# WILDLIFE AND SENSITIVE AREAS REPORT LOGAN WASH PIPELINE GARFIELD COUNTY, COLORADO



Cover Photo: View of proposed pipeline alignment

Prepared for: Enterprise Gas Processing, LLC Grand Junction, Colorado

Prepared by: WestWater Engineering 2516 Foresight Circle #1 Grand Junction, CO 81505

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## **1.0 INTRODUCTION**

#### **1.1 Project Description**

Enterprise Gas Processing, LLC (EPCO), has requested WestWater Engineering (WWE) to complete a Wildlife Impact and Sensitive Areas Report. EPCO is proposing to install a 16-inch natural gas pipeline, which begins approximately 5 miles north of DeBeque, Colorado. The proposed pipeline is within Garfield County, Colorado, and is located both on private and public land managed by the Bureau of Land Management (BLM). The pipeline is approximately 4.2 miles in total length. Approximately 2.1 miles (49% of the pipeline) of the alignment is on private land. The proposed pipeline parallels existing Trans-Colorado and other more recently installed natural gas pipeline right-of-ways (ROWs) in the Logan Wash and Conn Creek area.

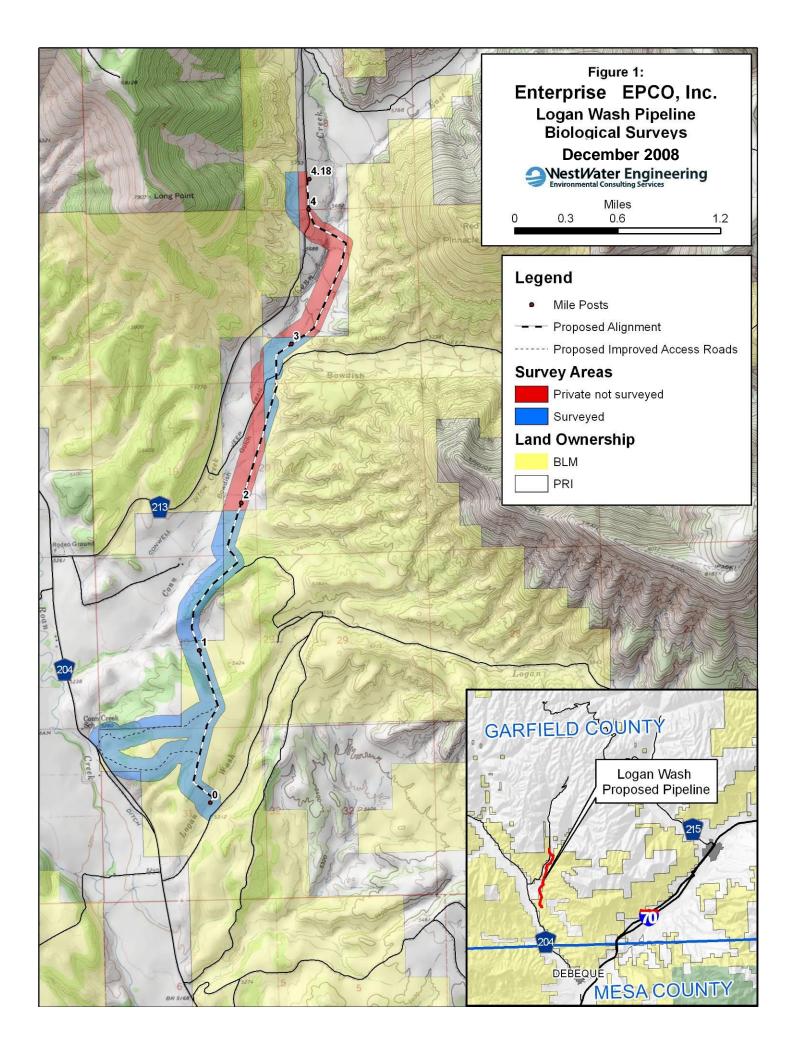
Access to the project site is currently available via the Logan Wash and Conn Creek (County Rd 213) Roads and one upgraded gravel road that has been constructed in the project area for the construction of a previous natural gas pipeline. Two alternative routes have been proposed for improvements for further access both on BLM and private lands.

