

SURFACE AND ACCESS AGREEMENT

THIS AGREEMENT is made and entered into this 12th day of January 1990, by and between EOG (New Mexico) Inc., 621 17th St., Suite 1800, Denver, CO 80293, hereinafter referred to as OPERATOR, and AC Ranch, Inc., a Wyoming corporation, Box 645, Sheridan, WY 82801, hereinafter referred to as OWNER.

WITNESSETH:

1. The OPERATOR desires to explore for oil and gas and associated hydrocarbons on the lands described below and desires to make an agreement with OWNER, who owns the land.

Township 57 North - Range 83 West, 6th P.M.;  
Section 32: SE $\frac{1}{4}$ SW $\frac{1}{4}$

2. That in order for OPERATOR to enter, explore and produce wells it is necessary that OPERATOR cross and use certain property of the OWNER and the parties hereby agree as to damages, entry and surface use therefore.

3. Therefore, for and in consideration of the payment of monies as set forth hereinafter, OWNER hereby gives, grants and conveys unto OPERATOR, its agents, employees or assigns, a private right-to-enter upon and use the property of the OWNER for the purpose of oil & gas exploration and production on the above described lands with the right-of-way easements across the lands of OWNER necessary to construct and maintain access road~~s~~, well site~~s~~, tank batteries, and such other related facilities being required for the OPERATOR'S complete enjoyment and rights.

4. OWNER agrees not to grant access privileges to other individuals or companies where such use or access affects OPERATOR'S existing operations or rights-of-way unless approval is first obtained from OPERATOR.

5. It is understood and agreed that all payments made hereunder by OPERATOR to OWNER are sufficient and in full for damages caused or created by reason of the OPERATOR'S reasonable and customary entry, right-of-way, drilling operations and subsequent operations of the well site~~s~~, road~~s~~, tank batteries, and such other related facilities for a period of one year from the date hereof. OPERATOR shall be responsible and liable for extraordinary loss or damage caused as a result of its operations on the property.

6. The drillsite~~s~~ location~~s~~ shall be limited to no more than 3 acres in size. When necessary OPERATOR will fence pits to protect OWNER'S livestock. At any site where OPERATOR does not establish production or when OPERATOR abandons a producing well, then OPERATOR will reclaim the drillsite and any access roads likewise abandoned, as nearly as practical to original condition. Reclamation shall include reseeding with similar grains or grasses as present when operations first began. OPERATOR shall first replace any topsoil that was removed during construction of the sites and roads. If OWNER does not desire to have certain

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areas reclaimed then he shall express so in writing and OPERATOR will then not be responsible of liable for any future reclamation of such areas. Reclamation shall not apply to any areas while operations are in effect for exploration or production on such areas.

7. OPERATOR agrees to pay the following initial consideration for drilling operations for the initial well on said lands:

- (a) For the drillsite location and associated production facilities if well is productive (provided such production facilities are within the boundary of the drillsite which is 3 acres or less) OPERATOR shall pay OWNER Three Thousand and No/100 Dollars (\$3,000.00).
- (b) For access and use of roads from the County Road to the initial drillsite OPERATOR shall pay OWNER Two Thousand and No/100 Dollars (\$2,000.00). Said payment shall allow OPERATOR use and access on said road for one year from the agreement date hereof at no additional charge. During such time if OPERATOR utilizes any portion of the road for access to additional drillsites then OPERATOR shall not be charged by OWNER for said use. OPERATOR shall be charged for any additional road used or constructed to any additional drillsites at the rate of \$3.65 per rod measured at the point of departure from the initial access road.

OPERATOR agrees to make the above payments prior to commencement of any dirt work. All payments shall be made to AC Ranch, Inc., a Wyoming corporation, Box 645, Sheridan, WY 82801.

OWNER represents to OPERATOR that he has good and legal access to said drillsite from the County road.

8. In the event of default by OPERATOR on any of the above requirements, OWNER shall notify OPERATOR in writing of such default and OPERATOR shall have Fifteen (15) business days after the date of receipt of such notification within which to cure such default.

9. Notices by either party hereto shall be promptly given verbally if possible, or immediately mailed to:

OWNER:

AC Ranch, Inc.  
Box 645  
Sheridan, WY 82801  
(307) 737-2465

Attn: Paul Koltiska

OPERATOR:

EOG (New Mexico) Inc.  
621 17th St., Suite 1800  
Denver, CO 80293  
(303) 293-9999  
FAX (303) 295-6168

Attn: Susanne Goldsberry

10. This agreement shall be binding upon the parties hereto, their agents, employees, and successors and assigns.

Agreed to and effective this 12th day of January, 1990.

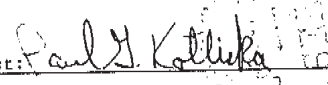
OWNER:

AC Ranch, Inc., a WY Corp.

by:

  
Paul G. Koltiska - President

Attest:

  
Paul G. Koltiska - Secretary

OPERATOR:

EOG (New Mexico) Inc.

by: Claud Neely  
Claud Neely  
Vice President-Land

Attest: Laura A. Zinn  
Laura A. Zinn  
Secretary

STATE OF Wyoming

COUNTY OF Sheridan

On this 16th day of January

, A.D. 19 90, before me personally

appeared Paul Koltiska

to me personally known, who, being by me duly sworn, did say that he is the President of AC Ranch, Inc., a Wyoming corporation

and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Paul Koltiska

acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 16th day of January, A.D. 19 90

(SEAL)

My Commission expires March 24-1990

William S. Redle  
Notary Public.

Address: Sheridan, Wyo.

STATE OF COLORADO

CITY AND COUNTY OF DENVER

On this 25th day of January

, A.D. 19 90, before me personally

appeared Claud Neely

to me personally known, who, being by me duly sworn, did say that he is the Vice President-Land or EOG (New Mexico) Inc., a Delaware Corporation

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said

Laura A. Zinn acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 25th day of January, A.D. 19 90

(SEAL)

My Commission expires 11-21-93



Kristina Rayl  
Notary Public.

Address: 621 17th St., Suite 1800  
Denver, Colorado 80293