

*Please note #10...  
this should suffice  
for approval of the APD.  
Steve Hochanadel*

**Bass Enterprises Production Co.**

1000 Writer Square  
1512 Larimer Street  
Denver, Colorado 80202-1687  
(303) 571-1314



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COLORADO OIL & GAS CONS. COM. DIV.

HAND DELIVERED

October 8, 1984

Meadow Springs Grazing Association  
c/o Mr. Vern Conger  
17505 WCR 90  
Pierce, CO 80650

Re: Bass Meadow Springs #9-31 Well  
Township 11 North, Range 68 West, 6th P.M.  
Section 9: NW1/4SE1/4  
Larimer County, Colorado  
North Wellington Prospect  
(Bass Lease No. 28928-A)

Gentlemen:

Confirming your recent conversations with Mr. Steve Hochanadel of this office, regarding surface use and damage in connection with operations conducted on the captioned well, Bass Enterprises Production Co., a Division of Bass Brothers Enterprises, Inc., agrees to tender to Meadow Springs Grazing Association (Meadow Springs), as legal surface owner of the below described property, the initial sum of \$5,000.00, for surface use/damage to said property, in consideration of the covenants and agreements written below.

1. Bass intends to drill an exploratory oil and/or gas well at the captioned location.
2. In order for Bass or its subcontractors to conduct necessary drilling, completing and other related operations, Bass or its subcontractors are granted the right to use access road crossing Meadow Springs' acreage within Township 11 North, Range 68 West, 6th P.M., Larimer County, Colorado. Meadow

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Springs will be compensated \$5.00 per rod of road traveled for access to the drillsite location and \$5.00 per rod for access road traveled to any water utilized for drilling obtained from Meadow Springs' lands.

3. Bass agrees to tender to Meadow Springs the sum of \$5,000.00 for Bass or its subcontractors to utilize approximately four (4) acres of grazing land as the drillsite for the Bass Meadow Springs #9-31 Well, embraced within the NW1/4SE1/4 of Section 9, Township 11 North, Range 68 West, 6th P.M., Larimer County, Colorado (see attached map).
4. Bass agrees to fence the location with a 3-strand barbed wire fence which will be located on every side of the drillsite except the side on which the reserve pit is located, which shall remain unfenced.
5. In the event Bass completes the referenced well as a producer, the roadway used for access to the wellsite shall not exceed twenty feet in width and shall be elevated, backsloped and maintained as necessary during production.
6. Bass or its subcontractors shall consult with Meadow Springs prior to Bass burying any pipelines on Meadow Springs' lands, in order to determine what damage may result therefrom.
7. In the event Bass requires access to additional drillsites or to water located on Meadow Springs' lands, and Bass has previously paid for this access, Bass shall pay \$2.25 per rod for any access road utilized for which a payment of \$5.00 per rod was previously tendered. In the event Bass has not previously paid for additional access, it shall pay Meadow Springs \$5.00 per rod for any additional road utilized.
8. In the event it is determined that Bass or its subcontractors kill or damage Meadow Springs' livestock, Bass shall compensate Meadow Springs for its loss, provided, however, the livestock is located within a reasonable proximity to Bass' operations, and the cause of death is documented by a veterinarian. Bass shall pay to Meadow Springs the market price for livestock on the hoof as posted at the Cattle Market in ~~Sturgess, South Dakota.~~

