

AGREEMENT FOR RIGHT OF WAY, PIPELINE EASEMENT AND SURFACE ACCESS

TI-IIS AGREEMENT made and entered into this 28th day of March, 2011, by and between **Equus Farms Inc.**, of 555 17th Street, Suite 2400, Denver, CO, hereinafter designated as "Surface Owner" and **Anschutz Exploration Corporation**, hereinafter referred to as "Operator", whose address is 555 17th Street, Suite 2400, Denver, CO.

WITNESSETH, that

WHEREAS, Operator is the Lessee under those certain Oil and Gas Leases by and between Surface Owner and Operator, covering the lands described on Exhibit "A" attached hereto; and

WHEREAS, Operator wishes to use a portion of Surface Owner's lands for Operator's proposed operations, in order to properly drill, complete rework or re-complete, equip, operate, maintain, produce and plug and abandon any wells and thereafter restore the surface

NOW, THEREFORE, For and in consideration of the mutual covenants and agreements of the parties herein contained, and other good and valuable consideration, the parties hereto AGREE AS FOLLOWS:

I. **Said Land.** The Surface Owner owns the surface estate to the lands described on Exhibit "A" hereto, hereinafter referred to as "Said Land" in Weld County, State of Colorado, containing 20,665.18 acres, more or less. The lands described on Exhibit "A" are based on the county assessor records and the Surface Owner does not warrant title to the surface estate or the accuracy of the description of Said Land.

2. **Right-of-Way.** That in order for Operator to enter, drill, complete, produce and operate oil and/or gas well(s) and production facilities on Said Land, it is necessary that it cross and use certain property of Surface Owner, as provided for under the pertinent oil and gas lease(s), and the parties do hereby agree as to the compensation for the right of entry and surface use thereof. For and in consideration of the hereinafter specified amounts, Surface Owner hereby grants to Operator the non-exclusive right for it, its agents, employees and contractors, and their agents and employees, to enter upon the surface of Said Land for the purpose of conducting oil and gas exploration, drilling, production and marketing activities. Surface Owner agrees to Operator's use of access roads, gathering pipelines and power lines across Lands for gathering of non-lease materials, only to the extent the non-lease materials are committed to that certain Joint Operating Agreement dated effective December 8, 2010, by and between Operator and BOG Resources, Inc.

3. **Termination of Rights.** Except as may otherwise be provided herein, this Agreement shall automatically terminate upon the termination of those certain Oil and Gas Leases by and between Surface Owner and Operator, covering the lands described on Exhibit "A" attached hereto.

4. Well Sites. Operator has agreed to pay the sum of [REDACTED] per well drill site location on lands as consideration for all damages associated with the construction, maintenance and use of such location for drilling, completion and production activities. In the event that a well is completed as a well capable of producing oil and/or gas in commercial quantities, Operator shall have the right to install tank batteries, compressor stations, oil and gas flow lines, pipelines, and any facilities necessary for the production, storage, disposal, transportation and marketing of gas, water and/or oil from said location. This shall include the right of Operator to install a central production facility which may have off-lease gas, water and/or oil delivered to such location as a central point for transmitting the gas, water and/or oil to a downstream point, only to the extent the off-lease gas, water and/or oil are committed to that certain Joint Operating Agreement dated effective December 8, 2010, by and between Operator and BOG Resources, Inc..

5. Facility Sites. For lands not previously used as a well drill site location, Operator has agreed to pay [REDACTED] per site, as consideration for the construction, maintenance and use of any production, injection, storage, transportation and/or marketing facility, to be constructed on Said Lands. Production and/or marketing facilities shall include but shall not be limited to tank batteries, compressor stations, gas processing facilities, gas, water and oil flow lines, and any facilities necessary for the production, storage, disposal, transportation and marketing of gas, water and/or oil. This shall include the right of Operator to install a central production facility which may have off-lease gas, water and/or oil delivered to such location as a central point for transmitting to a downstream point.

6. Access Roads. Whenever possible, Operator agrees to use existing roads for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land. Operator has agreed to pay the sum of [REDACTED] as consideration for the construction, maintenance and use of any new roads and rights-of-way necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land. Said roads shall not exceed forty feet (40') in width.

