

SURFACE USE AGREEMENT

THIS AGREEMENT is made and entered into this 21st day of July, 1993 by and among Platte Valley Farms, a Limited Liability company, 550 S. Wadsworth Blvd., Suite 300, Lakewood, Colorado 80226 ("Surface Owner"), and Gerrity Oil & Gas Corporation, a Delaware corporation, 4100 E. Mississippi, Suite 1200, Denver, Colorado 80222 ("Gerrity").

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

1. Said payment constitutes the full and entire consideration to be paid by Gerrity for all damages to and use of the surface of the land associated with the drilling, testing, completion, operation and maintenance of the wellsite located in the Northwest 1/4 of Section 20, Township 2 North, Range 65 West, 6th P.M., Weld County, Colorado (the "Property"). The payment is for all damages to the Property, including, but not limited to damages to growing crops, sod, damage to croplands, removal, transportation and care of livestock, construction of access roads, preparation and use of the drillsite area, preparation and use of reserve pits, and construction, installation, and maintenance of production equipment and facilities such as flowlines, gas pipelines, separators, tank batteries and other equipment or facilities necessary or convenient for the production, transportation and sale of oil, gas and other materials produced by or used for production of the above well. With respect to the construction, installation and maintenance of production equipment and facilities such as flowlines, gas pipelines, separators, tank batteries and other equipment or facilities necessary or convenient for the production, transportation and sale of oil, gas and other materials produced by or used for production of the above well, Gerrity may exercise the rights granted by this Agreement at any time and from time to time without further or additional consideration being payable to Surface Owner.

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

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

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

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

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

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

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

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

GERRITY OIL & GAS CORPORATION
A Delaware corporation

By: Curt Moore
Curt Moore, Landman

SURFACE OWNER: PLATTE VALLEY FARMS, a Limited Liability company

By: Frank LaConte
Dr. Frank LaConte SSN or Tax ID # _____

By: Charles A. Sutton
Dr. Charles Sutton SSN or Tax ID # _____

EXHIBIT "A"

Attached to and by reference made a part of that certain Surface Use Agreement dated July 21st, 1993, by and between Gerrity Oil & Gas Corporation, as "Gerrity" and Platte Valley Farms, a Limited Liability company as "Surface Owner" covering the following lands:

Township 2 North, Range 65 West
Section 20: NW 1/4

1. The wellsite shall be located in the SE/4NW/4 according to the governing regulations.
2. The topsoil shall be removed from the area over the pits, stockpiled and held in reserve until the contour of the site is re-established. The wellsite shall be ripped and returned to original slope and contour, as is reasonably practicable, following completion operations.
3. Gerrity reserves the right to dispose of cuttings and a minimal amount of drilling mud in the reserve pit by backfilling the reserve pit. The amount of drilling mud buried will be defined as that amount which is too thick to be suctioned out of the reserve pit by a pump. The remaining mud shall be allowed to dry and will be mixed with the subsoil prior to the final backfilling process.
4. Gerrity agrees to be responsible for any alterations needed to existing fences for the purpose of drilling, completing or production of the well herein proposed.
5. Gerrity agrees to bury all flowlines to a depth of forty-eight (48) inches below the surface of the ground.
6. Gerrity agrees to pay [REDACTED] per acre proportionately reduced for damages occurring as a result of future reworking operations.
7. Gerrity is authorized to occupy a maximum of three acres for each well to be drilled on the Property. If Gerrity occupies more than three acres for any drillsite, it shall pay Surface Owner at the rate of [REDACTED] per acre, proportionately reduced.
8. Gerrity shall maintain and control the weeds on the wellsite, access road and tank battery site or Gerrity shall promptly pay Surface Owner for such maintenance.

9. Gerrity agrees to build the permanent road to the wellsite no more than fifteen (15) feet in width following completion of drilling operations. Said road shall be above grade so that water does not drain onto and/or flood the road.

10. Gerrity agrees to install a cattle guard at the entrance into the wellsite if livestock are located on Surface Owner's lands during drilling and completion operations. Gerrity agrees to install a gate with a lock following drilling and completion operations.

11. Gerrity agrees to fence the tank battery site.

12. Consideration herein shall be for One (1) well.

EXHIBIT "B"

Attached to and by reference made a part of that certain Surface Use Agreement dated July 21st, 1993, by and between Gerrity Oil & Gas Corporation, as "Gerrity" and Platte Valley Farms, a Limited Liability company, as "Surface Owner" covering the following lands:

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