

**NOTE: PLEASE CONTACT CCALT PRIOR TO
ENTERING INTO ANY OIL AND GAS
SURFACE USE AGREEMENT NEGOTIATIONS**

**AGREEMENT FOR
RIGHT OF WAY, PIPELINE EASEMENT AND SURFACE ACCESS**

THIS AGREEMENT made and entered into this ____ day of _____, 20__, by and between _____, of _____, _____ (“Surface Owner”) and _____, whose address is _____ (“Operator”) and consented to by Colorado Cattlemen’s Agricultural Land Trust (“CCALT”) whose address is 8833 Ralston Road Arvada, Colorado, 80002. Operator, CCALT and Surface Owner may be referred to herein individually as a “Party”, or collectively as the “Parties”.

WITNESSETH, that

WHEREAS, Surface Owner owns the surface estate of that certain tract of land more particularly described on Exhibit “A” attached hereto and made a part of this Agreement (“Said Land”) located in _____ County, State of Colorado;

WHEREAS, Said Land is subject to an Oil and Gas Lease held by the Operator that was recorded on _____ in the _____ County Clerk and Recorder’s Office at Document No. _____;

WHEREAS, Said Land is subject to a Deed of Conservation Easement, recorded on _____, _____ in the _____ County Clerk and Recorder’s Office at Document No. _____; CCALT is a third party beneficiary of this Agreement;

WHEREAS, Operator wishes to use a portion of Said Land for Operator’s proposed operations, in order to properly drill, complete rework or re-complete, equip, operate, maintain, produce and plug and abandon any wells and thereafter restore the surface of Said Land; and,

WHEREAS, this Agreement sets forth the Parties’ rights and obligations regarding the relationship between the development of Said Land by Surface Owner and Operator’s operation and development of its oil and gas leasehold estate, such rights and obligations to be binding upon the Parties’ successors and assigns.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements of the parties herein contained, and other good and valuable consideration, the parties hereto AGREE AS FOLLOWS:

1. **Well Density.** Operator agrees to limit its oil and gas operations conducted on Said

Land to no more than one (1) well per _____ acres. The disturbed area for each well site shall not exceed _____ acres in size. Operator further agrees to work cooperatively with Owner and the Colorado Cattlemen's Agricultural Land Trust ("CCALT") to locate wells in a manner that is "limited, localized and concealed with existing topography." All well locations shall be reviewed and agreed upon in writing by Owner, Operator, and the Colorado Cattlemen's Agricultural Land Trust ("CCALT") prior to the commencement of drilling operations and the well locations shall be included in a drilling plan (the "Plan"). The Plan shall include a description of the type of extraction, the areas within which such extraction shall occur, and the anticipated impact thereof and shall provide that the extraction permitted is not irremediably destructive of the Conservation Values nor does it substantially diminish or impair the Conservation Values of the Property. Without the express written consent of Surface Owner, no well site shall be located within a _____ mile radius of any residential dwelling located on Said Land.

Commented [MM1]: Insert any other applicable language to protect the conservation values. EX: views, from certain public roads, wildlife habitat areas, irrigated areas, "to the greatest extent possible locating all wells in area where the native short grass and mixed grass prairie have already been disturbed by sodbusting, and avoiding any and all impacts to the playa lakes, areas which localize the impact on the real property that is not irremediably destructive of the Conservation Values of the Property"

2. **Right-of-Way.** That in order for Operator to enter, drill, complete, produce and operate oil and/or gas well(s) on Said Land, it is necessary that it cross and use certain property of Surface Owner, as provided for under the pertinent oil and gas lease(s), and the parties do hereby agree as to the damages, the right of entry and surface use thereof. For and in consideration of the hereinafter specified amounts, Surface Owner hereby grants to Operator the exclusive right for it, its agents, employees and contractors, and their agents and employees, to enter upon the surface of Said Land for the purpose of conducting oil and gas exploration and drilling activities.

3. **Termination of Rights.** Except as may otherwise be provided herein, this Agreement shall automatically terminate upon the termination of that certain Oil and Gas Lease dated and cited above by and between Surface Owner and Operator

4. **Well Sites.** Operator has agreed to pay the sum of _____ Dollars (\$ _____), per well drill site location on Said Land as consideration for all damages associated with the construction, maintenance and use of such location for drilling activities.

