

MEMORANDUM OF SURFACE USE AGREEMENT

This agreement is entered into by Paul J. Auzqui, a married man dealing separately, d/b/a Auzqui Ranch whose address is Box 97, Clearmont, WY 82835 and Dolphin Energy Corporation ("Dolphin") whose address is 1331 17th Street, Suite 730, Denver, Colorado 80202.

Auzqui and Dolphin have entered into a Surface Use Agreement dated October 26, 2004 ("Surface Use Agreement") that grants Dolphin the right to enter upon and use the lands described in attached Exhibit A for the purposes of exploring for and producing gas underlying those lands.

The Surface Use Agreement provides for compensation to be paid to Auzqui, and the terms and conditions of the Surface Use Agreement are more fully set out in the document.

Dated this 28th day of October, 2004.

Paul J. Auzqui
Paul J. Auzqui, d/b/a Auzqui Ranch

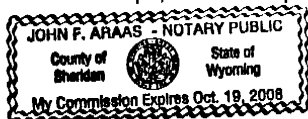
491647 MEMORANDUM OF AGREEMENT
BOOK 457 PAGE 0740
RECORDED 11/02/2004 AT 08:40 AM
AUDREY KOLTISKA, SHERIDAN COUNTY CLERK

DOLPHIN ENERGY CORPORATION

By: Ken Daraie
Ken Daraie, Authorized Agent

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

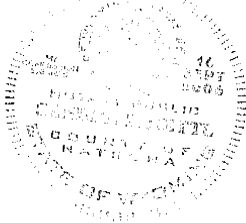
The foregoing instrument was acknowledged before me this 26th day of October, 2004 by Paul J. Auzqui, d/b/a Auzqui Ranch. WITNESS my hand and official seal.



John F. Araas
Notary Public
My Commission Expires:

STATE OF WYOMING)
) ss.
COUNTY OF NATRONA)

The foregoing instrument was acknowledged before me this 28 day of October, 2004 by Ken Daraie as Authorized Agent on behalf of Dolphin Energy Corporation. WITNESS my hand and official seal.



Sandra K. Lutz
Notary Public
My Commission Expires: 10 SEP 2006

B.J.L.

EXHIBIT A

Attached to and made a part of that certain Memorandum of Surface Use Agreement dated the ____ day of October, 2004 by and between Paul J. Auzqui, a married man dealing separately, d/b/a Auzqui Ranch, as Owner, and Dolphin Energy Corporation, as Operator.

AUZQUI RANCH SURFACE

Township 54 North, Range 79 West of the 6th P.M.

Section 3: S/2SE/4, that Portion of the SE/4SW/4 Lying East of U.S. Highway 14-16.

Section 9: Any part of the E/2SE/4, SE/4NE/4 which lies on the east side of U.S. Highway 14-16, and the SW/4SE/4.

Section 10: Any part of the W/2SW/4, NW/4 which lies on the east side of U.S. Highway 14-16, and the W/2NE/4, NE/4NE/4.

Section 21: SE/4SW/4, NE/4SW/4, N/2SE/4, any Portion of the W/2SW/4 described as follows:

All those Portions of the West half of the Southwest quarter (W/2SW/4) of Section 21, lying east of U.S. Highway 14-16 and either side of the centerline of the Pratt and Ferris No. 2 Ditch.

Located in Sheridan County, Wyoming

MEMORANDUM OF SURFACE USE AGREEMENT

This agreement is entered into by Sheri D. Tietjen as Trustee of the Sheri D. Tietjen Revocable Trust dated October 2, 1996 ("Tietjen") whose address is Box 208, Clearmont, WY 82835 and Dolphin Energy Corporation ("Dolphin") whose address is 1331 17th Street, Suite 730, Denver, Colorado 80202.

Tietjen and Dolphin have entered into a Surface Use Agreement dated October 21, 2004 ("Surface Use Agreement") that grants Dolphin the right to enter upon and use the lands described in attached Exhibit A for the purposes of exploring for and producing gas underlying those lands.

The Surface Use Agreement provides for compensation to be paid to Tietjen, and the terms and conditions of the Surface Use Agreement are more fully set out in the document.

Dated this 21 day of October, 2004.

Sheri D. Tietjen
Sheri D. Tietjen as Trustee of the Sheri D. Tietjen
Revocable Trust dated October 2, 1996

Dolphin Energy Corporation

By: [Signature]
Title: Authorized Agent

STATE OF Wyoming)
COUNTY OF Sheridan) ss.

The foregoing instrument was acknowledged before me this 21 day of October, 2004, by Sheri D. Tietjen as Trustee of the Sheri D. Tietjen Revocable Trust dated October 2, 1996. hand and official seal.

[Signature]
Notary Public

My Commission Expires: Nov. 26, 2005

STATE OF Wyoming)
COUNTY OF Natrona) ss.

The foregoing instrument was acknowledged before me this 25th day of October, 2004, by Ken Davis, Authorized Agent of Dolphin Energy Corporation. hand and official seal.

[Signature]
Notary Public

My Commission Expires: 5-19-07

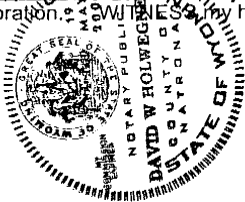


EXHIBIT A

Attached to and made a part of that certain Surface Use Agreement dated the ____ day of _____, 2004 by and between Sheri D. Tietjen, as trustee of the Sheri D. Tietjen Revocable Trust dated October 2, 1996, as Owner, and Dolphin Energy Corporation, as Operator.

Township 54 North, Range 79 West, 6th P.M.

Section 3: All those parts of the NE/4NE/4 (Lot 1), NW/4NE/4 (Lot 2) and SW/4NE/4 of Section 3, Township 54 North, Range 79 West of the Sixth Principal Meridian, Sheridan County, Wyoming, described as follows, to wit:

Beginning at a point intersection of the Southeasterly right-of-way line of the CB&Q Railroad with the North line of said Section 3 and which said point is 684.5 feet West of the Northeast corner of said Section 3, thence West along the North line of said Section to the North quarter corner thereof, thence South to the Southwest corner of NW/4NE/4 (Lot 2) of said Section 3, thence S. 54° 24' E. a distance of 947.6 feet to the Southeasterly right-of-way line of the CB&Q Railroad, thence N. 34° 20' E. along said right-of-way line to the point of beginning.

Township 54 North, Range 79 West, 6th P.M.

Section 16: All that part lying Southeast and Southeasterly of the right-of-way line of the Burlington Northern Railroad Company, formerly Chicago, Burlington, and Quincy Railroad Company.

Township 55 North, Range 79 West, 6th P.M.

A tract of land described as follows:

NE/4NW/4, SW/4NW/4 and all those portions of the SE/4NW/4 and W/2SW/4 lying North and West of the Southeasterly right-of-way line of the CB&Q Railroad in Section 35; the SE/4NE/4 and all portions of the SE/4 lying North and West of the Southeasterly right-of-way line of the CB&Q Railroad in Section 34, Township 55 North, Range 79 West of the Sixth Principal Meridian, County of Sheridan, State of Wyoming.

Township 54 North, Range 80 West, 6th P.M.

Section 1: SE/4NE/4