*Greely, Colorado*

*A.W.D. SMH V.F.C.*

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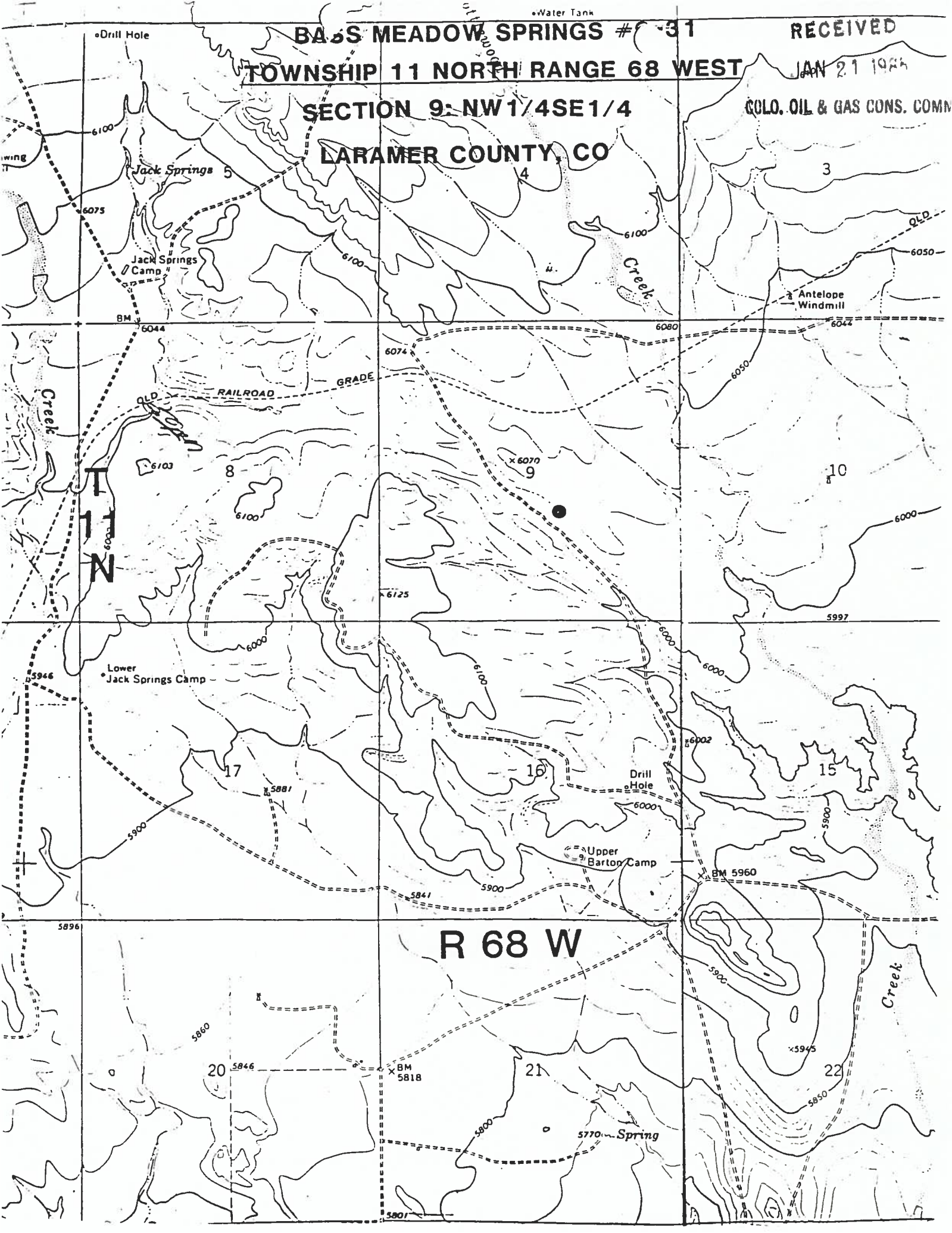
9. Bass has been advised Meadow Springs has gravel available for use on roads if it is determined gravel is needed to maintain roads in the production stage of operations.
10. In the event Bass no longer requires the use of the drillsite or the road for access to the drillsite due to, but not limited to, the plugging and abandonment of the Bass Meadow Springs #9-31 Well, Bass shall return the disturbed surface of the drillsite and the road as near as practical to their original condition, including reseeding with native grasses.
11. In the event drilling operations are not commenced on the referenced test on or before May 1, 1985, and no damages are actually incurred, Meadow Springs shall reimburse Bass the entire \$5,000.00 amount tendered herein.

In consideration of Meadow Springs' execution of this agreement, enclosed please find Bass' Draft No. 1747, in the amount of \$5,000.00, tendered as the initial damage payment. The final payment shall be made when the actual number of rods to be used for access to the drillsite and, if necessary, access to water, is determined.

Please endorse the draft by hand on behalf of Meadow Springs Grazing Association and deposit it in your bank as a collection item.  
Upon our receipt of an executed copy of this letter agreement, the draft will be released for payment.

Also enclosed please find three (3) copies of a Petition to be provided to the Larimer County Commissioners, stating that Meadow Springs has no objection to Bass' drilling operations in the NW1/4SE1/4 of Section 9. Please date and execute all three (3) copies on behalf of Meadow Springs, having the secretary attest the signatures and affixing the corporate seal thereto, and return two (2) copies thereof along with one signed copy of this letter to the undersigned.

We would appreciate your acknowledging receipt of the enclosed draft and indicating that the above stated terms and conditions accurately set forth our agreement, by signing in the space provided below and returning one (1) copy of this letter to the undersigned, having your signature attested by the corporation.



BASS MEADOW SPRINGS #31

TOWNSHIP 11 NORTH RANGE 68 WEST

SECTION 9: NW 1/4 SE 1/4

LARAMIE COUNTY, CO

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Meadow Springs Grazing Association  
October 8, 1984  
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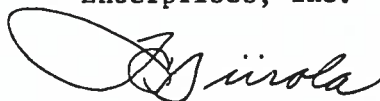
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Please do not hesitate to contact Mr. Steve Hochanadel or  
Ms. Cindy McNeill if you have any questions.

Very truly yours,

BASS ENTERPRISES PRODUCTION CO.,  
a Division of Bass Brothers  
Enterprises, Inc.



T. C. Siirola  
Division Landman

CM/TCS/jc  
Enclosures

RECEIPT of Bass' Draft No. 1747, in the amount of \$5,000.00, is hereby  
ACKNOWLEDGED, and the terms stated herein are hereby AGREED TO AND  
ACCEPTED this 9 day of Oct., 1984:

MEADOW SPRINGS GRAZING ASSOCIATION

ATTEST:

By Vernon F. Conger  
Vern Conger, President

Arden W. Derr  
Arden Derr, Secretary

cc: Mr. Ardell Leaf  
Ault, CO 80610

Mr. Glen Hutchison  
Carr, CO 80612

Mr. Sam Barclay  
Platteville, CO 80651

Mr. Arden Derr  
P.O. Box 71  
Pierce, CO 80650

Mr. Steve Hochanadel *SMH*  
Bass Enterprises Production Co.  
Denver Office