7. Pipelines and Powerlines. Operator agrees that, whenever possible, Operator will construct any pipeline and/or powerlines within the access road right-of-way, if one exists. If Operator is unable to construct its pipelines and/or powerlines in the said access road right-of-way, Operator agrees to pay the sum of [REDACTED] as consideration for a non-exclusive right-of-way to lay, install, maintain, operate, replace, protect, repair, relocate, change and remove one or more pipelines, powerlines, flow lines, and any appurtenances useful and incident to the operation and protection thereof, for the transportation of oil, gas, water, or any other like or unlike substances which may be moved by and through a pipeline(s), and/or flow line(s), and appurtenances thereto, on over and through Said Land. Said non-exclusive right-of-way shall not exceed forty feet (40') in width without the express written consent of Surface Owner, and Operator agrees to bury all pipe to a minimum depth of thirty six inches (36") and to restore the surface over the same as nearly as possible to its condition prior to the laying of the line or lines. In order to provide public notice of the existence of a pipeline, upon the request of the Operator,

Surface Owner agrees to execute a formal "Non-Exclusive Right of Way Grant" to be recorded in said county. Operator shall back fill, compact, reseed, and re-contour the area disturbed by Operator's construction, installation, repair, or removal of any power line or pipeline. Upon termination of this Agreement, as set out in Paragraph 3., and upon request from Owner, Operator shall remove all above ground temporary pipeline and power line facilities. Operator shall allow Owner to have reasonable access and use to any power lines installed upon Owner's property upon agreement between Owner and power company for purchase of power. Upon cessation of operations by Operator, Owner may at its election keep said power lines in place.

8. Existing Well Pads and Access Roads. If any existing well pads exist on Surface Owner's lands, Operator has agreed to pay the sum of [REDACTED] as consideration for the use of any existing roads and rights-of-way necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land.

9. Cattle Guards and Gates. The Operator shall construct cattle guards at all places where Operator requires access through Surface Owner's fences. Stock gates shall be constructed at Surface Owner's request if the movement of livestock will be interfered with.

10. Fences and Reclamation. Operator shall install fences around any dangerous area, including, any pits, where Operator drills any new wells. Operator shall reclaim and restore all areas disturbed by Operator's operations as near as practical to their original condition within twelve (12) months after termination of activities at the site or right-of-way. Operator agrees to notify and consult with Owner prior to cutting or damaging any fences, cattle guards, or other improvements of Owner. All areas disturbed by Operator's activities will be reseeded unless otherwise agreed to by Owner.

11. Weeds and Debris. Operator agrees to keep the roads, locations, and other areas utilized for its purposes, free from weeds, debris and litter and will properly maintain such areas in such a manner as to minimize interference with the Surface Owners normal use of contiguous lands.

12. Maintenance and General Operations. Operator shall at all times keep the well sites, road rights-of-way, facility locations, and other areas disturbed by Operator safe and in good order, free of noxious weeds, litter, and debris. Operator shall dispose of all litter, sewage, and debris off of Owner's property at an approved disposal site. Using reasonable efforts, Operator shall not allow or permit erosion to continue on any disturbed sites and shall promptly repair, reclaim and reseed all erosion sites. Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on the Lands. All cattle guards and fences installed by Operator shall be kept clean and in good repair.

13. **Mud Pits.** Upon the conclusion of drilling operations by Operator on a location on Said Land, Operator will dispose of any trash and debris and will fill and level the mud pits and return Said Land to its original condition as nearly as is practicable within a reasonable and customary period of time. During its clean-up of the mud return pit, Operator shall be allowed to let water in said pit evaporate and further, Operator shall be allowed to use the entire drilling pad in its operation to reclaim said pit.

14. **Water.** Without prior approval of Owner, Operator shall not use any water from any existing water wells owned by Owner, reservoirs or springs on the Lands. Operator shall not disturb, interfere with, fill, or block any creek, reservoir, spring, or other source of water on the Lands.

15. **Notice.** Operator agrees that prior to drilling any well or constructing any production and/or marketing facility on Said Land, it will first consult with Surface Owner in order to minimize interference with Surface Owner's normal use of Said Land.

16. **Dogs and Firearms.** Operator agrees that no dogs, firearms or hunting will be allowed on the property covered by this Agreement without the express written consent of the Surface Owner and that Operator will notify all of its contractors, agents and employees of this restriction.

17. **Indemnity.** Operator shall, and hereby expressly agrees to defend; indemnify and hold Surface Owner, its subsidiaries and affiliates, its successors, assigns, employees and agents, harmless from and against any and all loss, expense, liens, claims, demands and causes of action of every kind and character (including those of the parties, their agents and employees), for death, personal injury, property damage or other liability, damage, fine or penalty, including costs, attorney fees and settlements arising out of or in connection with the operations of Operator and associated work performed by Operator pursuant to this Agreement, by any act or omission of Operator or any of its subcontractors, agents, employees, invitees or licensees.

