

## SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement"), dated effective this 11 day of October, 2012, is made by and between the undersigned, Circle Ranches, Inc., whose address is 4554 County Road 74E, Livermore, Colorado 80536, herein called "Owner", and Noble Energy, Inc., 1625 Broadway, Suite 2200, 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 9 North, Range 60 West, 6th P.M.  
Section 7: S/2S/2;

covering the following named wells: CIRCLE RANCH FEDERAL LB07-62HN and CIRCLE RANCH LB08-62HN.

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 ten dollars and other good and 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, stimulation, completion, re-stimulation, re-completion, deepening, reworking, equipping, production, maintenance, plugging and abandoning operations for the well(s) together with the installation, operation and maintenance of the associated flowline(s), access roads and production facilities, including without limitation, as all of the foregoing may be related to directional, horizontal or lateral wellbores unless otherwise specifically provided herein:

i. The proposed wellsite 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;

ii. A permanent subsurface easement for passage of any portion of the wellbore, whether producing or non-producing, including the right to occupy and use the

subsurface and the subsurface pore space displaced by the wellbore and all structures appurtenant thereto;

iii. Utility easements from third parties which may be necessary for the operation of an electric motor on a pump jack. If electric lines are installed, they will be buried to a minimum depth of 24 inches.

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. If any livestock requires treatments due to an injury directly resulting from the operations of Noble, Noble will pay any veterinarian bills and reasonable compensation to Owner for labor and transportation costs. If livestock is killed, Noble will pay market value for the loss of said livestock. Market value to be determined between Noble and Owner.

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 therefore.

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" attached hereto and by this reference made a part of this Agreement.

B. Limit the size of the drill pad to approximately six (6) acres during any drilling, completion, recompletion or workover operations and shall be no more than one (1) acre in size per well 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 per well upon completion of construction. Access roads shall be limited to approximately thirty (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 fifteen (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 six months following drilling and subsequent related operations, unless Noble and Owner mutually agree to postponement because of crop or other considerations.

E. Use reasonable efforts to keep the well, Lands, and production facilities free of weeds and debris.

F. Regarding a wellsite that is located in alfalfa fields, the Surface Owner shall have the option to either have Noble reseed the affected area at Noble sole cost, risk and expense, or reseed the affected area itself and receive payment from Noble in the amount of \_\_\_\_\_ upon notice of such reseeding by Surface Owner. Such payment will constitute Surface Owner's acceptance of responsibility for compliance with COGCC Rule 1003.e.(1), Revegetation of Crop Lands, insofar as any perennial forage crops that were present before disturbance shall be re-established. Regarding a wellsite that is located in pasture or non-crop land, the Surface Owner shall have the option to either have Noble reseed the affected area at Noble sole cost, risk and expense, or reseed the affected area itself and receive payment from Noble in the amount of \_\_\_\_\_ upon notice of such reseeding by Surface Owner. Such payment will constitute Surface Owner's acceptance of responsibility for compliance with COGCC Rule 1003.e.(2), Revegetation of Non-Crop Lands, insofar as any perennial forage crops that were present before disturbance shall be re-established. If Owner opts to have Noble reseed the affected area and revegetation is not established within two growing seasons, Owner may reseed the affected area at Noble's expense.

G. Use best management practices to keep all flowlines, water lines and tanks free from leaks.

H. Fence all pumping units and open pits sufficient to keep all livestock (including small calves) out these areas.

I. Any gates that Noble may install will be a minimum of sixteen (16) feet in width. These gates will be locked at all times, except during drilling, completion or facility hookup activities.

J. Cattle guards will not be installed without Owner approval.

K. At such time that the Wells are plugged and abandoned, Noble will have 180 days to remove all surface equipment pursuant to COGCC Rule 1004.a. However, Owner will have the right to keep the roads, gates and cattle guards. If Owner opts to keep the road, Noble will blade the road when operations are complete and Owner will provide written evidence to the COGCC of its desire to retain the gates, cattle guards and/or roads.

L. Noble shall not dispose of any off-lease salt water on the Lands. Noble shall not use water from stock wells or any other source of water on the Lands without Owner approval.

M. No alcohol or firearms (including bows or crossbows) are allowed on the Lands at any time.

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 is used in this Agreement, it shall also mean the successors and assigns of Noble, 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, but in all other respects its terms and conditions shall be held confidential by the parties.

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: CIRCLE RANCHES, INC.

By: Ed Hansen  
Ed Hansen, President

NOBLE ENERGY, INC.

