideration represents full and complete settlement and satisfaction for Owner granting all waivers and consents necessary to obtain a permit to drill the Infill Well as required by the COGCC or any local jurisdiction.

C. If, by reasons directly resulting from the operations of Noble, there is damage to real or personal property upon the Lands which is not associated with usual and customary operations, including, but not limited to, damage to livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, and natural water ways, such damage will be repaired or replaced by Noble, or Noble will pay reasonable compensation to Owner for such additional actual damage or an amount equal to the reasonable costs to repair such actual damages.

D. Owner agrees to notify any surface tenant that may be affected by Noble's operations on the Lands and Owner may allocate the payments made hereunder with such surface tenant as they shall mutually determine between themselves and Noble shall have no liability therefor.

E. Owner grants consent to locate the Infill Well greater than 50 feet from an existing well pursuant to COGCC Rule 318A(c.) Owner grants consent to locate the proposed Infill Well outside of the GWA windows as defined in COGCC Rule 318A(a). Owner grants any necessary property line waivers required under COGCC Rule 603 and grants waivers as to any other state or local setback requirements or other requirements or regulations that are or become inconsistent with this Agreement. Additionally, Owner grants waivers or consents to any requirement or regulation that may prohibit or interfere with obtaining any necessary permits to drill the Infill Well. Owner understands that Noble may provide a copy of this Agreement in order to obtain an exception location or variance from the COGCC or local jurisdiction. Owner also agrees that it will not object in any forum to the use by Noble of the surface of the Property consistent with this Agreement and that it will also provide Noble with written support reasonably required to obtain permits from the COGCC or local jurisdiction.

F. Regarding a wellsite that is located in alfalfa fields, the Surface Owner shall have the option to either have Noble reseed the affected area at Noble sole cost, risk and expense, or reseed the affected area itself and receive payment from Noble in the amount of [REDACTED] upon notice of such reseeded by [REDACTED] Surface Owner. Such payment will constitute Surface Owner's acceptance of responsibility for compliance with Colorado Oil & Gas Conservation Commission Rule 1003.e.(1), Revegetation or Crop Lands, insofar as any perennial forage crops that were present before disturbance shall be re-established.

2. Consultation. If requested by Owner, prior to heavy equipment operations on each wellsite, Noble's representative will meet and consult with Owner (or Owner's representative) as to the location of the wellsite, access road, flowlines, tank batteries and other associated production facilities.

3. Noble Obligations. In conducting operations on the Lands, Noble shall:

A. Locate the wellsite, access road, flowlines, tank batteries and other associated production facilities as depicted on Exhibit "A".

B. Limit the size of each wellsite to approximately 350 feet by 400 feet during any drilling, completion, recompletion or workover operations and shall be no more than 1/4 acre in size during other periods. The area required for any tank battery location associated with each well shall be limited to approximately one-half acre in size upon completion of construction. Access roads shall be limited to approximately 30 feet in width during drilling, completion, deepening, refracing, recompletion, reworking, equipping and production operations. The permanent access roads to the wellhead and tank battery location shall be limited to 15 feet in width.

C. Separate the topsoil at the time of excavation of pits so that the topsoil and subsurface soil can be placed back in proper order as nearly as possible.


D. Reclaim the wellsite as nearly as practicable to its original condition and if the location is in pasture, reseed the location with native grasses. Weather permitting, reclamation operations shall be completed within three months following drilling and subsequent related operations, unless Noble and Owner mutually agree to postponement because of crop or other considerations.

E. Use its best efforts to keep the well, Lands, and production facilities free of weeds and debris.

4. Waiver of Thirty Day Notice. Owner hereby waives the minimum thirty-day written notice requirement described in the Notice Letter provided by Noble to Owner when it initially gave notice of its intent to drill on the Lands.

5. Successors and Assigns. When Noble or Owner is used in this Agreement, it also means its successors and assigns, as well as its employees and officers, agents, affiliates, contractors, subcontractors and/or purchasers. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of Owner and Noble and may be executed in counterparts.

~~6. Confidentiality. Owner agrees to keep the amount of consideration paid hereunder by Noble confidential and shall not disclose such information without the advance written consent from Noble. Noble may record a memorandum evidencing the existence of this Agreement.~~

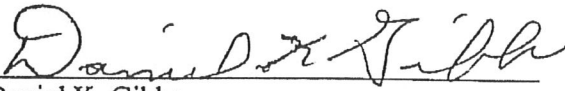


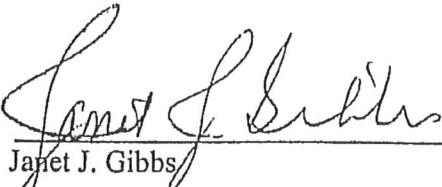
7. Governing Law/Venue. This Agreement shall be interpreted according to the laws of the State of Colorado. Venue for any dispute shall be Weld County, Colorado.

