



June 3, 2014

VIA FACSIMILE AND U.S. MAIL

James C. Docheff, Sr., Manager  
Blue Sky Dairy, LLC.  
4513 County Road 32  
Longmont, Colorado 80504

Re: Second Amendment to April 11, 2011 Surface Letter Agreement  
Township 3 North, Range 68 West of the 6th P.M.  
Section 14: Part of the SE/4SW/4  
Weld County, Colorado

Dear Mr. Docheff:

In accordance with the recent discussions between Kerr-McGee Oil & Gas Onshore LP ("KMG") and Blue Sky Dairy, LLC, successor in interest to 4D Dairy LLC ("Blue Sky Dairy"), the parties have agreed to amend the April 11, 2011 Surface Letter Agreement (the "Agreement"), as first amended by Amendment to April 11, 2011 Surface Letter Agreement ("First Amendment"), and to incorporate the amended Exhibit A, which is attached hereto and incorporated herein, as follows:

1. The Agreement, as amended by the First Amendment, is amended to reflect the new surface owner, Blue Sky Dairy, LLC, as successor in interest to 4D Dairy, LLC.

2. Paragraph 3 of the Agreement, as amended by the First Amendment, is deleted and replaced with the following:

KMG may drill twelve (12) horizontal wells, entirely at its own expense, from the surface locations on the Property as listed below:

Docheff 32C-13HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 32N-15HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 12N-13HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 12C-15HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 33N-13HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 33N-15HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 33C-13HZ	Section 14: 1513'FWL, 1034'FSL
Docheff 13N-15HZ	Section 14: 1513'FWL, 1034'FSL

P.O. Box 173779, Denver CO 80217-3779  
1099 - 18<sup>th</sup> Street, Suite 1800, Denver, CO 80202  
720-929-6000

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Docheff 13N-13HZ	Section 14: 1513'FWL, 1034'FSL
Docheff 13C-15HZ	Section 14: 1513'FWL, 1034'FSL
Docheff 34N-13HZ	Section 14: 1513'FWL, 1034'FSL
Docheff 34N- 15HZ	Section 14: 1513'FWL, 1034'FSL

3. Paragraph 4 of the Agreement, as amended by the First Amendment, is deleted and replaced with the following paragraph:


KMG will pay Blue Sky Dairy [REDACTED] per horizontal well for up to twelve (12) horizontal wells for any and all surface damages, including the use of oil and gas operations areas, access ways, surface facilities such as tank batteries and separators, flowlines, and gathering lines. These payments will be made on a well-by-well basis upon the receipt of approved COGCC well permits. No other surface damages will be due or paid.

4. Unless amended hereby, the terms of the Agreement shall remain in full force and effect. If there is any conflict between the Agreement and this Second Amendment, the terms of this Second Amendment will control only to the extent necessary to resolve conflict. Capitalized terms shall have the meaning given to them in the Agreement.

If you agree that this amendment to the Agreement accurately reflects our understanding, please sign and date both originals of this amendment in the space indicated below, return one to me in the enclosed self-addressed stamped envelope, and retain one for your files. Do not hesitate to contact me if you have any questions.

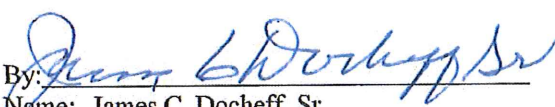
Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

  
Ronald H. Olsen  
Land Manager TSE

AGREED AND ACCEPTED THIS 10 day of June, 2014:

BLUE SKY DAIRY, LLC

By:   
Name: James C. Docheff, Sr.  
Title: Manager



## MEMORANDUM OF SECOND AMENDMENT TO SURFACE LETTER AGREEMENT


This Memorandum of Second Amendment to Surface Letter Agreement dated June 3, 2014 shall provide notice to all parties that Kerr-McGee Oil & Gas Onshore LP and Blue Sky Dairy, LLC., successor in interest to 4D Dairy, LLC. (Collectively the "Parties") have agreed to amend the Parties' April 11, 2011 Surface Letter Agreement and have entered into an Amended Letter Agreement dated June 3, 2014 (the "Amended Agreement"). The Amended Agreement provides certain accommodations to be made by both Parties, subject to which, Kerr-McGee Oil & Gas Onshore LP is authorized to commence drilling operations on the following horizontal wells at the following surface locations in Township 3 North, Range 68 West, Section 14:

