

## **AGREEMENT FOR RIGHT OF WAY, PIPELINE EASEMENT AND SURFACE ACCESS**

THIS AGREEMENT made and entered into this 10<sup>th</sup> day of December, 2009, by and between **Loyd Farms, a Colorado Partnership of 66732 CR 87, Grover, CO 80729**, hereinafter designated as "Surface Owner" and **EOG Resources, Inc.**, hereinafter referred to as "Operator", whose address is 600 17<sup>th</sup> Street, Suite 1000N, Denver, CO 80202.

WITNESSETH, that

WHEREAS, Operator is the Lessee under that certain Oil and Gas Lease date July 16, 2008, and recorded at Reception No. 3594274 by and between Owner and Operator, covering the below described lands; and

WHEREAS, Operator wishes to use a portion of Surface Owner's lands for Operator's proposed operations, in order to properly drill, complete rework or re-complete, equip, operate, maintain, produce and plug and abandon any wells and thereafter restore the surface

NOW, THEREFORE, For and in consideration of the mutual covenants and agreements of the parties herein contained, and other good and valuable consideration, the parties hereto AGREE AS FOLLOWS:

1. **Said Land.** The Surface Owner owns the surface estate to the following described lands, hereinafter referred to as "Said Land" in Weld County, State of Colorado, to wit:

Township 12 North, Range 63 West of the 6<sup>th</sup> P.M.  
Section 25: All

Containing 640.00 acres, more or less

2. **Right-of-Way.** That in order for Operator to enter, drill, complete, produce and operate oil and/or gas well(s) and production facilities on Said Land, it is necessary that it cross and use certain property of Surface Owner, as provided for under the pertinent oil and gas lease(s), and the parties do hereby agree as to the damages, the right of entry and surface use thereof. For and in consideration of the hereinafter specified amounts, Surface Owner hereby grants to Operator the exclusive right for it, its agents, employees and contractors, and their agents and employees, to enter upon the surface of Said Land for the purpose of conducting oil and gas exploration, drilling, production and marketing activities. Surface Owner agrees to Operator's use of access roads, gathering pipelines and power lines across Lands for gathering of non-lease materials.

3. **Termination of Rights.** Except as may otherwise be provided herein, this Agreement shall automatically terminate upon the termination of that certain Oil and Gas Lease date July 16, 2008, and recorded at Reception No. 3594274 by and between Owner and Operator.



4. **Well Sites.** Operator has agreed to pay the sum of [REDACTED] per well drill site location on lands as consideration for all damages associated with the construction, maintenance and use of such location for drilling, completion and production activities. In the event that a well is completed as a well capable of producing oil and/or gas in commercial quantities, Operator shall have the right to install tank batteries, compressor stations, oil and gas flow lines, pipelines, and any facilities necessary for the production, storage, disposal, transportation and marketing of gas, water and/or oil from said location. This shall include the right of Operator to install a central production facility which may have off-lease gas, water and/or oil delivered to such location as a central point for transmitting the gas, water and/or oil to a downstream point.

5. **Facility Sites.** For lands not previously used as a well drill site location, Operator has agreed to pay [REDACTED] per site, as consideration for all damages associated with the construction, maintenance and use of any production, injection, storage, transportation and/or marketing facility, to be constructed on Said Lands. Production and/or marketing facilities shall include but shall not be limited to tank batteries, compressor stations, gas processing facilities, gas, water and oil flow lines, and any facilities necessary for the production, storage, disposal, transportation and marketing of gas, water and/or oil. This shall include the right of Operator to install a central production facility which may have off-lease gas, water and/or oil delivered to such location as a central point for transmitting to a downstream point.

6. **Access Roads.** Whenever possible, Operator agrees to use existing roads for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land. Operator has agreed to pay the sum of [REDACTED] as consideration for the construction, maintenance and use of any new roads and rights-of-way necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land. Said roads shall not exceed forty feet (40') in width. Any new roads shall be limited to twenty-two (22) feet in width for the actually traveled roadbed.