8. Written Modifications/Notices. This Agreement may only be amended in writing signed by both parties. All notices to either party shall be in writing addressed to the parties at the address first set forth above.

AGREED TO AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE.

Owners:

By: 
Daniel K. Gibbs

By: 
Janet J. Gibbs

NOBLE ENERGY PRODUCTION, INC.

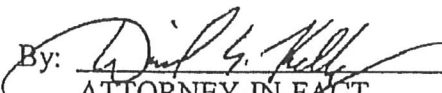
By:  *SDW*
ATTORNEY-IN-FACT *for*

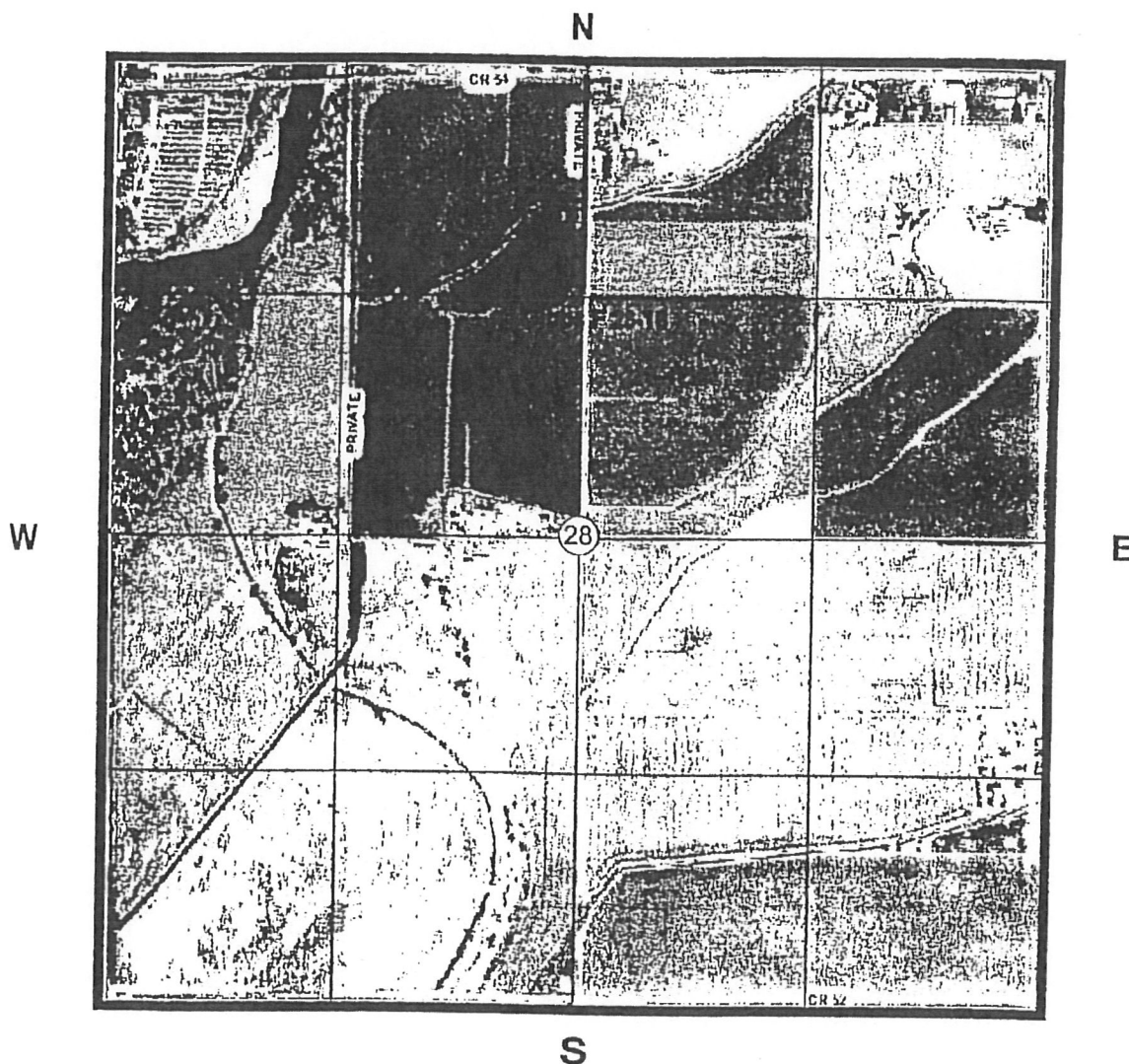
Exhibit "A"

Attached to and by reference made a part of that certain Surface Use Agreement dated December 7th 2006, by and between Noble Energy Production, Inc. as "Noble" and Daniel K. Gibbs and Janet J. Gibbs, as "Surface Owner" covering the following lands:

Township 5 North, Range 65 West, 6th P.M.

