

## SURFACE USE AGREEMENT

THIS AGREEMENT made and entered into this 24<sup>th</sup> day of October, 2002, by and between Robert Bruce Clark and Patricia Ann Clark as Trustees of the Clark Family Durango Trust, P.O. Box 125, Ignacio, CO 81137-0125, First Party, hereinafter referred to as "Owner," and Maralex Resources, Inc., P. O. Box 338, Ignacio, CO 81137, Operator.

### WITNESSETH:

For and in consideration of the covenants and agreements herein contained, and other good and valuable considerations, the parties hereto AGREE:

1. That Operator intends to drill an oil or gas well to an approximate depth of 3,280' feet in the NW/4 of Section 3, Township 33 North, Range 7 West, La Plata County, Colorado.

2. That in order for Operator to enter, drill, complete and produce its proposed well, it is necessary that they cross and use certain property of Owner, and the parties hereby agree as to damages, entry and surface use therefor.

3. Owner hereby gives, grants and conveys unto Operator, its agents, employees and assigns, a private right to enter and use the property of Owner for the purpose of drilling, completing and producing the above described oil and gas well together with the right-of-way and easement across the lands of Owner to construct and maintain an access road, well site, tank battery, pipelines and other such related facilities being necessary for the Operator's complete enjoyment and rights.

4. Operator shall notify Owner prior to entry upon said lands, and shall consult with Owner as to the location of well sites, roads, pipelines and other facilities. All surface and mineral uses not inconsistent with the rights of Operator, including the right to grant successive easements thereon or across, are hereby reserved to Owner and consideration shall always be given to such reserved uses and rights when locating sites, roads, pipelines and facilities. Owner agrees to notify Operator prior to the granting of successive easements on or across site locations, roads and pipelines established by Operator, and Operator shall have the right to insist on the insertion in such successive easements of protective covenants together with agreements for contribution and maintenance by the new Grantee on the affected property. Operator shall notify Owner when each drilling or producing operation has been completed and Operator is permanently or temporarily absent from the surface.

5. For all roads used across the lands of Owner in connection with Operator's drilling, production or other rights hereunder, in particular a road from County Road 334 along Owner's west property boundary to the location, Operator agrees to pay \$1.25 per foot for a permanent right-of-way, in advance. The road will be graveled and a new gate put in if necessary. Operator agrees to place an appropriate sign or signs on any roads or other right-of-way designating them as "Private Roads," and to assist Owner in the control of the use of any such roads or rights-of-way by other unauthorized personnel. All roads shall be limited to twenty (20) feet in width for the actual travel roadbed, together with a reasonable width, not to exceed fifteen (15) feet from the center line of such right-of-way, for "fills", bar ditches, shoulders and/or crossings, unless altered by the parties hereto, in writing.

6. Operator agrees to pay Owner for the well site selected by Operator, in advance, the sum [REDACTED]. Well site shall be limited to approximately one and a half (1.5) acres in size, and Operator agrees at all times to keep its site and rights-of-way safe and in good order and free of noxious weeds, litter and debris. At any site where Operator does not discover oil, gas or hydrocarbons of commercial quantity, and determines it to be a "dry hole," Operator shall restore and reseed said area after replacing the top soil. "Above ground" dry hole markers shall be installed when necessary unless otherwise agreed or required by law. All clean-up and restoration requirements shall be completed by Operator within six (6) months after termination of drilling or production activities at any well site or right-of-way unless hindered by Owner.

7. No fences, cattle guards or other improvements of Owner shall be cut or damaged by Operator except with prior consent of Owner and payment of compensation as appropriate, or other safeguards to protect the rights and properties of Owner and its surface Lessee, if any. Any trees cut for location and all currently dead trees and wood will be stacked at a mutually acceptable location for Owner's use or destruction. Damage to a specific fence near location has been discussed and will be replaced by Operator. Upon the final termination of drilling activities and production and exploration of the Operator's lease on the above property, Operator shall return all roads and other rights-of-way or sites as near as practical, to their original condition, and reseed them, unless otherwise agreed. Fences shall be restored as near as practical to their original condition, unless otherwise provided or agreed. Owner shall notify Operator orally or in writing of any necessary cleaning or repairs to fences and cattle guards of Operator, and shall grant Operator 30 days after notification to perform the necessary cleaning or repairs.

8. Operator agrees to test the domestic water well on the premises for the presence of methane gas prior to its operations. Operator also agrees that soon after the production of the well commences, it will again test the water for the presence of methane. Should there be an increase in methane content of the water, Operator shall attempt to determine the source of the increased methane. Once the source is determined a good faith effort to repair and eliminate the source of the methane shall be attempted. If Operator is unsuccessful or determines that reasonable efforts will not be successful, Operator agrees to design and construct an apparatus to separate the methane from Owner's water and make it available for Owner's beneficial use.

9. Operator agrees to take all reasonable measures to meet state noise constraints. Those measures will include hospital grade muffler, sound barriers and walls, where necessary. Operator also agrees to utilize special spark plugs on all internal combustion engines to minimize radio interference with Owner's ham radio operations.

10. Operator agrees to compensate Owner for extraordinary loss or damage caused by Operator, its agent, or employees, to owner's property or livestock, and that of its surface lessee, if any. Conversely, Owner agrees to compensate Operator for loss or damage to Operator's equipment, pipelines, facilities, etc., caused by Owner or Owner's guests. Payments herein provided are acknowledged by Owner to be sufficient and in full compensation for surface use, crop replacement and damages, caused or created by reason of the reasonable and customary entry, rights-of-way, drilling, completion and production operations of said well site, roads, pipelines and tank batteries.

11. Notice by either party hereto shall be promptly given, orally, if possible and immediately mailed to:

Owner: Robert Bruce Clark and Patricia Ann Clark, Trustees  
Clark Family Durango Trust  
P.O. Box 125  
Ignacio, CO 81137-0125

Operator: Maralex Resources, Inc.  
P.O. Box 338  
Ignacio, CO 81137

12. Promptly upon the completion of any well or wells on this lease, the Operator shall adequately gravel the roads leading to the location.

13. The Operator will require its employees and employees of Third Party service and supply companies to use only the roadways designated by the Owner for vehicles going to and from any well or other facility on the lease. Any employee of Operator or any contractor or subcontractor who trespasses on lands of the Owner and refuses to observe the requirement for use of designated roads shall be denied future access upon the premises of Owner.

IN WITNESS WHEREOF, the parties hereto have set their hands, the day and year first above written.

**FIRST PARTIES**

CLARK FAMILY DURANGO TRUST

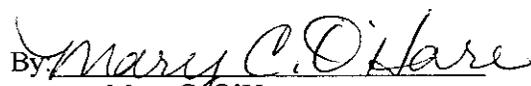
  
ROBERT BRUCE CLARK, TRUSTEE

  
PATRICIA ANN CLARK, TRUSTEE

**SECOND PARTY**

ATTEST:

MARALEX RESOURCES, INC.

By:   
Mary C. O'Hare  
Vice President

By:   
A. M. O'Hare  
President