

24 Property; ii) identify additional pipeline easements and access roads as further described herein; iii) provide for the payment by Kerr-McGee of certain surface damage payments; and iii) include KMGG as a party to the Agreement for the limited purposes described herein.

NOW THEREFORE, in consideration of the covenants and mutual promises set forth in this Amendment and the Agreement, including in the recitals, the Parties hereto agree as follows:

1. Term Used within the Agreement. A term used in this Amendment shall have the same meaning as the term is used in the Agreement unless noted otherwise.
2. Additional Oil and Gas Operations Areas for the Section 23 Property.

a. Horizontal Well Locations. Kerr-McGee and Surface Owners agree that, in addition to the two Oil and Gas Operations Areas reserved in the Agreement on the Section 23 Property generally in the center of the NE/4 and northwest of the center of the NE/4NE/4 as depicted on Exhibit A-1 to the Agreement, Kerr-McGee shall also have the right to drill oil and gas wells and locate production facilities within the two Oil and Gas Operations Areas on the Section 23 Property depicted on the attached Exhibit 1 as the "Horizontal Well Locations," both of which are generally to the east of the section line between the NW/4 of Section 24 and the NE/4 of Section 23, one such Horizontal Well Location being in the NE/4NE/4 of Section 23 and the other being in the SE/4NE/4 of Section 23 at the locations depicted on Exhibit 1.

b. Components of the Horizontal Well Locations. Each Horizontal Well Location include a "Permanent Operations Area" and an "Ancillary Operations Area," as depicted on Exhibit 1, such areas being utilized for oil and gas operations and for the locations of wells and associated drilling and production equipment as provided herein.

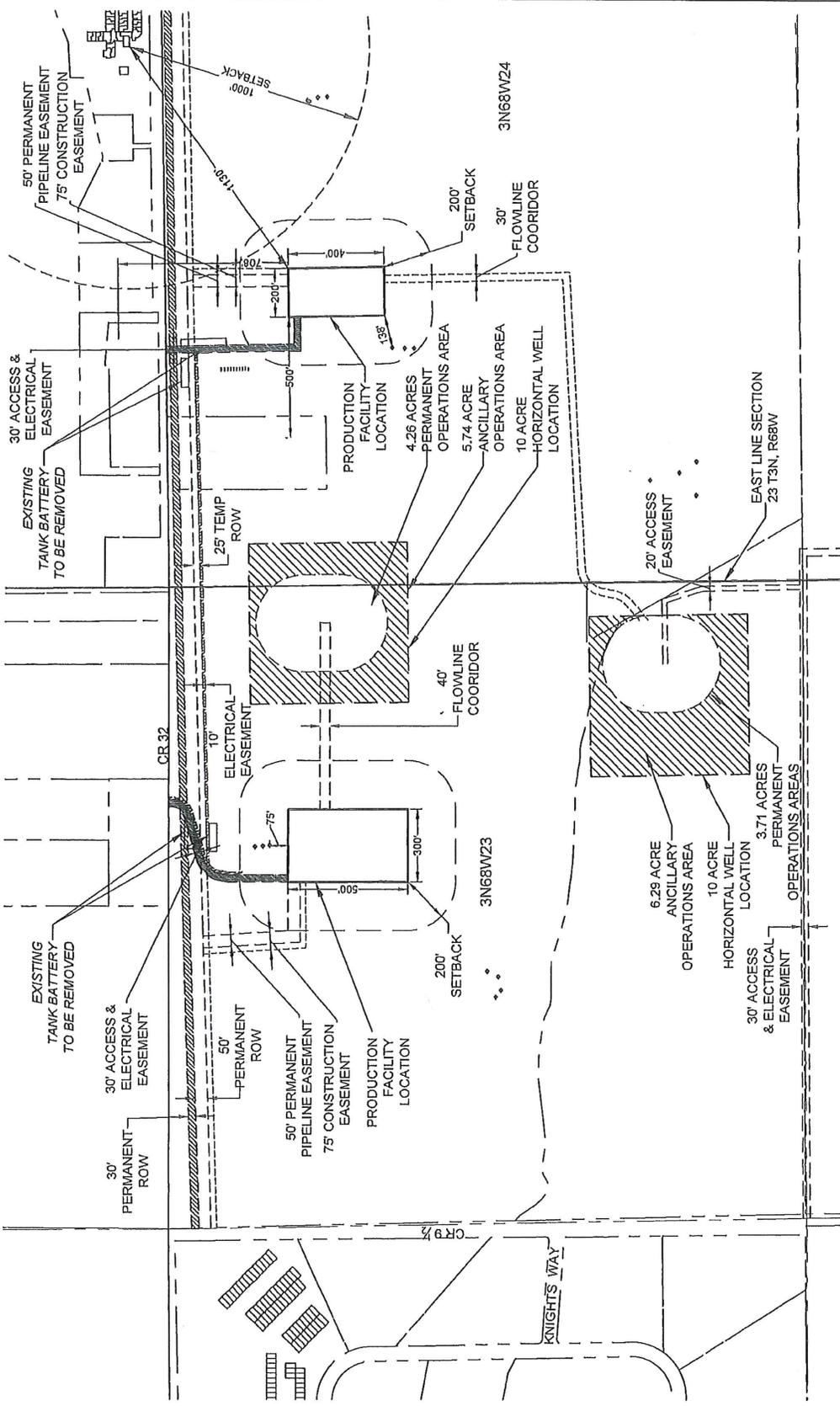
The Horizontal Well Location in the NE/4NE/4 of Section 23 shall be a total of ten (10) acres with the Permanent Operations Area being 4.26 acres and the Ancillary Operations Area being 5.74 acres.

The Horizontal Well Location in the SE/4NE/4 of Section 23 shall be a total of ten (10) acres with the Permanent Operations Area being 3.71 acres and the Ancillary Operations Area being 6.29 acres.

- i) Permanent Operations Areas. The Permanent Operations Area shall be the location for all future wells to be drilled within a Horizontal Well Location and may also be used for the location of tanks, separators, dehydrators, compressors and all other associated oil and gas drilling and production equipment and facilities, electrical lines, flowlines and portions of pipeline easements and for all related oil and gas operations. The Permanent Operations Areas are for the exclusive use of Kerr-McGee for its oil and gas operations and the location of wells and facilities.

Waiver  
318A.a and  
318A.c  
language  
from SWA:

# EXHIBIT 1



<p>PREPARED BY: <b>PFS</b> Paradigm Field Services, LLC 1801 W. 13th Ave. Denver, CO 80202</p>	<p>FIELD DATE: N/A</p> <p>DRAWING DATE: 12-31-13</p> <p>BY: SMD</p>	<p>PROJECT NAME: REYNOLDS CATTLE (NE 23 &amp; NW 24 3N-68W)</p> <p>SURFACE LOCATION: NE 1/4, SEC. 23, &amp; NW 1/4, NW 1/4 SEC. 24, T3N, R68W, 6TH P.M.</p> <p>CHECKED BY: T.J.N.</p>	<p>WELD COUNTY, COLORADO</p>
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SCALE: 1"=400'

