

SURFACE USE AND RENTAL AGREEMENT

THIS AGREEMENT, entered into this 1st day of May, 2012, by and between Mary Louise Dechant, whose address is 25107 County Road P, P.O. Box 134, Kit Carson, CO 80825, hereinafter referred to as "SURFACE OWNER" (whether one or more) and VECTA OIL & GAS LTD., whose address is 5950 Cedar Springs Road Suite 200, Dallas, TX 75235, hereinafter referred to as "VECTA".

WITNESSETH:

1. That Surface Owner is the owner of the surface estate as concerns the following described real property, herein described as the "LANDS", to-wit:

Township 14 South, Range 47 West, of the 6th P.M.

Section 20: Lots 1 (40.00), 2 (39.96), 3 (40.16), 4 (40.12), 5 (40.48), 6 (40.52), 7 (39.91), 8 (39.96), 9 (39.90), 10 (39.92), 11 (40.37), 12 (40.28), 13 (39.83), 14 (39.90), 15 (39.78), 16 (39.67) (a/d/a All)

In the County of Cheyenne, State of Colorado
Containing 640.76 acres, more or less

2. That VECTA does desire to enter upon the above described lands for the express purpose of drilling an exploratory oil and gas well. It is further understood that the ~~initial~~ exploratory well will be identified as the Maroon 24-20 well, with the location of said well and it's proposed access being more specifically shown on the survey plat attached and identified as Exhibit A.
3. VECTA agrees to consult with surface owner as to the location of roads and the mitigation of damages to the surface lands used in oil and gas operations. Vecta will notify surface owner a minimum of 48 hours prior to conducting surface operations.
4. That the parties hereto do expressly agree that fair and just compensation for surface damage and disruption shall be in the amount of [REDACTED] to be paid prior to Vecta beginning of any excavation or road construction on said property, with said damages to be allotted as follows:
 - a. For road costs across said lands to the well site and access route, the sum of [REDACTED] per rod; being a total of [REDACTED], for an estimated 145 rods of road. The width of said road R-O-W shall not exceed thirty feet (30'), for said payment.
 - b. For use of the lands and well location, the sum of [REDACTED]
The total area used for said well location shall not exceed four (4.0) acres, for said payment.
5. The parties hereto do expressly agree that should the exploratory oil and gas well be determined to be a producing oil and gas well, that VECTA shall pay to the surface owner the sum of [REDACTED] per rod, per year, as and annual rental for use of the road and [REDACTED] per year, as an annual rental for the well site and tank battery location. Said rental shall be payable in advance, by Vecta, as of the anniversary date of well completion.
6. That in addition to the foregoing compensation, VECTA does expressly agree and guarantee to Surface Owner the following:
 - a. That the storage pit as utilized by VECTA shall be reclaimed by VECTA as soon as is practicable, but in no event until said pit is dry.
 - b. That when the well site is vacated by VECTA, they will use their best efforts to reclaim the well site as nearly as is practicable to the condition it was in prior to initiating drilling operations.