5. **Production Facilities.** Operator agrees that the location of any facilities relating to the completion, production, or marketing of oil and gas shall be reviewed and agreed upon in writing by Owner, Operator, and Colorado Cattlemen's Agricultural Land Trust ("CCALT"). Such facility location selection shall be based upon scenic and open space regulations as required by the Treasury Regulations which require facilities to be "limited, localized, and concealed by existing topography." It is agreed that in some cases this may require the installation of pipelines necessary for the transportation of oil and gas produced on Said Land to completion, production, or marketing facilities located off Said Land, and nothing in this paragraph shall be construed as preventing the Operator from installing any required connections to pipelines. In order to minimize surface disturbance, Lessee shall not construct any processing, treatment, or other such facilities or infrastructure on the leased premises subject to a conservation easement that are not directly necessary to the extraction of oil or gas.

6. **Access Roads.** Whenever possible, Operator agrees to use existing roads for access to any new location utilized in connection with Operator's activities allowed hereunder on Said Land. Operator has agreed to pay the sum of _____ Dollars (\$ _____) per rod as consideration for the construction, maintenance and use of any new roads and rights-of-way necessary for access to any new location utilized in connection with Operator's activities allowed

hereunder on Said Land. Said roads shall not exceed _____ in width. Any new roads shall be limited to _____ in width for the actually traveled roadbed. Any reclaimed portions of the road will be restored in accordance with Paragraph 11.

7. **Pipelines and Powerlines.** Operator agrees that, whenever possible, Operator will construct any pipeline and/or powerlines within the access road right-of-way, if one exists. If Operator is unable to construct its pipelines and/or powerlines in the said access road right-of-way, Operator agrees to pay the sum of _____ Dollars (\$ _____) per rod as consideration to lay, install, maintain, operate, replace, protect, repair, relocate, change and remove one or more pipelines, powerlines, flow lines, and any appurtenances useful and incident to the operation and protection thereof, for the transportation of oil, gas, water, or any other like or unlike substances which may be moved by and through a pipeline(s), and/or flow line(s), and appurtenances thereto, on over and through Said Land. Permanent pipeline and/or power line easements are not covered in this Agreement and shall be negotiated in a separate agreement with CCALT and Owner and shall be configured so as to minimize impacts to said Lands. Operator shall back fill, compact, reseed, and re-contour the area disturbed by Operator's construction, installation, repair, or removal of any power line or pipeline. All reclamation activities must comply with the terms of Paragraph 13 (Reclamation). Upon termination of this Agreement, as set out in Paragraph 3 (Termination of Rights), Operator shall remove all temporary pipeline and power line facilities. To the extent that it does not unreasonably interfere with Operator's operations, Operator shall allow Surface Owner to have reasonable access to and use any power lines installed upon Surface Owner's property. Upon cessation of operations by Operator, Surface Owner may at its election keep said power lines in place. The Surface Owner shall enter into an agreement with the respective power company that supplies power to said power lines for the purchase of power, if Surface Owner elects to keep said power lines in place following the cessation of operations by Operator.

8. **Existing Well Pads and Access Roads.** _____ existing well pads exist on Said Land. Operator has agreed to pay the sum of _____ Dollars (\$ _____) per rod as consideration for the use of any existing roads and rights-of-way necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on Said Land.

9. **Operational Standards.** Operator agrees to abide by the following operational protection standards to ensure that impacts to the Conservation Values are minimized and mitigated:

a. Operator shall install and maintain containment rings with impermeable liners on the Drillsite.

b. During any hydraulic fracturing operations on the Land, Operator shall require fracturing service providers to park trucks onto a retaining tarp to collect any liquids that might fall from the trucks. If the quantities of spilled fluids are minimal then the service provider shall mop up the materials with absorbent cloths. Service providers shall use a vacuum truck for any larger spills on the tarp. In either circumstance, any spill associated with fracturing services shall be contained and cleaned up by the service provider without affecting the surface of the Land.

c. Operator shall install to a depth below frost line all buried flow lines that will be coated and wrapped to protect from external degradation. Prior to backfilling operations, the flowlines shall be checked for damage to the protective coating, and damage discovered shall be repaired prior to installation to insure flowline integrity. Operator shall integrity test each flowline in accordance with applicable laws, rules or regulations. Grantor and CCALT shall be entitled to review the test results. Operator shall replace any line that does not meet the aforementioned standards.