The primary use of the site and surrounding area is rangeland, pasture, wildlife habitat, and natural gas extraction/development. The general project area is currently undergoing rapid natural gas development including drilling of wells, construction of pipelines, compressors and access roads.

#### **1.2 General Survey Information**

In preparation for developing the following report, WWE biologists performed field surveys and assessments of wildlife, wildlife habitats, and habitats for sensitive plant species on the proposed project area. WWE conducted surveys in June and November, 2008. The purpose of the surveys were to determine the wildlife and sensitive plant species that occupy the project area at varying periods during the year, and species that would potentially be impacted as a result of pipeline construction and operational activities. Factors considered include: 1) soil type and texture; 2) existing land management; 3) absence or presence of wildlife and plant species including raptors, sage-grouse and other sensitive birds species; 4) special designations by Federal and State wildlife agencies; and 5) the existing natural vegetation community. This report provides written documentation that describes survey findings on private lands as well as recommended mitigation measures. Separate reports detailing survey findings for public lands has been submitted to the BLM Grand Junction Field Office (WWE 2008a, b, and c).

A complete biological and cultural survey for all the private land was not permitted. Private lands owned by Savage Limited Partnership were only surveyed for noxious weed species (Figure 1). Private lands surveyed include Chevron-owned parcel number 241325100016 Garfield County, Colorado. Non-cultural biological resource surveys occurred on 71.7 acres of private land. Class III Cultural Resources Inventory (CRI) was performed on 15 acres of private owned pipeline corridor (GRI 2008).



#### 2.0 LANDSCAPE SETTING

#### 2.1 Vegetation

Vegetation communities along the pipeline route are a mixture of piñon-juniper woodlands and sagebrush dominated shrublands. Agricultural meadows are present on private lands only, which were not surveyed as access was denied. Piñon-juniper woodlands are dominated by Utah juniper (Juniperus utahensis) and occasional piñon pine (Pinus edulis) and are mixed with Wyoming sagebrush (Artemisia tridentata wyomingensis), forbs and grasses. Riparian communities in Conn Creek floodplain are present in the project area; many of these areas occur on private lands of which access for biological surveys was denied. Numerous ephemeral washes bisect the alignment, most often in an east to west flow pattern. Vegetation along the washes consists of greasewood (Sarcobatus vermiculatus), Rabbitbrush (Chrysothamnus nauseosus) and basin big sagebrush (Artemisia tridentata tridentata). The shrublands within the project area are characterized by Wyoming big sagebrush, greasewood and green rabbitbrush (Chrysothamnus viscidiflorus). Non-native downy brome (Bromus tectorum) and annual wheatgrass (Eremopyrum triticeum) dominate the understory for this shrubland community. Some of the south-facing slopes are thinly-to-moderately vegetated with shadscale (Atriplex confertifolia), fourwing saltbush (Atriplex canescens), and Indian ricegrass (Achnatherum hymenoides) with some sites composed mostly of bare soils.

The climate for the Piceance Basin is considered semi-arid with a wide range of temperatures and precipitation. The closest weather station is at the Altenbern Ranch on Roan Creek, which has provided reliable records to the National Oceanic and Atmospheric Administration (NOAA) since 1948. The average annual precipitation at the ranch is 16.41 inches, with a record low temperature of minus 38 degrees Fahrenheit and a record high temperature of 104 degrees Fahrenheit (NOAA website: www.noaa.gov). The average annual precipitation at the upper elevations in the project area should equal, and likely exceed, that observed along Roan Creek.

