



SURFACE USE AGREEMENT  
318 A(e) Vertical

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COGCC

THIS SURFACE USE AGREEMENT ("Agreement"), dated effective this 13 day of July, 2007, is made by and between the undersigned, Shelton Land & Cattle, LTD., whose address is P.O. Box 65, Roggen, Colorado 80652, 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 3 North, Range 65 West, 6th P.M.  
Section 1: SW/4

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. The proposed wellsite as shown on Exhibit "A" ("Wellsite"), attached hereto and made apart hereof 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 the ("Payment") for locating the Infill Well at a surface location at which Noble's preferred bottom hole location can be reached by utilizing vertical drilling techniques. Said Payment 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. The Payment shall also include compensation to the Owner for all damages 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.

B 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.

C. 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.

D 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.

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.

**OWNER: Shelton Land & Cattle, LTD.**

By. Donald E Shelton V.P.

**NOBLE ENERGY PRODUCTION, INC.**

By. P. David Padgett  
P. David Padgett, Manager of Lands, D.J. Basin

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