d. Operator shall observe the following best management practices related to wildlife habitat on the Land:

i. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads.

ii. Use noise reduction equipment on compressors and other development and production equipment, including pump jacks, to muffle or otherwise control exhaust noise and other operational noise from any wellsite.

iii. Use topographical features to provide visual concealment of facilities.

iv. Design tanks and other facilities with structures such that they do not provide perches or nest substrates for raptors, crows and ravens.

v. Install perch deterrents on equipment, fences, cross arms and pole tops.

e. Operator shall transport any excess water production during drilling or operations off of the Land for disposal.

f. Operator agrees to keep any wellsite, access roads, and other areas utilized for its purposes clean from Grantee's trash and debris, to keep equipment painted, to maintain fences around all equipment used in connection with its operations, to repair all fences damaged by Grantee and to restore the premises to its original condition insofar as it is reasonably possible upon termination of this Agreement. Operator agrees to maintain such areas in such a manner as to minimize interference with Surface Owner's normal use of the Land.

10. **Fences, Cattle Guards and Gates** . All wells on any wellsite shall be protected from livestock and wildlife with well head guards or fencing. Operator shall fence all tank batteries, separators and other surface equipment with a substantial fence and shall keep all gates locked. The Operator shall construct cattle guards at all places where Operator requires access through Surface Owner's fences. Cattle guards constructed by Operator shall be installed in a workmanlike manner with properly braced corners. The fence at point of installation shall be properly stretched and maintained by Operator so as to prevent the migration of livestock. Stock gates shall be constructed at Surface Owner's request if the movement of livestock will be interfered with. No fences, cattle guards or other improvements of Surface Owner shall be cut or damaged by Operator except with prior written consent of Surface Owner and payments of additional damages as appropriate. Grantee shall keep all surface equipment in a good state of

repair and painted a color approved by Grantor to maintain a good appearance. Operator shall install fences around any dangerous area, including, any pits, where Operator drills any new wells. All fences shall be constructed under the standards of the Colorado Fence Code which includes four (4) strands of barbed wire, steel posts no more than twenty (20) feet apart, double wood cross-braced posts at corners and gates.

11. **Weeds and Debris.** Operator agrees to keep the roads, locations, and other areas utilized for its purposes, free from weeds, debris and litter and will properly maintain such areas in such a manner as to minimize interference with the Surface Owners normal use of contiguous lands.

12. **Maintenance and General Operations.** Operator shall at all times keep the well sites road rights-of-way, and other areas disturbed by Operator safe and in good order, free of noxious weeds, litter, and debris. Operator shall dispose of all litter, sewage, and debris off of Surface Owner's property at an approved disposal site. Using reasonable efforts, Operator shall not allow or permit erosion to continue on any disturbed sites and shall promptly repair, reclaim and reseed all erosion sites per the reclamation requirements outlined in Paragraph 13 (Reclamation). Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on the Lands. All cattle guards and fences installed by Operator shall be kept clean and in good repair.

13. **Reclamation.** It is understood that Operator shall be solely responsible for all reclamation related to all oil and gas activities that take place on Said Land. This shall include, but not be limited to, reclamation required within well sites, access easements, flowline and pipeline easements and utility easements. However, Operator shall permit Surface Owner the opportunity to retain "as is" any portion of the access road or surface facilities constructed by Operator.

To ensure the completion of reclamation as set forth in this Section 13 and otherwise in this Agreement, Operator agrees to maintain during the term of this Agreement a bond issued by an entity or institution acceptable to CCALT and Surface Owner and for the benefit of CCALT and Surface Owner in the amount of \$10,000, which bond amount shall be increased every fifth (5th) year by the percentage increase in the United States Consumer Price Index for All Urban Consumers from such five-year period. Operator shall reclaim and restore all areas disturbed by Operator's operations as near as practical to their original condition within twelve (12) months after termination of activities at the site or right of way, unless Surface Owner, Operator, and CCALT mutually agree to postponement because of crop or other considerations.

