

## SURFACE OWNER'S RELEASE AND SETTLEMENT OF SURFACE DAMAGES

State: Colorado  
County: Cheyenne

Surface Owner(s): Susan I. Kern and Raymond Kern  
15 West 13th South  
Cheyenne Wells, CO 80810

Operator: Kuenzler & Flora Reserve Corporation  
3310 W. Aqueduct Ave., Littleton, CO 80123

For adequate consideration, Susan I. Kern and Raymond Kern, as Surface Owner(s), release and discharge, in full, Kuenzler & Flora Reserve Corporation, Operator, its officers, agents, contractors, subcontractors, employees, successors and assigns from all claims, demands or causes of action caused by or arising from the usual and customary damages associated with the drilling, completion, reworking and production operations related to well(s) including the access road to the location(s) on the following lands:

**Township 13 South, Range 44 West, 6<sup>th</sup> P.M.**  
**Section 22: All**

This consideration shall amount to ~~52500.00~~ per wellsite.

Further, Surface Owner(s) hereby agree to release and discharge, in full, Operator for damages connected with the laying of gas gathering pipeline, electrical and water flow lines associated with the above describes land(s).

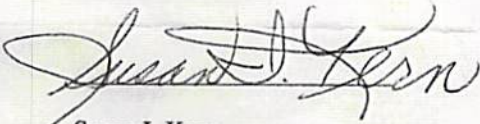
Operator shall deliver payment to Surface Owner(s) for the above described wellsite/road damages prior to the wellsite location being built.

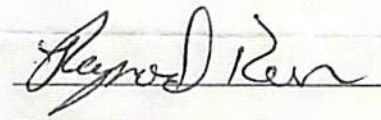
The consideration paid by the Operator to the Surface Owner(s) in the amount set forth are accepted in full and final settlement and discharge of the usual and customary surface damages related to the drilling, completion, reworking and operations of the subject well(s), including access road and the installation and maintenance of gathering, water and electrical lines.

Except to compensate Surface Owner(s) for damages to growing crops and the use of the above described wellsite/road damages, none of the foregoing provisions of this document shall act to waive, modify or amend any applicable law, rule, regulation or order of any Federal, state or local governmental authority.

Dated this 13 day of June, 2012.

**Surface Owners:**

  
Susan I. Kern

  
Raymond Kern

**Operator:**

  
Zane Kuenzler, Partner  
Kuenzler & Flora Reserve Corporation