- c. That VECTA will remove and save all topsoil from the well site for use in reclamation.
 - d. That VECTA will be responsible for all garbage clean-up and pick-up, and will maintain the area free of all litter, weeds and debris so long as operations continue and until the well site has been reclaimed.
 - e. That if said well is produced, VECTA will fence the well site and install cattle guards, if necessary, as determined after consultation with Surface Owner.
 - f. That VECTA will be responsible for maintenance of all roads, fences and other facilities installed as part of their operations.
 - g. That VECTA, upon termination of operations, will use their best efforts to reclaim any lands used for roads as nearly as practicable to the condition it was in prior to initiating of their oil and gas operations. In lieu of reclamation by VECTA, Surface Owner shall have the option to release Vecta from this obligation and assume responsibility for maintenance of said road.
 - h. That if VECTA, after consultation with Surface Owner, chooses to locate a tank battery at other than the well site location, VECTA shall pay the sum of [REDACTED] prior to the initial installation and [REDACTED] per year, as an annual rental for the additional location. The total area used for said alternate tank battery location shall not exceed one (1.0) acres, for said payment.
7. That if VECTA, after consultation with Surface Owner, installs pipelines on the lands, VECTA will pay Surface Owner a sum equal to [REDACTED] per rod for any and all easements related to pipelines and pipeline interconnections installed other than at the well site and tank battery location and within the thirty foot (30') road R-O-W, described in Paragraphs #2 and #3, above. Said payment shall be a one time payment as full and final settlement and satisfaction for any and all damages of any nature to the lands and Surface Owners operations, and for execution of a recordable Easement & Right-of-Way document, in the form attached hereto as Exhibit D and incorporated herein by this reference ("Easement Agreement"). Said payment to be made promptly by Vecta, upon receipt of the fully executed Easement Agreement. All pipeline shall be buried below a minimum of three feet (3') to the top of the pipe and shall be installed, operated and reclaimed or abandoned by VECTA in compliance with COGCC rules and regulations.
8. That the Surface Owner does expressly agree to accept the foregoing described compensation for surface damage and disruption, and covenants, in accordance with the normal use of the surface estate for a mineral development of oil and gas reserves, and accordingly does release VECTA from any further claims upon the same. Nothing contained herein shall be construed as a release for damages to the surface estate suffered as a result of abnormal use thereof, nor shall VECTA use any portion of the surface estate for mineral development other than that which may be used in the normal course of said mineral development.
9. VECTA does expressly agree to hold the Surface Owner harmless for any and all liability of whatever nature and kind, and any and all resulting damages therefrom, as a result of the mineral development upon the foregoing described well site. It is the agreement of the parties hereto that VECTA shall assume exclusive and absolute liability for all activities conducted upon the above described premises for the purposes of mineral development as proposed by said VECTA.
10. The provisions of this paragraph shall extend to all water wells located from time to time in all of Section 20 and the N/2 of Section 29, in Twp. 14S, Rge. 47W, Cheyenne County, Colorado. Lessee shall have the current water supply from all said water wells sampled and tested prior to the spudding of the exploratory well which is the subject of this agreement. Should Surface Owner afterwards perceive or have grounds to suspect that one or more such wells experience a material change in water quality, Lessee shall, within forty-eight (48) hours of receiving written request, sample and test the affected water supply at Lessee's expense. In addition, within 14 days of the Surface Owner's written request, Lessee shall at its expense take and test additional water samples, but not to exceed four (4) such samples per year from any single source. Lessee shall conduct such further water tests as may be required from time to time by applicable laws, rules, and regulations. A copy of all laboratory reports resulting from all water tests described herein shall be made available to the Surface Owner. Should any test(s) reflect a material adverse change as a result of Lessee's operations on the Leased Premises, Lessee shall provide the Surface Owner with replacement potable water until such time as the affected water source or sources have been repaired or replaced with a source of substantially similar quality.
11. This agreement is binding upon the parties hereto and to their, heirs, successors and assigns. This agreement may be assigned or transferred by either party.

IN WITNESS WHEREOF, this Surface Use and Rental Agreement is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not his document has been executed by all parties hereinabove named as Surface Owner.

SURFACE OWNER:

VECTA OIL & GAS, LTD.

Mary Louise Dechant
Mary Louise Dechant

By:

Mathew D. Goolsby
Mathew D. Goolsby, V.P. - Operations

ACKNOWLEDGEMENTS

STATE OF COLORADO)
COUNTY OF CHEYENNE) ss.

The foregoing instrument was acknowledged before me this 2nd day of May, 2012, by Mary Louise Dechant,

My commission expires: May 22, 2015

[Signature]
Notary Public:

(Seal)

STATE OF COLORADO)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by Mathew D. Goolsby, V.P. - Operations of Vecta Oil & Gas, Ltd.

My commission expires: _____

Notary Public

[Seal]

Maroon 24-20
Access Road Map
Exhibit A