Section 28: N/2

Weld County, Colorado



Production _____

Gas Measurement _____


Excavation _____

Construction _____

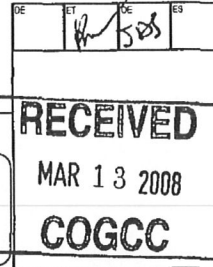
Land Supervisor _____

Road Access

Flowline

Tank Battery 

GPS _____



This form is to be submitted within 30 days of the setting of production casing, the plugging of a dry hole, the deepening or sidetracking of a well, or any time the wellbore configuration is changed. If the well is deepened or sidetracked a new Form 5 is required. If an attempt has been made to complete/produce a well, then the operator shall submit Form 5A (Completed Interval Report). If the well has been plugged, a form 6 (Well Abandonment Report) is required.

1 OGCC Operator Number 100322 4 Contact Name Andrea Rawson
2 Name of Operator Noble Energy, Inc Phone 303-228-4253
3 Address 1625 Broadway, Suite 2000 City Denver State CO Zip 80202 Fax (303) 228-4286
Complete the Attachment Checklist
OP OGCC

5 API Number 05-123-24703 6 County Weld Logs ☒
7 Well Name GIBBS F Well Number 28-17 Directional Survey** ☐
8 Location (QtrQtr, Sec, Twp, Rng, Meridian) SENE Sec 28 T5N R65W DST Analysis ☐
Footage at surface 1411 ☒ N 1269 ☒ E OK Core Analysis ☐
As Drilled Latitude 40 373654 As Drilled Longitude 104 663437 Cmt summary* ☐
GPS Data
Date of Measurement: 1/14/08 PDOP Reading 1.8 GPS Instrument Operator's Name Paul Tappy
** If directional, footage at Top of Prod Zone ☐ ☐ ☐ Sec, Twp, Rng
** If directional, footage at Bottom Hole ☐ ☐ ☐ Sec, Twp, Rng
9 Field Name Wattenberg 10 Field Number 90750 15 Well Classification ☐ Dry ☐ Oil ☒ Gas
11 Federal, Indian or State Lease Number ☐ Coalbed ☐ Disposal
12 Spud Date (when the 1st bit hit the dirt) 9/9/07 13 Date TD 9/14/07 14 Date Casing Set or D&A 9/14/07 ☐ Stratigraphic
16 Total Depth MD 7638 TVD** 17 Plug Back Total Depth MD 7618 TVD** ☐ Enhanced Recovery
18 Elevations GR 4644 ☒ KB 4658 ☐ Gas Storage
One paper copy of all electric and mud logs must be submitted, along with one digital LAS copy as available ☐ Observation
19 List Electric Logs Run GR/CCL/CBL, CDL/CNL/ML, DIL/GR ☐ Other

20

CASING, LINER and CEMENT

*If Cement Bond Log was not run, submit contractor's cement job summary for each string cemented

String	Hole Size	Csg/Liner Size	Csg/Liner Top	Csg/Tool Setting Depth	Number of sacks cmt	Cement Top	Cement Bottom	CBL*	Calculated*
Conductor									
Surface	12 1/4	8 5/8	0	572	582	6190	7638		
Production	7 7/8	4 1/2	0	7636	1090 300	6190	7638	<input checked="" type="checkbox"/>	
Stage, Squeeze, Remedial Cement Job				5054	790	2537	5054	<input checked="" type="checkbox"/>	
1st stage					308				
Stage, Squeeze, Remedial Cement Job									
2nd stage					780				
Stage, Squeeze, Remedial Cement Job									
Liner									
Liner									

21

FORMATION LOG INTERVALS AND TEST ZONES

FORMATION NAME	Measured Depth		Check if applies	
	Top	Bottom	DST	Cored
Parkman	3630			
Sussex	4294	<input checked="" type="checkbox"/>		
Shannon	4785			
Niobrara	6690	<input checked="" type="checkbox"/>		
Ft Hayes	6989			
Codell	7012			
J Sand	7481			

All DST and Core Analyses must be submitted to COGCC

COMMENTS
DV Tool @ 2547 <u>no</u>
DV Tool @ 4942 <u>5054</u>

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete

Print Name Andrea Rawson

E-mail arawson@nobleenergyinc.com

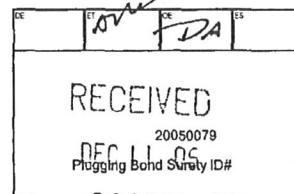
Signature Andrea Rawson

Title

Regulatory Specialist

Date

2/14/08

State of Colorado
Oil and Gas Control
1120 Lincoln Street, Suite 601, Denver, CO 80202
APPLICATION
01957790
94-2109