Operator agrees to diligently reseed and revegetate on a continuous basis until such vegetation is established even if such actions may take longer than twelve (12) months. Within ninety (90) days following the abandonment of operations, all surface equipment and surface appurtenances, together with all foreign substances (including gravel), associated with such well and related gathering pipeline, not requested to remain by Surface Owner shall be removed by Operator from the Property. Operator will perform all reclamation at a minimum in accordance with the rules and regulations of the COGCC, and also subject to the requirements set forth below.

a. Upon final termination of operations on any portion of Said Land, Operator shall return roads (except permanent roads), rights of way, and any wellsites, the use of which is to be terminated, to their original grade and vegetation. Operator shall use water bars and such other

measures as appropriate to prevent erosion and nonsource pollution. All surface restoration shall be accomplished to the satisfaction of the Surface Owner.

b. Grantee shall remove any gravel used on any wellsite.

c. Depending on the season of the year Operator will sow a sterile cover crop using appropriate seed mixture, as determined by Surface Owner and CCALT, as interim reclamation to protect the location from erosion, assist with weed control and to improve the organic matter of the seedbed.

d. In the spring or fall Operator will mow the cover crop and sow the chosen native seed mix approved by Surface Owner and CCALT into the cover crop stubble. Operator shall reseed any disturbed area using a seed mixture recommended by either, (1) the county weed/pest department; (2) County Extension Office; or (3) any reputable seed company. Operator shall consult with the Surface Owner in the selection of the seed used in the reclamation of any disturbed site. It shall be the duty of Operator to insure that a growing ground cover is established upon disturbed soils and Operator shall reseed and water as necessary to accomplish that duty.

e. Operator will build and maintain a game proof fence built to Colorado Parks and Wildlife standards around any wellsite to exclude wildlife and livestock until the re-vegetation process is complete.

f. Operator shall inspect disturbed areas at such times as Surface Owner shall reasonably request in order to determine the growth of ground cover and/or noxious weeds, and Operator shall reseed ground cover and control noxious weeds from time to time to the extent necessary to accomplish its obligations hereunder. Operator recognizes that this shall be a continuing obligation and Operator shall reseed ground cover and/or control noxious weeds until areas disturbed by Operator are returned to as good a condition as existed prior to construction. If the native seed re-vegetation effort fails in whole or in part for any reason or if the location is re-disturbed with additional heavy equipment for well servicing operations creating additional impact to any wellsite, the reclamation process will continue until such time that the site has been successfully reclaimed.

g. A site shall be successfully reclaimed when (i) two growing seasons have passed and (ii) the location has reached eighty percent cover of native species when compared to its prior condition or adjacent locations. When the location has reached this level of re-vegetation, Operator will remove the fence and the location will be re-introduced to livestock or wildlife grazing, as appropriate. If the Parties cannot agree that a site has been successfully reclaimed, then the Parties will ask the Colorado State University County Extension Office to assess the site and determine if the revegetated area has achieved 80% of the prior vegetative cover condition.

It shall further be the duty of Operator to comply with the Colorado Noxious Weed Act. Operator shall inspect and control all noxious weeds that may become established within areas used or disturbed by Operator, and those found to spread to other areas of the Land as a result of Operator's operations. Operator shall inspect disturbed areas at such times as Surface Owner or CCALT shall reasonably request in order to determine the growth of ground cover and or noxious weeds, and Operator shall reseed ground cover in accordance with Section 13 hereof and control

noxious weeds from time to time to the extent necessary to accomplish its obligations hereunder. Operator recognizes that this shall be a continuing obligation and Operator shall reseed ground cover and/or control noxious weeds until areas disturbed by Operator until the site is successfully reclaimed as set forth in Section 13 hereof. Operator shall also control weeds by inspection of vehicles and washing and spraying of vehicles.

At any site where Operator does not discover oil, gas, or hydrocarbons of commercial quantity and determines it to be a “dry hole,” Operator shall within _____ days/months restore and reseed said area after replacing topsoil to specifications not less than that of the Bureau of Land Management (BLM), Natural Resources Conservation Service (NRCS), and/or Forest Service (USFS). “Above ground” dry hole markers shall be installed when necessary unless otherwise agreed or required by law.

If Grantee excavates any area of the Land permitted by this Agreement, Grantee shall remove the topsoil and stockpile and replace it in conformance with Colorado Oil and Gas Conservation Commission (COGCC) Regulations. Grantee agrees to separate the topsoil at the time of excavation of pits in accordance with Rule 1002.b.(2) of the Rules and Regulations of the Colorado Oil & Gas Conservation Commission (“COGCC”) so that the topsoil and subsurface soil can be placed back in proper order as nearly as practicable.

