EASEMENT, RIGHT-OF-WAY And SURFACE USE AGREEMENT

This Easement, Right-of-Way and Surface Use Agreement ("Agreement") is entered into as of this 31 day of March 2010, by and between Lafarge North America, Inc., ("Surface Owner"), with an address of 11409 Business Park Circle, Suite 200, Longmont, Colorado 80504, and Kerr-McGee Oil & Gas Onshore LP, ("KMG"), with offices at 1099 18th St., Suite 1800, Denver, CO 80202 covering certain lands described on Exhibit A attached hereto and made a part hereof situated in Weld County, Colorado described as follows (the "Lands").

For and in consideration of the sum of ten dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree to the terms and provisions set forth as follows:

1. <u>Compensation for Well; Release of All Claims</u>

Surface Owner hereby waives all right or claim, whether now or in the future, to any monetary payment or other compensation for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of KMG drilling or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities. KMG will pay Surface Owner \$1,000 per well drilled on the Lands in lieu of any requirement to reclaim the land disturbed by KMG's drilling operations pursuant to Rule 1003 e. of the rules of the Colorado Oil and Gas Conservation Commission and the terms of the oil and gas lease(s) that cover the Lands. Such payment will be made no later than thirty (30) days following the drilling of each well on the Land provided, however, if KMG drills more than one well in a series, the payment will be due no later than thirty (30) days following the drilling of the last well in the series of wells.

2. Grant of Right of Way and Easement

Surface Owner hereby grants, bargains, sells, assigns and conveys to KMG an easement and right-of-way for the purpose of constructing, using and maintaining access roads, locations for surface equipment and subsurface gathering lines for each well drilled upon the Lands, pipelines, and pipeline interconnections for one year from the date of commencement of surface activities for drilling operations and so long thereafter as oil or gas is produced or capable of being produced from any well drilled on the Lands, provided however, no easement or right-of-way is granted across any irrigation circle or which would interfere with any existing improvements.

3. Restricted Mining Operations

In the event that Surface Owner elects to conduct construction aggregate material mining operations on the Lands ("Mining Operations"), Surface Owner shall not conduct such Mining Operations within ninety (90) feet of any then existing KMG Facility, as hereinafter defined. The area between ninety (90) feet from any then existing KMG Facility and one hundred fifty (150) feet from any then existing KMG Facility is hereinafter referred to as a "Restricted Mining Area." If Surface Owner elects to conduct Mining Operations within a Restricted Mining Area ("Restricted Mining Operations"), Surface Owner shall conduct such operations by excavating pie shaped wedges of construction aggregates and thereafter backfilling and compacting the area with overburden, or other suitable material prior to excavating the next pie shaped area, provided however, that in no event shall more than one quarter circle segment of the pie shape be excavated at any one time. For purposes of this Agreement, the term "KMG Facility" shall mean any KMG wellhead, wellhead equipment, production facility (including separators, tank batteries, mud and reserve pits), access road, or pipeline (whether a gathering line or flowline, and whether above or below ground). Surface Owner shall notify KMG in writing at least sixty (60) days prior to the commencement of any Restricted Mining Operations and shall place temporary concrete barriers around the subject KMG Facility for the duration thereof, as directed by KMG. Surface Owner shall not stockpile topsoil, overburden, or any construction aggregate materials within ninety (90) feet from any KMG Facility. Surface Owner shall conduct and complete any Restricted Mining Operations as quickly as is reasonably practicable.

b. Surface Owner shall coordinate all Restricted Mining Operations with KMG in a mutually acceptable manner so as to avoid conflict with KMG's oil and gas operations and to ensure there is an appropriate safety plan and interim emergency procedures. Surface Owner will bear all costs associated with such Restricted Mining Operations, including permanent or temporary rerouting and replacement of access roads, and flowlines and utility lines in order to prevent unnecessary interruption of production from any then existing well. In addition, Surface Owner and its successors and assigns shall defend, indemnify and hold KMG harmless from any and all damage, loss and liability, including attorney's fees, incurred by KMG as a result of Surface Owner's Restricted Mining Operations. Upon completion of any Restricted Mining Operation, Surface Owner shall fill and level the surface within the subject Restricted Mining Area to create an even grade thereon.

