## MEMORANDUM OF SURFACE USE AGREEMENT

State: Wyoming County: Sheridan

This Agreement effective as of March 3, 2008 ("the Effective Date") by and between K. O. R., LLC, whose address is P. O. Box 2044, Sheridan, Wyoming 82801, hereinafter referred to as "Landowner" grants to Cedar Ridge, LLC, d/b/a Cedar Ridge Operating Co., LLC, whose address is 484 Turner Drive, Bldg. B, Suite 3 Durango, Colorado 81303, hereinafter referred to as "Grantee".

In consideration of Ten Dollars (\$10.00) and other good and valuable consideration, cash in hand paid Grantee to Landowner, the receipt and sufficiency of which is hereby acknowledged, Landowner hereby grants unto Grantee the rights and privileges to enter upon and use the following lands of landowner as set out in certain in that certain unrecorded Surface Use Agreement executed by the parties herein dated March 3, 2008.

Township 56 North, Range 85 West, 6<sup>th</sup> P.M. Sections 14 and 23, containing 237.39 acres, more or less, being more particularly described in that certain Oil and Gas Lease dated March 3, 2008 from K.O.R., LLC to Cedar Ridge, LLC, d/b/a Cedar Ridge Operating Co., LLC.

This Memorandum of Surface Use Agreement is executed by Grantee and placed of record in the county in which the Lands are located for the purpose of placing all persons on notice of the existence of the Agreement, which is not, at the request of both parties, being filed of record.

This Memorandum is signed by Grantee as of the date of the acknowledgment of the signature below, but is effective for all purposes as of the Effective Date stated above.

Cedar Ridge, LLC d/b/a Cedar Ridge Operating Co., LLC, Grantee

By: Terry L. Logan, Manager

COLORADO ACKNOWLEDGMENT

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STATE OF COLORADO County of LA PLATA

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The foregoing instrument was acknowledged before me this day of ,2008, by Terry L. Logan

WITNESS my hand and official seal.

My Commission Expires 13-209.

My Commission Expires 13-209.

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