7. **Pipelines and Powerlines.** Operator agrees that, whenever possible, Operator will construct any pipeline and/or powerlines within the access road right-of-way, if one exists. If Operator is unable to construct its pipelines and/or powerlines in the said access road right-of-way, Operator agrees to pay the sum of [REDACTED] as consideration for a right-of-way and perpetual easement to lay, install, maintain, operate, replace, protect, repair, relocate, change and remove one or more pipelines, powerlines, flow lines, and any appurtenances useful and incident to the operation and protection thereof, for the transportation of oil, gas, water, or any other like or unlike substances which may be moved by and through a pipeline(s), and/or flow line(s), and appurtenances thereto, on over and through Said Land. Said Easement shall not exceed fifty feet (50') in width without the express written consent of Surface Owner, and Operator agrees to bury all pipe to a minimum depth of thirty six inches (36") whenever reasonably practical to do so and to restore the surface over the same as nearly as possible to its condition prior to the laying of the line or lines. In order to provide public notice of the existence of a pipeline, upon the request of the Operator, Surface Owner agrees to execute a formal "Pipeline Right of Way Grant" to be recorded in said county. Operator shall back fill, compact, reseed, and re-contour the area



disturbed by Operator's construction, installation, repair, or removal of any power line or pipeline. Upon termination of this Agreement, as set out in Paragraph 3., and upon request from Owner, Operator shall remove all above ground temporary pipeline and power line facilities. To the extent that it does not unreasonably interfere with Operator's operations, Operator shall allow Owner to have reasonable access and use to any power lines installed upon Owner's property upon agreement between Owner and power company for purchase of power provided it does not interfere with Operator's operation. Upon cessation of operations by Operator, Owner may at its election keep said power lines in place.

8. **Existing Well Pads and Access Roads.** No existing well pads exist on Surface Owner's lands. Operator has agreed to pay the sum of [REDACTED] as consideration for the use of any existing roads and rights-of-way necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land.

9. **Cattle Guards and Gates.** The Operator shall construct cattle guards at all places where Operator requires access through Surface Owner's fences. Stock gates shall be constructed at Surface Owner's request if the movement of livestock will be interfered with.

10. **Fences and Reclamation.** Operator shall install fences around any dangerous area, including, any pits, where Operator drills any new wells. Operator shall reclaim and restore all areas disturbed by Operator's operations as near as practical to their original condition within twelve (12) months after termination of activities at the site or right-of-way. Operator agrees to notify and consult with Owner prior to cutting or damaging any fences, cattle guards, or other improvements of Owner. All areas disturbed by Operator's activities will be reseeded unless otherwise agreed to by Owner.

11. **Weeds and Debris.** Operator agrees to keep the roads, locations, and other areas utilized for its purposes, free from weeds, debris and litter and will properly maintain such areas in such a manner as to minimize interference with the Surface Owners normal use of contiguous lands.

12. **Maintenance and General Operations.** Operator shall at all times keep the well sites, road rights-of-way, facility locations, and other areas disturbed by Operator safe and in good order, free of noxious weeds, litter, and debris. Operator shall dispose of all litter, sewage, and debris off of Owner's property at an approved disposal site. Using reasonable efforts, Operator shall not allow or permit erosion to continue on any disturbed sites and shall promptly repair, reclaim and reseed all erosion sites. Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on the Lands. All cattle guards and fences installed by Operator shall be kept clean and in good repair.

13. **Mud Pits.** Upon the conclusion of drilling operations by Operator on a location on Said Land, Operator will dispose of any trash and debris and will fill and level the mud pits and return Said Land to its original condition as nearly as is practicable within a reasonable and customary period of time. During its clean-up of the mud return pit, Operator shall be allowed to let water in said pit evaporate and further, Operator shall be allowed to use the entire drilling pad in its operation to reclaim said pit.



14. **Water.** Without prior approval of Owner, Operator shall not use any water from any existing water wells owned by Owner, reservoirs or springs on the Lands. Operator shall not disturb, interfere with, fill, or block any creek, reservoir, spring, or other source of water on the Lands.