18. **Law.** This agreement shall be governed and construed in accordance with the laws of the State of Colorado.

19. **Assignment.** This Agreement shall be binding upon and shall be for the benefit of the parties hereto, their respective heirs, successors and assigns. Any sale by Surface Owner of his interest in Said Land shall be made subject to the terms and conditions of this Agreement. A Memorandum of this Agreement for Right of Way, Pipeline Easement and Surface Agreement shall be filed in the records of the Weld County, Colorado.

20. **Notification.** Any notice required or permitted to be given hereunder shall be deemed to be delivered when deposited in the U.S. Mail, postage prepaid, certified with return receipt.

receipt requested, or registered mail, addressed to the party to which it is intended at the address set forth below for such party.

21. **Other Provisions.** The right of entry and use of the surface by Operator shall be limited and subject to the Operator Committed Mitigation Measures described on Exhibit "B" attached hereto. Should there be a conflict between the terms and conditions of this agreement and Exhibit "B", Exhibit "B" shall prevail.

If to Surface Owner:
Equus Farms, Inc.
555 17th Street, Suite 2200
Denver, Colorado 80202
Attn: Bill Miller

If to Operator:
Anschutz Exploration Corporation
555 17th Street, Suite 2200
Denver, Colorado 80202
Attn: Land Department

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS, THE DAY AND YEAR FIRST ABOVE WRITTEN.

Equus Farms, Inc.

Anschutz Exploration Corporation

By: _____
William J. Miller, President

WJ Miller

William J. Miller, President

EXHIBIT "B"

Attached to and made a part of that certain Agreement for Right of Way, Pipeline Easement and Surface Access dated March 28, 2011

OPERATOR-COMMITTED MITIGATION MEASURES

The following operator-committed mitigation measures are required to prevent, reduce, or minimize potential environmental impacts associated with Operator's oil and gas exploration and development-related activities on Equus Fanus, Inc lands located in Weld County, Colorado. These operator committed mitigation measures are in addition to other terms and conditions set forth under the Agreement for Right of Way, Pipeline and Surface Access by and between Operator and Surface Owner.

Fire Prevention

1. Operator is responsible for prevention of fires on project area lands caused by its employees, contractors, or subcontractors.
2. Operator may be responsible for the cost of any firefighting efforts related to fires caused by its employees, contractors, or subcontractors.

Soils and Erosion Protection

1. When erosion problems are discovered on existing access roads, they will be repaired by Operator to assure safety, stability, and to limit erosion.
2. Roads to be used for access will be maintained to keep them in a good usable condition for safe vehicular traffic. Culverts, ditches, water turnouts and other features will be maintained and functional.
3. Well pads and other associated facilities will be designed to minimize or prevent soil erosion. Measures that may be implemented include erosion mats, culverts, berms, or immediate reseeding of unused areas,
4. Unused disturbed areas on and around well pads will be graded to form stable slopes. Erosion control features will be built as needed. These areas will be ripped, the topsoil replaced, and the areas seeded. This will occur within twelve months of well completion or the next appropriate seeding period.

Reclamation

1. A minimum of six inches of topsoil from areas to be disturbed will be removed and suitably stockpiled for redistribution on disturbed areas when the site activities are completed. Burial of topsoil under fill material is prohibited.
2. All disturbed areas will be graded to the original approximate contour. If the disturbed area has stabilized through non-use and if putting the area back to original contour will cause additional disturbance, recontouring may not be required.

Vegetation

1. Minimize well pad and road footprint in order to reduce disturbance of productive grassland and reduce significant long-term loss of vegetation productivity.
2. Promptly reclaim and revegetate disturbed sites with native species appropriate for site-specific conditions and surrounding vegetation community.
3. Disturbed areas not required for use during drilling operations will be stabilized and revegetated immediately following construction to minimize erosion of soil.
4. Operator shall reclaim and reseed areas where their operations have removed surface vegetation. All reseeding shall be done with suitable grasses selected by Surface Owner and during a planting period selected by Surface Owner. Reseeding shall be done at the rate of twelve (12) pounds of seed per acre for range land, and an amount to be determined by Surface Owner for irrigated ground. In the absence of direction from Surface Owner, no reseeding (except for borrow pits) will be required on any existing access roads. It shall be the duty of Operator to insure that a growing ground cover is established upon the disturbed soils and Operator shall reseed as necessary to accomplish that duty. It shall further be the duty of Operator to inspect and control all noxious weeds as may become established within areas used or disturbed by Operator. Operator shall inspect disturbed areas at such times as Surface Owner shall reasonably request in order to determine the growth of ground cover and/or noxious weeds, and Operator shall reseed ground cover and control noxious weeds from time to time to the extent necessary to accomplish its obligations hereunder. Operator recognizes that this shall be a continuing obligation and Operator shall reseed ground cover and/or control noxious weeds until areas disturbed by Operator are returned to as good condition as existed prior to construction. Prior to any reseeding activity by Operator, Operator shall consult with the Equus Farms Inc. Ranch Manager.
5. Separate, salvage, topsoil from all disturbed sites.
6. Implement effective erosion control and soil loss prevention procedures.
7. Operator will implement dust control measures.

