



NOTICE OF SURFACE USE AND DAMAGE AGREEMENT

Notice is hereby given that Nick R. Hughes, Owner, has entered into a written SURFACE USE AND DAMAGE AGREEMENT (hereinafter called "AGREEMENT") dated 2/22/12, that is now valid and subsisting with SG Interests VII, Ltd.. Said Agreement is applicable to the following described lands in Gunnison County, Colorado.

Township 11 South, Range 90 West, 6th P.M.

All or Parts of Sections: 19, 24, 25, 26, 27, 34, 35 and 36.

Township 11 South, Range 90 West, 6th P.M.

Parts of Section: 2

Township 12 South, Range 89 West, 6th P.M.

Parts of Sections: 4, 5 and 8.

This Agreement shall supercede and replace that Surface Use and Damage Agreement executed between these same parties on August 10, 2004 and acknowledged by Notice of Surface Use and Damage Agreement recorded at Reception No. 547480 in the Clerk and Recorder's Office in Gunnison County, Colorado.

Any party needing further information concerning this Agreement shall contact one of the parties to this Agreement. Addresses are as follows:

SG Interests VII, Ltd.
100 Waugh Drive, Suite 400
Houston, TX 77007

Nick R. Hughes
708-1250 Road
Delta, CO 81416

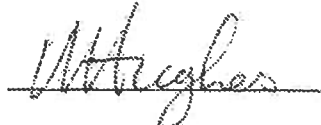
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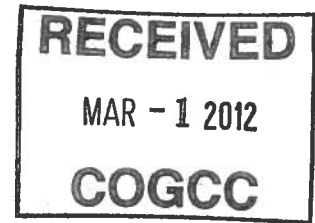
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Gunnison County, CO

This Notice is given this 22 day of Feb, 2012.




Nick R. Hughes



SG Interests VII, Ltd., a Texas limited partnership

By: Gordy Oil Company, General Partner

By: 

Robert H. Guinn, II, Vice-President-Land

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Gunnison County, CO

ACKNOWLEDGMENT



STATE OF COLORADO)

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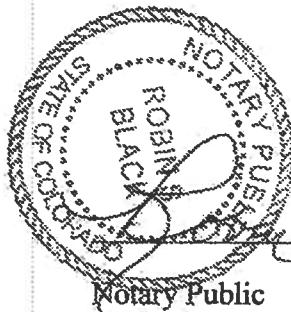
COUNTY OF DELTA)

The foregoing instrument was acknowledged before me this 22 day of Feb, 2012, by Nick R. Hughes

Witness my hand and official seal.

My Commission Expires:

4-22-2012



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Notary Public

STATE OF TEXAS)

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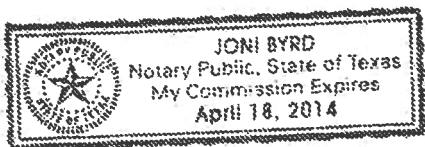
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this 28th day of February, 2012, by Robert H. Guinn, II, Vice President Gordy Oil Company, General Partner of SG Interests VII, Ltd.

Witness my hand and official seal.

My Commission Expires:

4-18-14



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Notary Public