4. KMG Drilling Operations Security.

KMG hereby agrees to reimburse Surface Owner for any and all reasonable costs and expenses associated with any KMG approved enhanced security measures implemented by Surface Owner as a direct result of KMG's drilling activities on the Lands after normal working business hours. Specifically, KMG shall provide at its sole cost and expense a security guard at the access point from the County Road or the Stromquist property to the Property. KMG will supply the security guard for all initial drilling and completion activities. KMG will not be required to supply additional security measures for any operations after initial drilling and completion operations.

- 5. <u>Surface Owner Technical Revision.</u> Surface Owner has represented to KMG that KMG's planned oil and gas operations will require a Technical Revision to its current permit with the Colorado Mined Land Reclamation Board. To aid Surface Owner in the preparation of the Technical Revision, KMG will supply Surface Owner at no cost to Surface Owner with "as built" surveys of the oil and gas operations area(s), the oil and gas wells drilled on the Property by KMG and the facilities related to the wells to include access roads, production facilities and gathering lines. In addition, KMG will pay Surface Owner \$1,000.00 within thirty (30) days of being notified by Surface Owner that the Technical Revision has been approved by the Board. Other than furnishing the "as built" surveys and paying the \$1,000.00, KMG shall have no liability to Surface Owner with respect to Surface Owner's permitting obligations with State, Federal or local agencies with jurisdiction of Surface Owner's activities on the Property.
- 6. <u>Surface Owner Covenant.</u> Surface Owner hereby covenants and agrees that it will not conduct any mining operations within a rectangle that is 400 feet by 300 feet around the wellhead of the E. Max Sarafini Gas Unit Well located within the Cottonwood Mining Permit located in the SW/4SW/4 of Section 16, T2N, R68W, 6th PM and any related facilities including production facilities (the "Well") until KMG has completed its operations for the drilling and initial completion of seven (7) additional oil and gas wells. The orientation of the rectangle around the Well will be agreed upon by Surface Owner and KMG within 30 days of the date of this Agreement. At such time as KMG has completed such drilling and completion activities, then Surface Owner may conduct the Restricted Mining Operations referred to in paragraph 3 above.
- 7. Use of Native Material. Provided native materials are suitable for KMG's operations, KMG agrees to utilize native material for its operations on the Lands. KMG also agrees that it will purchase any materials necessary for its operations from Surface Owner provided Surface Owner's prices for the same are equal to or less than the process KMG could obtain from other providers. If KMG determines that Surface Owner's prices are not competitive with the process of another provider, KMG will make the pricing information available to Surface Owner.

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the undersigned.

The undersigned have executed this Agreement as of the day first above written.

Lafarge North America, Inc

Kerr-McGee Oil & Gas Onshore LP,

Michael A. Nixson

Agent & Attorney-in-Fact

STATE OF COLORADO)
COUNTY OF Tefferson)
The foregoing instrument was acknowledged before me this 2 ND day of April, 2010, by as VI funtain West Agof Lafarge North America, Inc.
Witness my hand and official seal. bralle a J Homen S. STEP HEAD NOTARY PUBLIC OF COLUMN PUBLIC OF
My commission expires $\frac{1130}{2010}$

STATE OF COLORADO) CITY AND)ss COUNTY OF DENVER)

This instrument was acknowledged before me this 3 day of Morch, 2010, by Michael A. Nixson, Agent & Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, on behalf of said company.

Witness my hand and official seal.

Notary Public

My Commission Expires 9-27-2011

My Commission Expires 9-27-2011

My commission expires

Exhibit A

to

Easement, Right-of-Way and Surface Use Agreement
effective March 31, 2010
by and between Kerr-McGee Oil and Gas Onshore LP and Lafarge
North America, Inc

Legal Description

Township 2 North, Range 68 West:
Section 16: Part of the W/2SW/4 (Lot B of Recorded
Exemption RE-4395)