15. **Notice.** Operator agrees that prior to drilling any well or constructing any production and/or marketing facility on Said Land, it will first consult with Surface Owner in order to minimize interference with Surface Owner's normal use of Said Land.

16. **Dogs and Firearms.** Operator agrees that no dogs, firearms or hunting will be allowed on the property covered by this Agreement without the express written consent of the Surface Owner and that Operator will notify all of its contractors, agents and employees of this restriction.

17. **Release.** The compensation provided herein to be paid by Operator to Surface Owner shall release and discharge Operator, its agents and employees from all claims, losses, demands and causes of action for damage to land, loss of and damage to crops, and use of land, hereafter arising as a result of Operator's drilling, producing and marketing operations on Said Land, except such damages or losses which are caused by the gross negligence of Operator, its agents and employees. Operator will compensate Surface Owner for any "unusual" damages such as oil or salt-water spills and loss of livestock on Surface Owner's property as a result of operations by Operator, its agents or employees. All livestock lost, injured or killed as a result of Operator's activities on Surface Owner's lands shall be paid for at market prices. Autopsies shall be required in the event Operator cannot substantiate the cause of death by observation. Cost of autopsy to be paid by Operator only if the autopsy indicates Operator was directly at fault for the loss of the livestock.

18. **Biological Survey.** Unless required to do so by law, Permittee, its employees, agents and independent contractors, are specifically and strictly prohibited from conducting any biological survey, assessment, or inventory on any of Surface Owner's lands without the express written prior consent of Surface Owner. When permission has been granted; a summary of any findings and any information/data collected will be turned over to the Owner. Any such information gathered in violation of this prohibition is and remains the private property of Surface Owner.

19. **Archeological Survey.** Unless required to do so by law, Permittee, its employees, agents and independent contractors, are specifically and strictly prohibited from conducting any archeological survey, assessment, or inventory on any of Surface Owner's lands without the express written prior consent of Surface Owner. When permission has been granted; a summary of any findings and any artifacts collected will be turned over to the Owner. Any such information gathered in violation of this prohibition is and remains the private property of Surface Owner.

20. **Indemnity.** Operator shall, and hereby expressly agrees to defend, indemnify and hold Surface Owner, its subsidiaries and affiliates, its successors, assigns, employees and agents, harmless from and against any and all loss, expense, liens, claims, demands and causes of action of

every kind and character (including those of the parties, their agents and employees), for death, personal injury, property damage or other liability, damage, fine or penalty, including costs, attorney fees and settlements arising out of or in connection with the operations of Operator and associated work performed by Operator pursuant to this Agreement, by any act or omission of Operator or any of its subcontractors, agents, employees, invitees or licensees.

21. **Law.** This agreement shall be governed and construed in accordance with the laws of the State of Colorado.

22. **Assignment.** This Agreement shall be binding upon and shall be for the benefit of the parties hereto, their respective heirs, successors and assigns. Any sale by Surface Owner of his interest in Said Land shall be made subject to the terms and conditions of this Agreement.

23. **Notification.** Any notice required or permitted to be given hereunder shall be deemed to be delivered when deposited in the U.S. Mail, postage prepaid, certified with return receipt requested, or registered mail, addressed to the party to which it is intended at the address set forth below for such party:

If to Surface Owner:

Loyd Farms  
66732 WCR 87  
Grover, CO 80729

If to Operator:

EOG Resources, Inc.  
600 17<sup>th</sup> Street, Suite 1000N  
Denver, CO 80202  
Attn: Land Department

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SET THIER HANDS, THE DAY AND YEAR FIRST ABOVE WRITTEN.

SURFACE OWNER

Loyd Farms, a Colorado Partnership

  
\_\_\_\_\_  
Dan Loyd, General Manager

OPERATOR

EOG Resources, Inc.

By:   
\_\_\_\_\_  
J. Michael Schween, Agent and Attorney-in-Fact