Within _____ days following the abandonment of operations, all surface equipment and surface appurtenances, together with all foreign substances (including gravel), associated with such well and related gathering pipeline, not requested to remain by Surface Owner, shall be removed by Operator from the Property.

14. **Mud Pits.** Upon the conclusion of drilling operations by Operator on a location on Said Land, Operator will dispose of any trash and debris and will fill and level the mud pits and return Said Land to its original condition as nearly as is practicable within a reasonable and customary period of time. All reclamation must be done in accordance with Paragraph 11 (Reclamation). During its clean-up of the mud return pit, Operator shall be allowed to let water in said pit evaporate and further, Operator shall be allowed to use the entire drilling pad in its operation to reclaim said pit.

15. **Water.** Without prior written approval of Surface Owner, Operator shall not use any water from any existing water wells owned by Surface Owner, reservoirs or springs on Said Land. Operator shall not disturb, interfere with, fill, or block any creek, reservoir, spring, or other source of water on Said Land. Operator shall perform baseline water testing of current streams and water wells on the Lands. Operator agrees that there shall be no diminution in baseline water quality on said Lands.

16. **Notice.** Operator agrees that prior to drilling any well on Said Land, it will first consult with Surface Owner in order to minimize interference with Surface Owner's normal use of Said Land.

17. **Dogs and Firearms.** Operator agrees that no dogs, firearms or hunting will be allowed on Said Land without the express written consent of the Surface Owner and that Operator will notify all of its contractors, agents and employees of this restriction.

18. **Release.** The compensation provided herein to be paid by Operator to Surface Owner shall release and discharge Operator, its agents and employees from all claims, losses, demands and causes of action for damage to land, loss of and damage to crops, and use of land, hereafter arising as a result of Operator's drilling on Said Land, except such damages or losses which are caused by the gross negligence of Operator, its agents and employees. Operator will compensate Surface Owner for any "unusual" damages such as oil or salt-water spills and loss of livestock on Surface Owner's property as a result of operations by Operator, its agents or employees. All livestock lost, injured or killed as a result of Operator's activities on Surface Owner's lands shall be paid for at market prices. Necropsies shall be required in the event Operator cannot substantiate the cause of death by observation. The cost of any necropsy shall be paid by Operator.

19. **Biological Survey.** Unless required to do so by law, Operator, its employees, agents and independent contractors, are specifically and strictly prohibited from conducting any biological survey, assessment, or inventory on Said Land without the express written prior consent of Surface Owner. When permission has been granted; a summary of any findings and any information/data collected will be turned over to the Surface Owner.

20. **Archeological Survey.** Unless required to do so by law, Operator, its employees, agents and independent contractors, are specifically and strictly prohibited from conducting any archeological survey, assessment, or inventory on any of Said Land without the express written prior consent of Surface Owner. When permission has been granted; a summary of any findings and any artifacts collected will be turned over to the Surface Owner.

21. **Indemnity.** Operator shall be solely responsible for all risks and liabilities of any kind and nature incident to, occasioned by or resulting in any manner, directly or indirectly from Operator's operations or activities on Said Land and that of its contractors, employees, agents, and assigns. Operator shall protect, indemnify, defend, and hold Surface Owner harmless from any kind and character of damage, loss, expense, claim or cause of action asserted by or arising in favor of any person or entity on account of personal injury, death or property damage growing out of or attributable to the operations or activities of Operator, its contractors, employees, agents and assigns including without limitation any environmental damage claims. Operator shall keep Said Land free from any liens of any character resulting from Operator's operations or activities. Operator at its own expense shall defend any suit or action brought against Surface Owner based on any alleged injury, death or property damage or violation of rule, regulation, ordinance, statute or law arising out of the operations or activities of Operator, its contractors, employees, agents, and assigns and pay all damages, claims, costs and expenses, including reasonable attorneys fees incurred by surface owner in connection therewith or in any manner resulting therefrom. Likewise, Surface Owner agrees to indemnify and hold Operator harmless from any and all claims, actions, suits or damages arising solely from operations or activities on Said Land conducted by Surface Owner, their heirs, successors, or assigns.

22. **Law.** This agreement shall be governed and construed in accordance with the laws of the State of Colorado.

