

Well Name: Jones 2-12-4-60

SURFACE USE AND ROAD ACCESS AGREEMENT

This agreement, made and entered this 29th day of December, 2011, by and between Jon E. & Maurice N. Jones, whose address is 3750 Hwy 144, Weldona, CO 80653, hereinafter referred to as "Owner", and Esenjay Operating, Inc., whose address is 500 North Water Street Suite 1100 South, Corpus Christie, TX 78471, hereinafter referred to as "Operator", collectively referred to herein as the "Parties".

WITNESSETH:

For and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Operator intends to drill, or cause to be drilled, an oil and/or gas well ("Well"), and build a tank battery at a legal location on the following described lands ("Lands"):

Jones 2-12-4-60 well

NENW Sec. 2 T4N R60W, 6th P.M.

Located approximately 370' FNL and 2,534' FWL

Morgan County, CO

Jones tank battery

On the location pad
2. In order for Operator to drill, construct, complete, produce, maintain and operate the Well and all associated pipelines, power lines, tank battery and other facilities or property of Operator associated with said Well, it is necessary that Operator enter and utilize the Lands. The Parties hereby agree to compensation for the damages, entry and surface use thereof.

3. Operator shall pay Owner the sum of [REDACTED] ("Amount") to enter, construct a drilling pad of up to 5 acres, and drill an oil and/or gas well. If said well is a dry hole, Operator shall restore the surface as provided for, below. If said well is completed as a producing well, Operator shall additionally compensate Owner the sum of [REDACTED]. This additional sum shall also allow Operator to drill and complete one additional well on the same pad, for a total of two wells for [REDACTED].

4. If Operator desires to drill and complete a third well on the same pad, Operator shall pay an additional [REDACTED] for said third well. However, if Owner's minerals are leased and included in said third well, the [REDACTED] fee shall be waived by Owner.

5. All production facilities shall be on said single pad.

6. Operator shall bury all pipelines below normal plow depth. Operator shall inform Owner prior to constructing any other facilities on the lands. Operator shall mark the location of all pipelines, "dead men", and other obstructions, in such a manner so that their identity and their location can be determined without difficulty.

7. All drillsite pits shall be filled within 180 days after completion of any well so drilled on said lands, subject to pit moisture and weather. Pit tailings/mud shall be spread on nearby ground (Owner's farmland within ¼ mile of location), as specified by Owner. Within one year of cessation of all production of this well (these wells) or six months after the time this well has (these wells have) been plugged and abandoned, weather permitting, Operator agrees to complete reclamation of the surface of the subject lands as provided for, below, including removal of all Operator's equipment and material.

8. On all locations abandoned, Operator agrees to restore the surface, as nearly as practicable, to the condition which existed prior to commencement of drilling operations. Reclamation includes a sturdy fence around drill site, which can be removed by Owner when Owner determines the vegetation has sufficiently recovered to allow grazing.

9. Access road shall be reasonably maintained, and only one access road shall be used. Operator agrees to consult with Owner as to routes of ingress and egress for any wells drilled on the above-described lands, in an attempt to minimize damages to the above-described lands. Owner agrees not to unnecessarily withhold his consent as to route of ingress and egress. Operator further agrees that said access road shall not permanently exceed 30 feet in width where straight, but may be wider on turns, to accommodate equipment. During drilling, Operator shall construct a temporary sound barrier (straw bales) between access road and house to the east of access road. After completion of well, if deemed necessary, Operator shall construct a permanent sound-barrier fence on E side of access road, to reduce noise impact on house to the east of access road. A fence shall be constructed on west side of access road and around pad, to prevent sheep and cattle from entering site.

10. Payment for location shall be made prior to commencement of construction of pad, or prior to the drilling of additional wells, as the case may be.

11. In the event said Well(s) is (are) completed as a producer (producers), said Right-of-Way so granted herein shall remain in full force and effect and shall continue until such time as said well(s) is (are) plugged and abandoned, and final restoration is complete.

12. Except as to any extraordinary or unanticipated loss or damage, Owner does hereby release and hold harmless Operator from any and all liability of any nature and further payment for damages on the lands which arise or may arise out of or in connection with the well or other facilities constructed by Operator on the lands for so long as operations are being conducted by Operator, its agents, successors or assigns.

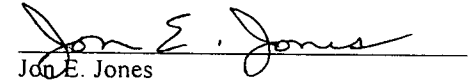
13. Notice by either party shall be promptly given, orally if possible, and immediately mailed to:

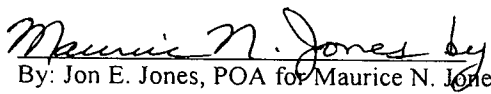
Owner
Jon E. & Maurice N. Jones
3750 Hwy 144
Weldona, CO 80653
970-645-2037

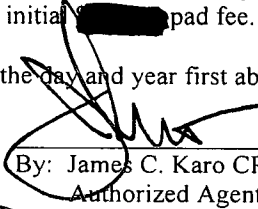
Operator
Esenjay Operating, Inc.
500 North Water Street, Suite 1100 South
Corpus Christie, TX 78471
361-883-7464

This CONFIDENTIAL agreement shall be binding on and inure to the benefit of the Parties, their respective heirs, successors, personal representatives, agents, tenants, purchasers and assigns. Terms of this agreement may not be disclosed to other parties. If Operator hears of the terms of this compensation agreement through other parties, operator may continue developing as described above, with no liability to pay any unpaid amounts other than initial [REDACTED] pad fee.

IN WITNESS WHEREOF, the parties hereto set their hands, the day and year first above-written.


Jon E. Jones


By: Jon E. Jones, POA for Maurice N. Jones


By: James C. Karo CPL
Authorized Agent for Operator