Docheff 22C-13HZ	Section 14; 1162'FWL, 2177'FSL
Docheff 32N-15HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 12N-13HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 12C-15HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 33N-13HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 33N-15HZ	Section 14: 1162'FWL, 2177'FSL
Docheff 33C-13HZ	Section 14: 1513'FWL, 1034'FSL
Docheff 13N-15HZ	Section 14: 1513'FWL, 1034'FSL
Docheff 13N-13HZ	Section 14: 1513'FSL, 1034'FWL
Docheff 13C-15HZ	Section 14: 1513'FSL, 1034'FWL
Docheff 34N-13HZ	Section 14: 1513'FSL, 1034'FWL
Docheff 34N-15HZ	Section 14: 1513'FSL, 1034'FWL

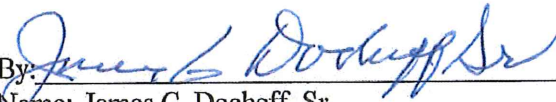
The term of the Amended Agreement shall be for the duration of the oil and gas lease presently covering the subject lands and the oil and gas lease(s) upon which are located oil and gas wells, the production from which is being serviced by the production facilities located on the E/2SW/4 of Section 14 above described. Further information regarding the terms of the Amended Agreement may be obtained by contacting Kerr-McGee at 1099 18<sup>th</sup> Street, Suite 1800, Denver, CO 80202, attention Denver Basin Land Manager.


IN WITNESS WHEREOF, the Parties have executed this Memorandum of Amended Surface Agreement as of the date set forth above.

**KERR-MCGEE OIL & GAS ONSHORE LP**

By:   
Name: Ronald H. Olsen *TDS*  
Title: Agent & Attorney in Fact

**Blue Sky Dairy, LLC.**

By:   
Name: James C. Docheff, Sr.  
Title: Manager



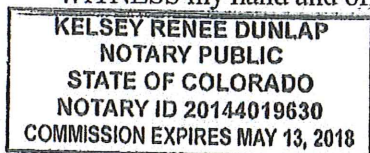


ACKNOWLEDGMENTS

STATE OF COLORADO     )  
                                  ) ss.  
COUNTY OF Denver     )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of June, 2014, by Ronald H. Olsen as Agent & Attorney in Fact of Kerr-McGee Oil & Gas Onshore LP.

WITNESS my hand and official seal.

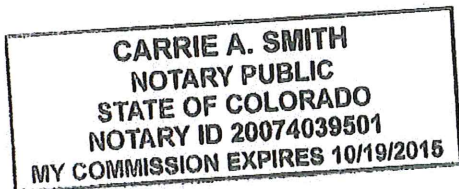


K Dunlap  
Notary Public  
My Commission Expires: 05.13.2018

STATE OF Colorado     )  
                                  ) ss.  
COUNTY OF Weld     )

The foregoing instrument was acknowledged before me this 10 day of June, 2014, by James C. Docheff, Sr. as Manager of Blue Sky Dairy, LLC.

WITNESS my hand and official seal.



Carrie A. Smith  
Notary Public  
My Commission Expires: 10-19-15

**Kerr-McGee Oil & Gas Onshore LP**  
1099 18<sup>th</sup> Street  
Denver, CO 80202

April 11, 2011

**VIA FACSIMILE AND U.S. MAIL**

4D Dairy LLC  
James C. Docheff, Manager  
1441 County Road 28  
Longmont, Colorado 80504

Re: 4D Dairy (Parcel No. 120714000012)  
Township 3 North, Range 68 West of the 6th P.M.  
Section 14: Part of the SE/4SW/4  
Weld County, Colorado

Dear Mr. Docheff:

This surface Letter Agreement ("Letter Agreement") will confirm and set forth the terms of an agreement that Kerr-McGee Oil & Gas Onshore LP ("KMG") and 4D Dairy LLC ("4 D Dairy") reached in our conversation of April 5, 2011, concerning the operations of KMG on the property referenced above that is owned by 4D Dairy (the "Property"). We agreed to execute this Letter Agreement to allow KMG to move forward with its oil and gas operations while we negotiate a more detailed and definitive surface use agreement. The promises exchanged in this Letter Agreement are valuable consideration and a memorandum of this Letter Agreement will be recorded in the records of Weld County, Colorado. Attached and made part of this agreement is Exhibit A which depicts the drilling and bottomhole locations of the wells. Accordingly, the parties agree to the following:

1. KMG shall have the right to drill the wells identified in paragraphs 3 and 4 below that produce from and drain lands other than the Property.
2. KMG may not drill vertical wells on the Property.
3. KMG may drill seven (7) directional "318a-e" wells, entirely at its own expense, from surface locations on the Property at:

Burch 22-14

NWNWSESW of Section 14

4D Dairy LLC  
James C. Docheff, Manager

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Burch 23-14	NWNWSESW of Section 14
Burch 25-14	NWNWSESW of Section 14
Burch 32-14	NWNWSESW of Section 14
Burch 33-14	NWNWSESW of Section 14
Burch 34-14	NWNWSESW of Section 14
Burch 36-14	NWNWSESW of Section 14

4. KMG may drill five (5) directional wells on the Property to access the five legal drilling window locations in the SW/4 of Section 14 above described. The surface locations for this these wells be at

Burch 11-14	NWNWSESW of Section 14
Burch 12-14	NWNWSESW of Section 14
Burch 13-14	NWNWSESW of Section 14
Burch 14-14	NWNWSESW of Section 14
Burch 19-14	NWNWSESW of Section 14

and the bottomhole locations will be at

Burch 11-14	NESW of Section 14
Burch 12-14	NWSW of Section 14
Burch 13-14	SWSW of Section 14

Burch 14-14                      SESW of Section 14

Burch 19-14                      C SW/4 of Section 14

respectively.

5. KMG will absorb the cost of drilling directionally to the wells described in Paragraph 4.
6. KMG will pay a total of [REDACTED] for the 12 proposed wells to 4 D Dairy for any and all surface damages, including the use of oil and gas operations areas, access ways, surface facilities such as tank batteries and separators, flowlines, and gathering lines. These damages will be paid upon the receipt of approved COGCC well permits. No other surface damages will be due or paid.
7. 4 D Dairy will execute any Colorado Oil and Gas Conservation Commission ("COGCC") property line waivers if necessary, as well as other COGCC waivers that may be necessary to drill in the locations specified in Paragraphs 3 and 4 of this Letter Agreement within three weeks of the execution of this Letter Agreement.
8. After the execution of this Letter Agreement, KMG will seek to enter into a final surface use agreement with you as soon as reasonably possible, however, this Letter Agreement grants KMG your consent to begin operations on the Property before that surface use agreement is finalized. KMG may use this Letter Agreement to show the COGCC that we have held consultation and that you have agreed to the surface locations described above.
9. 4D Dairy expressly acknowledges that this Letter Agreement satisfies KMG's obligation under COGCC rules to consult in good faith with the surface owner regarding the proposed oil and gas operations. 4D Dairy further expressly acknowledges that this obligation of KMG to accommodate 4D Dairy's use of the surface of the described lands, existing or future, and waives any statutory or common law claims to the contrary.



4D Dairy LLC  
James C. Docheff, Manager

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If you agree that this Letter Agreement accurately reflects our understanding, please sign and date both originals of this Letter Agreement in the space indicated below, return one to me in the enclosed self-addressed stamped envelope, and retain one for your files. Do not hesitate to contact me if you have any questions.