23. **Assignment.** This Agreement shall be binding upon and shall be for the benefit of the parties hereto, their respective heirs, successors and assigns. Any sale by Surface Owner of his interest in Said Land shall be made subject to the terms and conditions of this Agreement.

24. **Notification.** Any notice required or permitted to be given hereunder shall be deemed to be delivered when deposited in the U.S. Mail, postage prepaid, certified with return receipt requested, or registered mail, addressed to the party to which it is intended at the address set forth below for such party:

If to Surface Owner:

If to Operator:

CC: CCALT
8833 Ralston Road
Arvada, CO 80002

25. **Default.** In the event of default by Operator of any of the terms of this Agreement Surface Owner shall notify Operator in writing, and Operator shall have _____ days after the date of such notification within which to cure such default. Waiver of any default shall not be deemed a waiver of subsequent defaults, but notice thereof shall be given by Surface Owner to Operator as provided under this Agreement. In the event Operator does not cure the default within the time specified, all of Operator's rights hereunder shall terminate.

26. **Entire Agreement.** This Agreement sets for the entire understanding among the Parties hereto regarding the matters addressed herein, and supersedes any previous communications, representations or agreement, whether oral or written. This Agreement shall not be amended, except by written document signed by the Parties.

27. **Captions.** The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

28. **Recording.** A memorandum only of this Agreement shall be recorded by Operator, which shall provide Surface Owner with a copy showing the recording information as soon as possible.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SET THIER HANDS, THE DAY AND YEAR FIRST ABOVE WRITTEN.

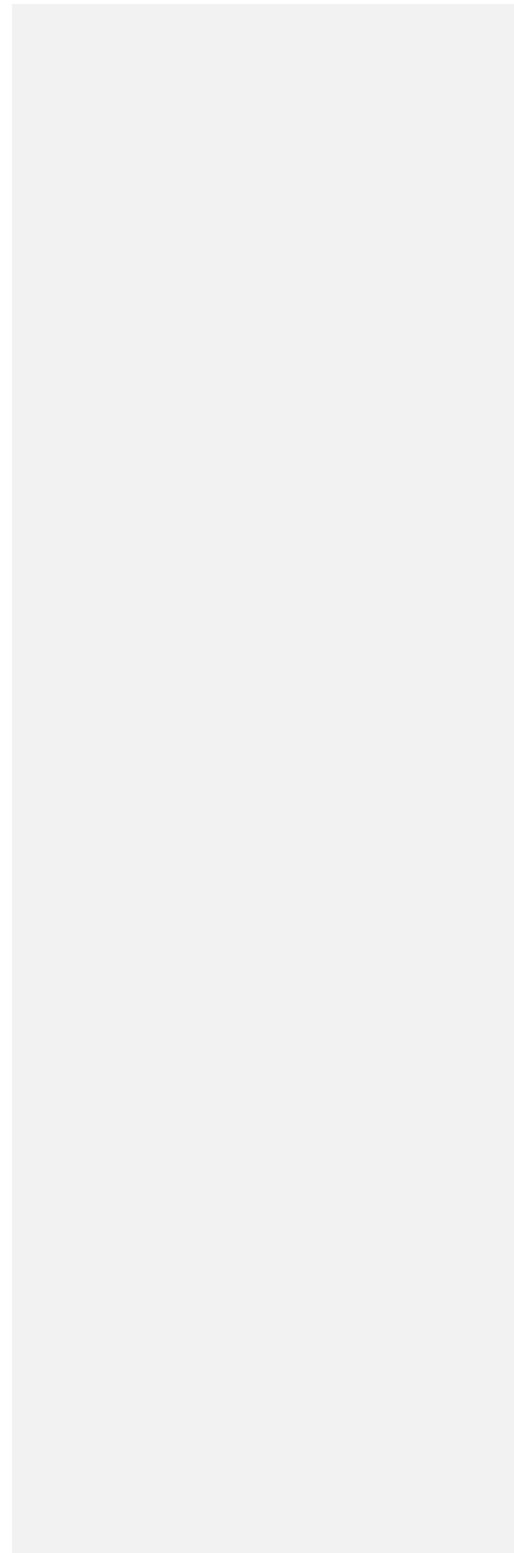
SURFACE OWNER

OPERATOR

_____ By: _____

COLORADO CATTLEMEN'S AGRICULTURAL LAND TRUST

Christopher M. West, Executive Director



**EXHIBIT A
LEGAL DESCRIPTION**