8. Implement effective measures for the prevention of noxious weed introduction to disturbed sites including:
 - a. Consult with Equus Farms Ranch Manager to implement a noxious weed inventory and control program for the construction and operation of facilities on sites where noxious weeds are present,
 - b. Consult with Equus Farms Ranch Manager to control of noxious weeds on disturbed areas (including chemical and physical controls) in accordance with guidelines established by local pesticide authorities.
 - c. At all times maintain satisfactory spark arrestors on all internal combustion engines.

Livestock/Range

1. Moving or altering any range improvement project is not authorized.
2. Operator will be responsible for the repair and or replacement of any facilities damaged during the course of this project.

Eagle Protection Buffer Zone

1. In accordance with the Colorado Division of Wildlife's Recommended Buffer Zones and Seasonal Restrictions for Colorado Raptors, Operator shall not conduct any operations on or occupy the surface property located within a one-quarter (1/4) mile radius surrounding the three (3) active golden eagle nest located on the Surface Owner's property. In addition, Operator agrees that no human encroachment shall occur within a one-half (1/2) mile radius surrounding the active eagle nests on Surface Owner's property from December 15 through July 15 annually. It is the intent of this provision is to ensure that the eagles are not disturbed by oil and gas operations. Operator shall have the right to conduct horizontal or directional drilling operations to access oil and gas resources located within this eagle protection buffer zone. It is the intent of this provision to restrict surface occupancy even if the existing eagle nest is abandoned during the term of the agreement so that the nesting sites are available for occupation by other eagles.
 2. Consultation with the Colorado Division of Wildlife early in the planning phase to determine presence of sensitive biological resources; best access routes and timing of access; and factors for consideration in siting drill pads, access roads, and location/timing of seismic exploration.
- A Consult with Equus Farms Ranch Manager to establish and implement a monitoring plan to ensure that stipulations and appropriate mitigations are followed for the protection of wildlife and vegetation resources.

- B. Operator shall use all best efforts to implement directional drilling methods to avoid important wildlife habitat or other sensitive areas, where feasible and within economic constraints.
- C. Operator shall use all best efforts to restrict unauthorized access on existing roads that normally are not accessible during winter and spring seasons and on all new roads to minimize disturbance to wildlife.
- D. During production, electronic monitoring equipment must be installed to reduce the frequency of visits to wells in or near sensitive wildlife habitat. Increase on-site product storage capacity to reduce the frequency that tank trucks are needed to retrieve product at wells located in or near sensitive wildlife habitat.
- E. Operator shall use all best efforts to design roads to an appropriate standard no higher than necessary to accommodate their intended purpose.
- F. Operator shall use all best efforts to locate roads and pipeline corridors below ridgelines or behind topographic features (knolls, rises) to minimize the zone of visual and auditory effect in areas of critical wildlife habitat.
- G. Operator shall use all best efforts to locate roads away from drainages, which often provide the most important sources of cover and forage for wildlife.
- H. Project-constructed private roads that are in use during oil and gas exploration and development activity may be open to authorized use only.
- I. Operator shall use all best efforts to minimize noise generally. All compressors, vehicles, and other sources of noise should be equipped with effective mufflers or noise suppression systems.
- J. Oil pits or open tanks should not be used, but if absolutely necessary, they should be enclosed in small-mesh netting and fence to prevent entrapment of birds and mammals. All netting and fences should be maintained and kept in serviceable condition.
- K. To prevent access to reserve pits by wildlife install fencing and/or netting/mesh.
- L. Operator shall ensure that all on-site employees and contractors associated with the well drilling program are knowledgeable of the fish and game regulations of the State of Colorado.

Visual Resources

1. Operator shall maintain a 1000-foot buffer from existing buildings for any well pads and roads. Operator shall consult with Equus Farms Ranch Manager in the event pipelines need to be laid with the 1,000-foot buffer.