Sincerely,

**Kerr-McGee Oil & Gas Onshore LP**



Terry D. Enright  
Staff Landman

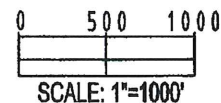
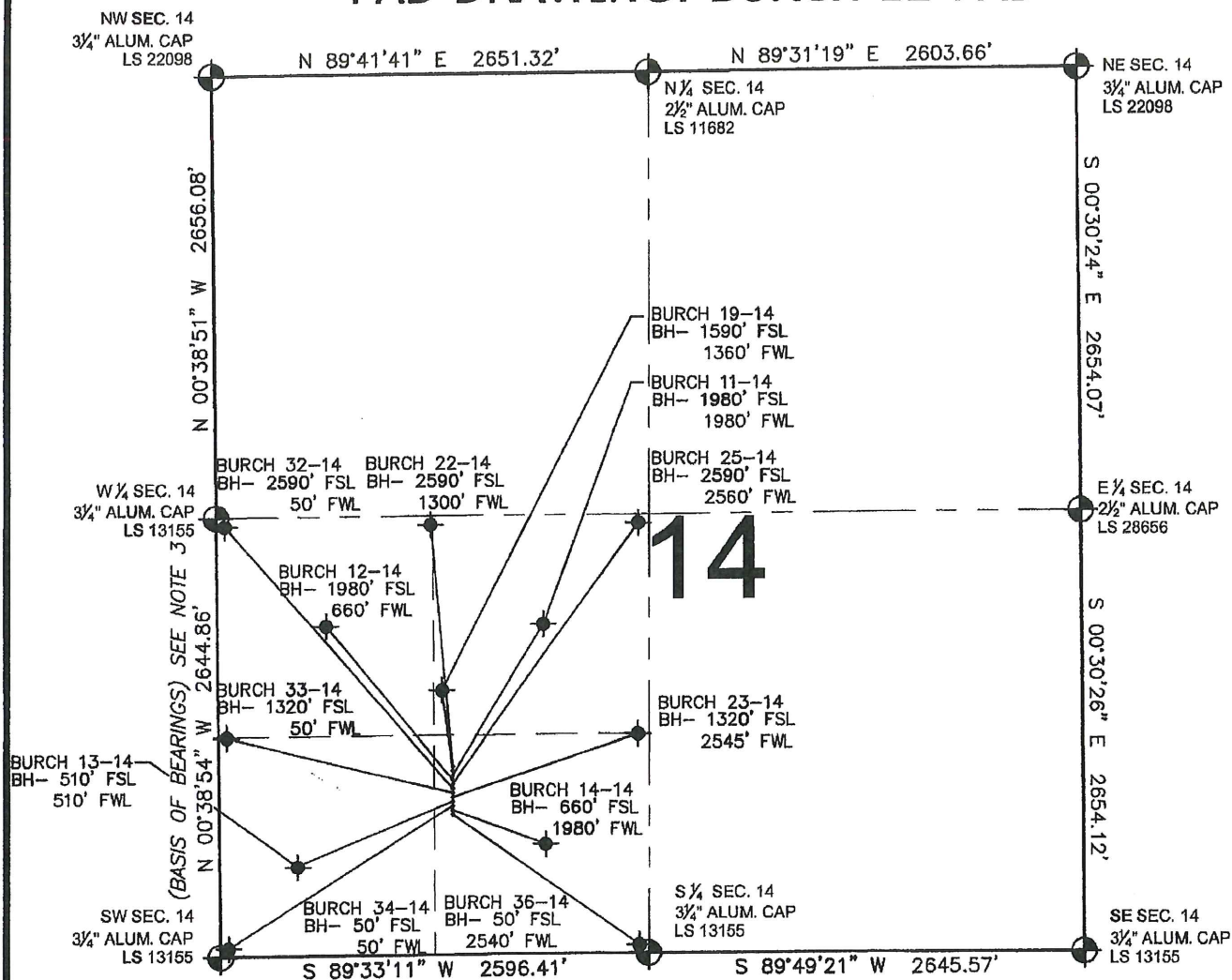
**4D Dairy, LLC**

Signed:   
James C. Docheff, Manager

Date: April 11, 2011

cc: David Bell

# PAD DRAWING: BURCH 12-PAD



REVISIONS	
INITIAL	DATE

PREPARED BY:

**PFS**  
Petroleum Field Services, LLC  
1801 W. 13th Ave.  
Denver, CO 80204

KERR-MCGEE OIL & GAS ONSHORE LP

FIELD DATE:  
02-25-11

WELL NAME:  
BURCH 12-PAD

DRAWING DATE:  
03-02-11

SURFACE LOCATION:

BY:  
TJN

SE 1/4 SW 1/4, SEC. 14, T3N, R68W  
WELD COUNTY, COLORADO