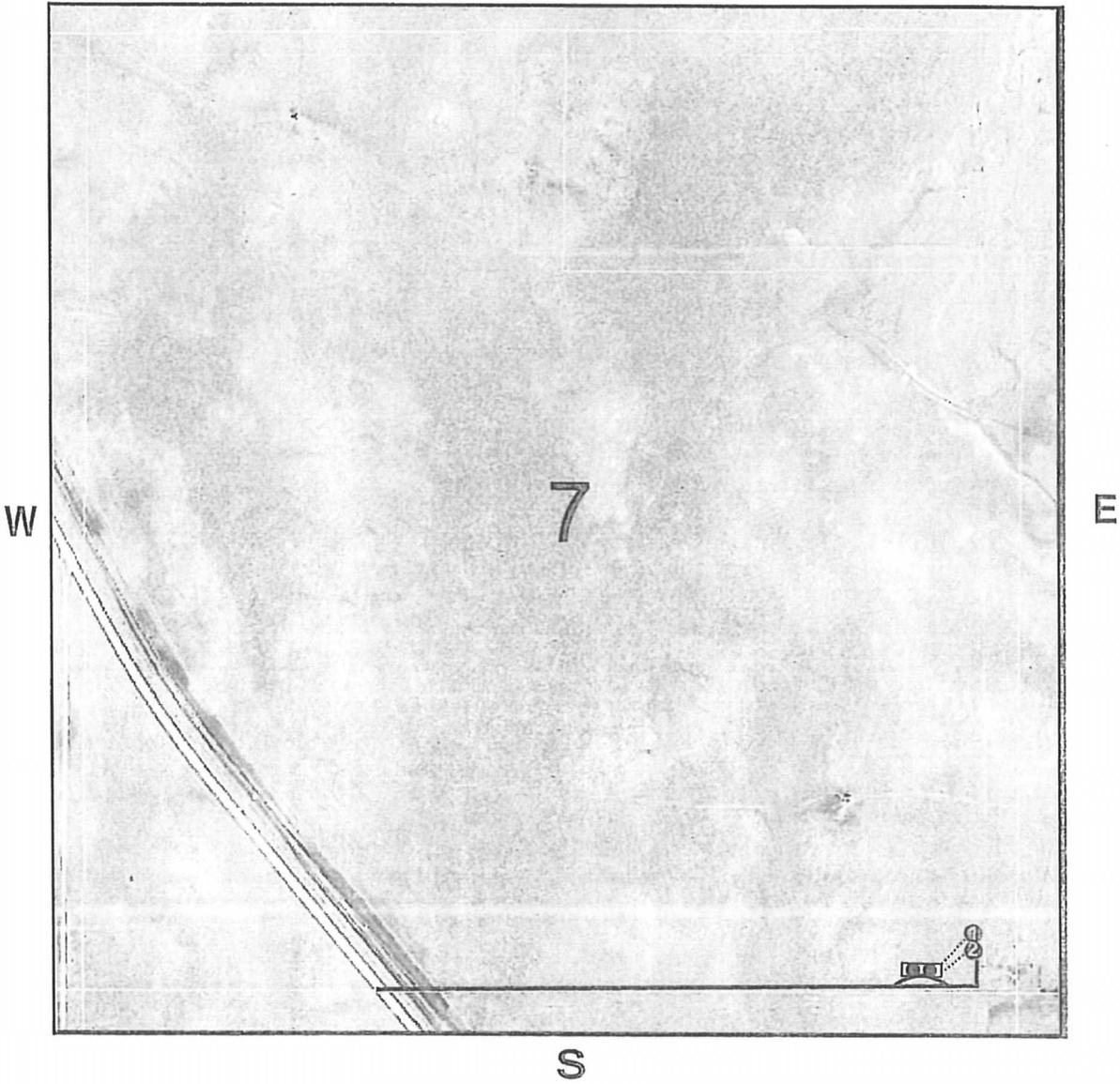
By: Joseph H. Lorenzo  
Joseph H. Lorenzo, Attorney-In-Fact

W/SSP  
RL

### Exhibit "A"

Attached to and by reference made a part of that certain Surface Use Agreement dated October 11, 2012, by and between Circle Ranches, Inc., as "Owner" and Noble Energy, Inc. as "Noble" covering the following lands:

Township 9 North, Range 60 West, 6th P.M.  
Section 7: S/2S/2  
Weld County, Colorado  
**N**



- 1. CIRCLE RANCH FEDERAL LB07-62HN
- 2. CIRCLE RANCH LB08-62HN

Road Access	
Flowline	
Tank Battery	