

SURFACE OWNER'S RELEASE AND SETTLEMENT OF SURFACE DAMAGES

State: Colorado
County: Kiowa

Surface Owner(s): Brandon Farms, Inc.

Operator: Kuenzler & Flora Reserve Corporation
3310 W. Aqueduct Ave., Littleton, CO 80123

For adequate consideration, Brandon Farms, Inc., as Surface Owner(s), release and discharge, in full, Kuenzler & Flora Reserve Corporation, as Operator, its officers, agents, contractors, subcontractors, employees, successors and assigns from all claims, demands or causes of action caused by or arising from the usual and customary damages associated with the drilling, completion, reworking and production operations related to well(s) including the access road to the location(s), and laying of gas or oil gathering lines, water flow lines, and electrical lines on the following lands:

Township 19 South, Range 44 West, 6th P.M.
Section 5: All

This consideration shall amount to [REDACTED] trenching fee for any pipelines laid. Such compensation shall be paid prior to construction of the wellsite, but in the case of pipelines; after the actual installation.

Operator shall notify Surface Owner(s) by mail, electronic mail, telephone, or fax prior to commencing operations. Surface Owner(s) does hereby waive the need of a 30 Day Notice Letter, and will not require an on-site audit by the Colorado Division of Wildlife or the Colorado Department of Health and Human Safety.

The consideration paid by the Operator to the Surface Owner(s) in the amount set forth are accepted in full and final settlement and discharge of the usual and customary surface damages related to the drilling, completion, reworking and operations of the subject well(s), including access road and the installation and maintenance of gathering, water and electrical lines.

Except to compensate Surface Owner(s) for damages to growing crops and the use of the above described wellsite/road damages, none of the foregoing provisions of this document shall act to waive, modify or amend any applicable law, rule, regulation or order of any Federal, state or local governmental authority.

Dated this 7th day of March, 2012.

Surface Owners:

EVERETT W. TALLMAN
Dusty Tallman, President
for Brandon Farms, Inc

Operator:

Jacob M. Flora
Jacob M. Flora, Vice President
Kuenzler & Flora Reserve Corporation