

**EASEMENT, RIGHT-OF-WAY
and
SURFACE USE AGREEMENT**

This Easement, Right-of-Way and Surface Use Agreement ("Agreement") is entered into as of 11/6/2012, by and between Paragon Farms, LLC, ("Surface Owner"), whose address is 10220 CR 1, Longmont, CO 80504, and Kerr-McGee Oil & Gas Onshore LP, ("KMG") with offices at 1099 18th St. #1800 Denver, CO 80202 covering certain lands, (the "Lands") situated in Weld County, Colorado described as follows:

Township 1 North, Range 65 West of the 6th P.M.

Section 6: E2 containing approximately 275 acres and excepting therefrom the E2E2NE

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 agree to the terms and provisions set forth as follows:

1. Compensation for Well; Release of All Claims

KMG shall pay to Surface Owner the sum as set forth in and according to the terms of that certain Letter Agreement by and between Surface Owner and KMG, dated 11/6/2012, as full 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 or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities.


2. Grant of Right of Way and Easement

Surface Owner hereby grants, bargains, sells, assigns and conveys to KMG an easement and right-of-way for the purpose of constructing, using and maintaining access roads, locations for surface equipment and subsurface gathering lines for each well drilled upon the Lands, pipelines, and pipeline interconnections for one year from the date of commencement of surface activities for drilling operations and so long thereafter as oil or gas is produced or capable of being produced from any well drilled on the Lands, provided however, no easement or right-of-way is granted across any irrigation circle or which would interfere with any existing improvements.

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

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

Paragon Farms, LLC

By: 
Mhari Peschel
Manager & Registered Agent

Kerr-McGee Oil & Gas Onshore LP

By: 
David Bell
Agent & Attorney-in-Fact

By: 
Gary Peschel
Manager

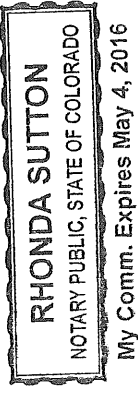
ACKNOWLEDGEMENT

STATE OF COLORADO)
CITY AND)ss
COUNTY OF DENVER)

This instrument was acknowledged before me this 30 day of November, 2012, 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.

Rhonda Sutton
Notary Public



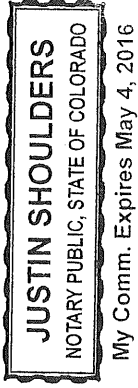
My commission expires May 4, 2016

STATE OF COLORADO)
)ss
COUNTY OF Weld)

The foregoing instrument was acknowledged before me this 6th day of November, 2012, by Mhari Peschel, Manager & Registered Agent of Paragon Farms, LLC.

Witness my hand and official seal.

[Signature]
Notary Public



My commission expires May 4, 2016

STATE OF COLORADO)
)ss
COUNTY OF Weld)

The foregoing instrument was acknowledged before me this 6th day of November, 2012, by Gary Peschel, Manager of Paragon Farms, LLC

Witness my hand and official seal.

[Signature]
Notary Public



My commission expires May 4, 2016