- 1.
- ☒
- Drill,
- ☐
- Deepen,
- ☐
- Re-enter,
- ☐
- Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER: ☐
SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☐Refilling ☐
Sidetrack ☐

3. Name of Operator: Noble Energy Production, Inc.	4. COGCC Operator Number: 10120
5. Address: 1625 Broadway Suite 2000 City: Denver State: CO Zip: 80202	Attachment Checklist APD Orig & 1 Copy <input checked="" type="checkbox"/> OP <input checked="" type="checkbox"/> Form 2A <input checked="" type="checkbox"/> Well location plat <input checked="" type="checkbox"/> Topo map <input checked="" type="checkbox"/> Mineral lease map <input checked="" type="checkbox"/> Surface agmt/Surety <input checked="" type="checkbox"/> 30 Day notice letter <input checked="" type="checkbox"/> Deviated Drilling Plan <input checked="" type="checkbox"/> Exception Location Request <input checked="" type="checkbox"/> Exception Loc Waivers <input checked="" type="checkbox"/> H2S Contingency Plan <input checked="" type="checkbox"/> Federal Drilling Permit <input checked="" type="checkbox"/>
6. Contact Name: Erin K Lindley - Joseph Phone: 303-228-4089 Fax: 303-228-4286	
7. Well Name: Gibbs F Well Number: 28-17	
8. Unit Name (if appl): Unit Number:	
9. Proposed Total Measured Depth: 7750	
10. QtrQtr: SENE Sec: 28 Twp: 5N Rng: 65W Meridian: 6th P.M. Latitude: N 40.37365 Longitude: W 104.66342 Footage At Surface: 1411 FNL 1269 FEL 11. Field Name: Wattenberg Field Number: 90750 12. Ground Elevation: 4644 13. County: Weld	
14. GPS Data: Date of Measurement: 9/12/2006 PDOP Reading: <6 Instrument Operator's Name: Paul Valdez	

15. If well is: <input type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: <input type="checkbox"/> FNL/FSL <input type="checkbox"/> FEL/FWL Footage At Top of Prod Zone: <input type="checkbox"/> At Bottom Hole: <input type="checkbox"/>	16. Is location in a high density area (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 17. Distance to the nearest building, public road, above ground utility or railroad: None within 200' 18. Distance to Nearest Property Line: 106 19. Distance to nearest well permitted/completed in the same formation: 899
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20. LEASE, SPACING AND POOLING INFORMATION				
Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODL	CODL	407-87	160	NE/4
Niobrara	NBRRA	407-87	160	NE/4
Jsand	JSND	232-23	320	N/2
21. Mineral Ownership: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian Lease # 22. Surface Ownership: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian 23a. Is the Surface Owner also the Mineral Owner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Surface Surety ID# 20050079 23b. If 23 is Yes: Is the Surface Owner(s) signature on the lease? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 23c. If 23 is No: <input type="checkbox"/> Surface Owners Agreement Attached or <input type="checkbox"/> \$25,000 Blanket Surface Bond <input type="checkbox"/> \$2,000 Surface Bond <input type="checkbox"/> \$5,000 Surface Bond 24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer): T5N, R65W, Sec 28: W/2NE/4 & E/2NW/4 See attached copy 25. Distance to Nearest Mineral Lease Line: 1229 26. Total Acres in Lease: 157.40				

27. Is H2S anticipated? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, attach contingency plan. 28. Will salt sections be encountered during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 28, 29 or 30 are "Yes" a pit permit may be required. 31. Mud disposal: <input checked="" type="checkbox"/> Offsite <input type="checkbox"/> Onsite Method: <input type="checkbox"/> Land Farming <input checked="" type="checkbox"/> Land Spreading <input type="checkbox"/> Disposal Facility <input type="checkbox"/> Other: NOTE: The use of an earthen pit for Reclamation fluids requires a pit permit (Rule 905b.) If air/gas drilling, notify local fire officials.							
String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface Casing	12-1/4"	8-5/8"	24#	550	250	550	Surface
Production Csg	7-7/8"	4-1/2"	11.6#	7750	200 +	7750	200' above Niobrara
32. BOP Equipment Type: <input type="checkbox"/> Annular Preventor <input type="checkbox"/> Double Ram <input type="checkbox"/> Rotating Head <input type="checkbox"/> None 33. Comments: Exception location							
34. Initial Rule 306 Consultation took place on (date) 9/12/2006, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation. PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED. I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete. Signed: Erin K Lindley - Joseph Print Name: Erin K Lindley - Joseph Title: Regulatory Specialist Date: 12/7/2006 Email: ejoseph@nobleenergyinc.com							

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: Ben J. Mauch Director of COGCC Date: 01-18-07

Permit Number: 20066261

Expiration Date: 01-17-08

API NUMBER
05-123-24703-00

CONDITIONS OF APPROVAL, IF ANY:

1) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log.