



RELEASE OF DAMAGES

KNOW ALL MEN BY THESE PRESENTS:

The undersigned Jean M. Sheffler and Gary L. Sheffler, whose address is 65295 WCR 135, New Raymer, CO 80742, (hereinafter together known as "Owner"), do hereby acknowledge receipt from Advantage Resources, Inc., whose address is 1775 Sherman, Suite 1900, Denver, Colorado 80203 (hereinafter known as "Operator"), the sum of Fifteen Hundred and 00/100 Dollars (\$1500.00) in full payment, settlement and satisfaction of all detriment, injuries and damages of whatsoever nature and character growing out of, incident to, or in connection in any way with the drilling of that well located in the NW/4NW/4 of Section 27, Township 12 North, Range 56 West, Weld County, Colorado, known as the Sheffler #4-27 well (hereinafter known as the "Well").

Operator agrees, if an area greater than three (3) acres is permanently utilized for road and location, to pay damages for the area over three (3) acres at the rate of five hundred dollars (\$500.00) per acre. Any such payment shall be made under the terms of this Release of Damages which fully releases Operator as specified above.

Operator agrees to conduct all operations on the Well in compliance with the terms of that Oil and Gas Lease dated January 31, 1997 and recorded in Book 1608, at Page 583 of the records of Weld County, Colorado. Further, Operator agrees to conduct all operations on the Well in a good and workmanlike manner and in accordance with industry standards.

OWNER:

Jean M. Sheffler
Jean M. Sheffler

Gary L. Sheffler
Gary L. Sheffler

ACKNOWLEDGEMENTS



STATE OF COLORADO)
) ss.
COUNTY OF Weld)

The foregoing instrument was acknowledged before me by Jean M. Sheffler, this 18th day of August, 1999.

Witness my hand and official seal.

My commission expires:

10/16/02

Karen J. Lester
Notary Public in and for the
State of Colorado
21 Bay
New Raymer, CO. 80742

STATE OF COLORADO)
) ss.
COUNTY OF Weld)

The foregoing instrument was acknowledged before me by Gary L. Sheffler, this 18th day of August, 1999.

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