



Oil and Gas Conservation Commission
DEPARTMENT OF NATURAL RESOURCES

FOR OGCC USE ONLY

MAY - 6 1999

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DRILL SITE/ACCESS ROAD RECLAMATION FORM

This form shall be submitted in duplicate with the application for permit-to-drill (OGCC Form 2) unless a Federal 13 point surface plan is included. Also required are a minimum of two photographs (site and access road). Soil and plant community information from United States Natural Resources Conservation Services (USNRCS).

1. OGCC Operator Number: 27520	4. Contact Name & Phone: Rick Wightman
2. Name of Operator: Energy Alliance Company, Inc.	No: (303) 858-0144
3. Address: P. O. Box 4461	Fax: (303) 858-0145
City: Englewood State: CO Zip: 80155	6. County: Baca
5. Well Name & Number: Creek #1-28	7. Location (QtrQtr, Sec, Twp, Rng, Meridian): Center of NW/4SE/4 Sec. 28-34S-41W

Complete the Attachment Checklist

	Oper	OGCC
Drillsite and access photographs	X	
COE Section 404 documentation		

Pre-Drilling Information

Current Land Use

8. Crop Land: Irrigated Dry Land Improved Pasture Hay Meadow CRP

9. Non-crop land: Rangeland Timber Recreational Other (describe)

10. Subdivided: Industrial Commercial Residential

* Attach color photographs of drill site and access road; identify each photo by date, well name and location.

Soils

11. Soil map units from USNRCS survey: Sheet No: 167 Soil Complex/Series No: OeD

Soils Series Name: Otero-Potter Horizon thickness (in inches): A: 0-5 ; B: 5-60 ; C:

Soils Series Name: Horizon thickness (in inches): A: ; B: ; C:

Plant Community

* Complete only if operations are to be conducted upon non-crop land

12. Plant species from: USNRCS or Field Observation Date of observation:

List individual species:

13. Check one predominant plant community for the drill site:

Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye, Thistle)

Grassland (Bluestem, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)

Shrub and Brush Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)

Plains Deciduous Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)

Mountain Conifer Riparian (Spruce, Fir, Ponderosa Pine)

Evergreen Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon)

Aquatic (Bullrush, Sedges, Cattail, Arrowhead)

Tundra (Alpine, Willow, Currant, Raspberry)

Other (describe):

14. Was an Army Corps of Engineers Section 404 Permit filed? Yes No If yes, attach appropriate documentation.

Comments, if any:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road; that I am familiar with the conditions which presently exist, that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Rick Wightman

Signed:

Title: President Date: 5/5/99



MAY - 6 1999

April 14, 1999

Mr. Don Turner
Rt. 1 Box 111
Elkhart, KS 67950

Re: CREEK #1-28 well located in the NW, NW, SE of Section 28, Township 34 South - Range 41
West in Baca County, CO.

Dear Mr. Turner,

This letter is to confirm and serve as notice of our intention to drill the above captioned well on or around May 15th, 1999. We expect to drill the Creek #1-28 to a depth of 1370'. We expect to have the surveyors in the field this next week. Location construction will begin the week after that.

We will need to have the name, phone number and address of your representative (if you have one) in Baca County to discuss ingress & egress to the property. Please provide that information on the self-addressed, stamped postcard provided.

I have enclosed two original damage agreements for your approval and execution. Terms and conditions of the damage agreement are customary for the area and reflect those same terms we agreed to in our Oil & Gas lease with you covering Section 32. Please return one executed copy of the damage agreement in the self-addressed, stamped envelope to Energy Alliance. Upon receipt of the executed damage agreement, we will forward a check for the appropriate amount to you.

The Colorado Oil & Gas Conservation Commission requires that I advise you that should you have any questions about your rights as a surface owner or any aspect of our proposed operation, please feel free to contact me by phone at (303) 858-0144 or the Colorado Oil & Gas Conservation Commission by mail at:

1120 Lincoln St, Suite 801
Denver, CO 80203

The Commission's phone number is (303) 894-2100.

The operator for the property will be:

Energy Alliance Company, Inc.
P.O. Box 4461
Englewood, CO 80155
Attention: Rick Wightman

Our contact phone number is (303)858-0144.

