

EASEMENT, RIGHT-OF-WAY and SURFACE DAMAGES AGREEMENT

This Easement, Right-of-Way and Surface Damages Agreement ("Agreement") is entered into as of ~~7th~~ day of March, 2013, by and between **Ken Pennington**, ("Surface Owner"), whose address is 10564 CR 24.5, Fort Lupton, Colorado 80621, and **Kerr-McGee Oil & Gas Onshore LP**, ("KMG"), with offices at 1099 18th St., Suite 1800, Denver, CO 80202, covering certain lands (the "Lands") situated in Weld County, Colorado, described as follows:

Township 2 North, Range 67 West, of the 6th P.M.

Section 2: Part of W/2SE/4 Lot B Recorded Exemption 2788

For and in consideration of the sum of ten dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees to the terms and provisions set forth as follows:

1. Compensation for Operations; Release of All Claims

KMG shall pay to Surface Owner the sum and perform the obligations set forth in and according to the terms of that certain Letter Agreement by and between Surface Owner and KMG of even date, as full consideration and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of KMG drilling and completion operations on the Lands, and its continuing activities for the production and/or transportation of oil, gas, or other hydrocarbons or products associated with such operations and activities including, but not limited to, surface use, access, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, electrical lines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable and customary uses of land related to said operations or activities.

2. Acknowledgement of Right of Way and Easement

Surface Owner acknowledges and understands that KMG, as owner or lessee of the oil and gas estate for the Lands, owns an easement and right-of-way that burdens the Lands, and that KMG has a continuing right and entitlement to construct, own, operate, maintain, repair and replace all electrical lines, flowlines, gathering lines, other pipelines and related equipment that may be necessary or convenient to its operations on the Lands, including but not limited to, constructing, using and maintaining access roads, locations for surface equipment and subsurface gathering lines, electrical lines, pipelines and pipeline interconnections for its operations and activities; provided, however, KMG agrees that it will not construct pipelines in a manner that interferes with existing improvements on the Lands at the time the pipelines are proposed to be constructed.

Surface Owner further agrees that, Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gas gatherer designated by KMG, may exercise the easement rights described herein.

Surface Owner grants and conveys to KMG the right to produce, drain and transport oil, gas and other minerals from the Lands, as well as oil and gas from lands other than the lands covered by the oil and gas lease(s) that includes all or a portion of the Lands or leases that are pooled with the leases for the Lands.

Surface Owner further agrees that, Kerr-McGee Gathering LLC, an affiliate of AEP, or another third party gas gatherer designated by AEP, may exercise the easement rights described herein.

This Agreement, consent and grant of the right to drill, produce and transport third party or off-lease gas, or gas that is not pooled with the lease gas, shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

3. Waivers

Surface Owner hereby waives its right to and covenants not to protest or object to the use of the surface of the Lands so long as such use is consistent with this Agreement. Furthermore, Surface Owner will provide KMG or its successors and assigns with any and all written support they may reasonably require to obtain permits from the Colorado Oil and Gas Conservation Commission or any local jurisdiction.

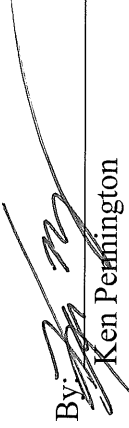
4. Binding Agreement

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

The undersigned have executed this Agreement as of the day first above written.

SURFACE OWNER

Kerr-McGee Oil & Gas Onshore LP

By: _____
Ken Pennington

By: _____
David Bell
Agent & Attorney-in-Fact

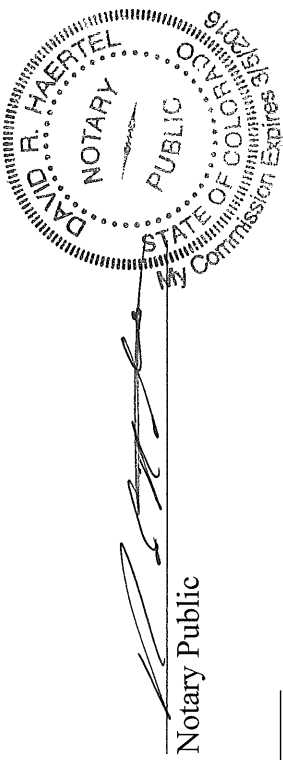
ACKNOWLEDGEMENT

STATE OF COLORADO)
)ss
COUNTY OF Weld)

The foregoing instrument was acknowledged before me this 7th day of March, 2013, by
Ken Pennington.

Witness my hand and official seal.


My commission expires 3/5/16



STATE OF COLORADO)
)ss
COUNTY OF Weld)

This instrument was acknowledged before me this 14th day of March, 2013, by
David Bell, Agent & Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, on behalf of said
company.

Witness my hand and official seal.


Notary Public

My commission expires May 4, 2016

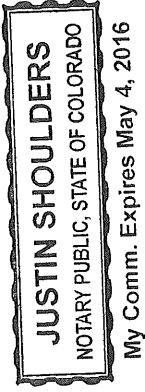




EXHIBIT "A"


Township 2 North, Range 67 West, of the 6th P.M.
Section 2: Part of W/2SE/4 Lot B Recorded Exemption 2788





		
Exhibit "A"		
Sec. 2-T2N-R67W		
Weld County, CO		


-  Access Road


 KMG Gathering Line


 Duke Pipeline


 RGSI Pipeline


 Proposed Flowlines


 Legal Drilling Window

 Exist Battery Location

 New Battery Location

 Proposed Wellhead

 Bottomhole Location

 Potential Drill Sites

This aerial photo and all notations and depictions thereon is provided as a courtesy and is intended to be used for general reference purposes only. Kerr-McGee/Indepco expressly disclaims any and all representations or warranties regarding the accuracy or the completeness of the information appearing on this aerial photo and any reliance on it, for any purpose whatsoever, is at the sole risk of the party so relying.