Recreation

1. To prevent conflicts with recreation users, alternative access may be needed. Be aware of hunters if in the area during hunting season. Wear the proper color clothing for recognition.

Noise, Waste, and Safety

1. Operator shall clean up all oil, diesel or hydraulic fuel spills, including contaminated soils. All spill-related material will be hauled to an approved disposal site.
2. Operator shall use all best efforts to keep noise level at a minimum especially during the hours between 9:00pm and 8:00 am.
3. Operator will place tanks holding bulk petroleum products in bermed areas. Capacity of the bermed area shall be 110% of the largest tank.
4. Fueling of equipment or maintenance of equipment should be done away from riparian or other open water areas.

Directional Drilling and Multiple Well Pads

To the extent it is reasonable and practical; Operator shall mitigate surface disturbance and interference with the Surface Owner's agricultural and recreational operations by drilling directional wells and drilling multiple wells from a single pad. Further, where technically and economically feasible, Operator shall use directional well pad drilling to minimize or eliminate well pads and access roads in areas designated as sensitive by the Surface Owner.

No Surface Access

Notwithstanding anything to the contrary contained in the Agreement for Right of Way, Pipeline and Surface Access, Operator shall not occupy, use, develop, or otherwise perform surface disturbing activities on the following lands:

T. 4 N. R. 62 W.
Section 13: E2, E2W2
Section 16: S2
Section 21: N2

T. 4 N., R. 61 W.
Section 7: S2S2
Section 9: S2SE
Section 16: NE, S2NW, N2S2
Section 17: NW4, N2S2, S2NE
Section 18: ALL

Limited Surface Access

Notwithstanding anything to the contrary contained in the Agreement for Right of Way, Pipeline and Surface Access, Operator shall not occupy, use, develop, or otherwise perform surface disturbing activities on the following lands from September 1 through April 15, provided however, Operator shall be allowed to access to any wells which have been drilled and completed on these lands, within the time period allowed, in order for Operator to perform routine monthly production operations:

T. 4N. R. 62 W.

Section 22: N2, N2SE
Section 23: E2NE, W2SW, SE
Section 24: N2, N2S2, SWSW
Section 34: E2, E2W2
Section 35: E2, SESW
Section 36: W2

T. 4N., R. 61 W.

Section 9: S2SW
Section 16: N2NW, S2S2
Section 19: S2
Section 20: E2SW, W2SE

T. 3 N., R. 62 W.

Section 1: W2SW
Section 2: All
Section 3: All

Township 4 North, Range 62 West of the 6th p.m., Weld County, Colorado	Acres
Section 3: SW4SE4, that portion of SW4 lying S of C/bf Riverside inlet Canal	149.42 •
Section 4: That portion of 52 lying S of C/L of Riverside Inlet Canal	208.51 •
Section 9: All	640.00
Section 10: All	640.00
Section 11: NW4SW4, S2SW4	120.00
Section 13: S2N2, 52, Including former UPRR R/W of the Julesburg branch Except parcel 104913300012 in the S2S2 (150.32 acres)	329.68 •
Section 14: NW4, S2NE4, 52, including former UPRR R/W of the Julesburg branch Except parcel 104914300004 in the 52S2 (133.35 acres)	426.65 •
Section 15: All, Including former UPRR R/W of the Julesburg branch Except parcel 104915400006 in the SE4 (69.09 acres)	570.91 •
Section 16: All, Including former UPRR R/W of the Julesburg branch	640.00
Section 17: 52 Except parcel 104917200012 in the N2S2 (20.87 acres)	299.13 *
Section 18: SE4 Except parcel 104918100014 in the NW4SE4 (23.41 acres)	136.59 *
Section 19: Lots 1-2 (W2W2), E2W2, E2	629.07
Section 20: All	640.00
Section 21: All	640.00
Section 22: All	640.00
Section 23: S2N2, 52 Except 7.48 acres of Highway R/W in SE4SE4	472.52
Section 24: All Except 30.58 acres of Highway R/W in S2S2	609.42
Section 25: E2NW4, NW4NE4	120.00
Section 27: All	640.00
Section 28: All	640.00
Section 29: All	640.00
Section 30: Lots 1-2 (W2W2), E2W2, E2	630.72
Section 32: That portion lying north of a line from NW cor to SE cor	320.00
Section 33: All	640.00
Section 34: All	640.00
Section 35: All	640.00
Section 36: W2	320.00

Township 5 North, Range 61 West of the 6th p.m., Weld County, Colorado	Acres
Section 20: NW4	160.00

*Acreage calculated using GIS

TOTAL ACREAGE 20,665.18