We, at EAC, look forward to working with you on this project.

Sincerely,



Rick Wightman
President

enc.

SURFACE DAMAGE AGREEMENT

MAY - 6 1999

KNOW ALL MEN BY THESE PRESENTS;

That DON TURNER, whose address is RT. 1, BOX 111, ELKHART, KS 67950, is the owner of the described lands in Baca County, Colorado, to wit: SOUTH HALF OF SECTION 28, TOWNSHIP 34 SOUTH, RANGE 41 WEST, APPROX. 320.00 TOTAL ACRES.

Whereas, Energy Alliance Company, Inc., P.O. Box 4461, Englewood, CO 80155 (with its agents and assigns, hereinafter called "Company") proposes to clear wellsites and access roads on and across said land.

NOW THEREFORE, in consideration of the sum of ONE THOUSAND FIVE HUNDRED DOLLARS total (\$1,500.00), (porportionately reduced) and other valuable consideration to the undersigned (hereinafter called the "Owner") in hand paid, the receipt of which is hereby acknowledged, the Owner does hereby release the Company from any and all claims for damage to future crops and the surface of the land which have arisen, or may arise from, out of, or in connection with necessary and reasonable oil and gas operations for the CREEK #1-28 on the land, including the building of the drillsite and the use thereof, the initial completion of the well drilled on the drillsite and the establishment of the tank battery and setting of production equipment and laying of pipelines necessary for the production of the herein described well and accepts the above payment as full compensation for all such damages subject to the following, to wit:

1. The CREEK #1-28 wellsite shall be located in the Northwest quarter of the Northwest quarter of the Southeast quarter of the Section, Township and Range aforementioned, being according to and within the governing regulations.
2. The topsoil shall be removed from the area over the pits, stockpiled and held in reserve until the contour of the site is re-established. The wellsites shall be ripped and returned to the original slope and contour and cleared of drilling mud and oil following completion operations.
3. Company agrees to install culverts as needed to maintain present land drainage and irrigation, so long as the wells are produced. Owner does hereby give permission to install said culverts.
4. Any subsequent operations for said wells, except in case of emergency, require prior notice to landowner and shall require payment of all actual damages caused by said operations to growing crops and damages to real or personal property resulting therefrom.
5. Consideration herein stated shall be for damage to maximum of 2.1 acres per wellsite, being 90,000 square feet plus access roads. Each drillsite shall be 300 feet by 300 feet square. Damages to any acreage in excess of 2.1 acres shall be compensated to Owner for actual loss by Company.

6. If by reason of activities of Company, including but not limited to, drilling, completion, equipping, and operating of the wells upon the premises there is damage to the tangible, real or personal property of the Owner including but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation and drainage systems, the Company shall repair or replace such items after consultation with and to the complete satisfaction of the Owner. Any items damaged after well construction shall be brought to the attention of the Company immediately and shall be repaired or replaced after consultation with the Owner within thirty (30) days of occurrence.

7. All operations shall be conducted in a diligent manner and in accordance with the highest standards of the oil and gas industry in Baca County.

8. Notwithstanding any other provisions hereof, Company agrees that all trash, refuse pipe, equipment, liquids, chemicals, reasonable amounts of drilling mud, or other materials brought onto the property that are not necessary for the continued operation of said well, shall be removed and disposed of away from the property not later than ten (10) days after completion of said wells. No such items shall be burned or buried on the property.

9. It is agreed that time is of the essence and that failure to perform obligations as provided herein shall entitle the party not in default to bring an action in the District Court of Baca County for damages, for enforcement of the within Agreement, or for injunctive relief.

10. This Agreement shall be binding upon the parties hereto, their heirs, successors and assigns and shall run with the land described hereinabove.

11. This Agreement is entered into in the State of Colorado and shall be governed and interpreted by the laws of such state.

12. All parties agree that if right-of-way purchase is required for the purposes of pipeline or gathering construction, then \$10.00 per rod shall be paid by Company to the Owner of the property as compensation for damages and right-of-way.

OWNER:

DON TURNER

Date:

COMPANY:

ENERGY ALLIANCE COMPANY, INC.

By:

Title: President

Date: 4/22/99