#### 2.2 Soils

Soil types include loams and sandy-to-gravelly loams that overlay broken shale derived from the Green River Formation. This formation is visible in the sheer canyons of Roan and Parachute Creek and the Roan Cliffs overlooking the towns of Rifle, Parachute, and DeBeque, Colorado. In many areas, soil profiles are shallow, with only 12-24 inches of soil overlying deep, broken shale deposits. Soil types and the vegetation supported, vary with elevation and slope aspect. Mapped soil types, as published by the Natural Resources Conservation Service (NRCS), U.S. Department of Agriculture (USDA), were reviewed to determine the soil types and vegetation characteristics of the project site and surrounding property (NRCS 2008).

Four soil types are found in the project area and include the following:

- 1. Biedsaw-Sunup gravelly loams with 10 to 40 percent slopes. Typical vegetation on these soils includes piñon-juniper woodlands.
- 2. Happle very channery sandy loam with 3 to 12 percent slopes.
- 3. Panitchen loam, 1 to 6 percent slopes. Typical vegetation on these soils includes sage and greasewood communities.

4. Barx loam, 3 to 12 percent slopes. Typical vegetation on these soils includes sage brush communities.

#### 2.3 Terrain

The terrain varies from flat to moderately steep hillsides with elevations ranging from about 5,400 ft to about 6,000 ft. The proposed pipeline crosses Conn Creek, a perennial stream, and a number of smaller unnamed drainages on private lands.

Riparian and wetland vegetation is encountered where there is sufficient water to support this vegetation, generally only found in the floodplain of Conn Creek adjacent to the channel. Cattails (*Typha latifolia*), willows (*Salix spp.*), cottonwood (*Populus spp.*) and box-elder (*Negundo aceroides*) trees inhabit the floodplain between the high cutbanks.

Natural gas exploration and development is resulting in landscape/watershed scale habitat fragmentation. The physical loss of habitat is due primarily to the increase in roads, well pads, pipelines, compressor stations and other ancillary facilities required to produce and transport natural gas. Additionally, these activities contribute to the introduction and/or spread of invasive species. Generally the undisturbed area retains good vegetation cover, including native grasses such as Sandberg bluegrass (*Poa sangbergii*), Indian ricegrass (*Achnatherum hymenoides*), bottlebrush squirreltail (*Elymus elmoides*), galleta (*Haiaria jamesii*), and needle-and-thread grass (*Hesperostipa comata*); introduced and invasive grasses, including downy brome, annual wheatgrass and crested wheatgrass (*Agropyron cristatum*), as well as forbs and shrubs, including sagebrush and greasewood. In previously disturbed sites the vegetation response is mixed. Revegetation efforts appear to have been successful for the older disturbances in the project area. Established introduced and native species of grass and forbs are present in these sites. More recent activity (pipelines and well pads) in the project area have invasive infestations, likely due to rainfall conditions and/or immature revegetation efforts (WWE 2008d).

#### 3.0 WILDLIFE AND PLANT SURVEYS

#### **3.1 Background Information**

Descriptions of critical habitats for federally-listed threatened, endangered and candidate fish and wildlife species were reviewed in the Federal Register, U.S. Department of the Interior, U.S. Fish and Wildlife Service (USFWS). Wildlife habitat (activities) maps, provided via the internet web by the Colorado Division of Wildlife's (CDOW) "Natural Diversity Information Source" (NDIS), were reviewed and incorporated into this report in reference to mule deer, elk and state-listed threatened, endangered and species of "special concern"(CDOW 2008a).

A list of Birds of Conservation Concern (BCC) and their habitats was reviewed. This list is published by the USFWS through a Memorandum of Understanding with the BLM and the U.S. Forest Service (USFS), which places high conservation priorities for BCC species (USFWS 2002). Not all of these BCC species occur regularly in Colorado, some are present only as seasonal migrants. Of those known to breed in Colorado, only a portion are known or suspected to breed within the vicinity of the proposed pipeline. Avian literature sources such as the "Birds of Western Colorado Plateau and Mesa Country" (Righter et al. 2004) and the "Colorado Breeding Bird Atlas" (Kingery 1998) were reviewed to determine the likelihood for species

occurrence within the project area. Bird identification and taxonomic nomenclature are in accordance with that applied by the Colorado Breeding Bird Atlas Project (Kingery 1998).

The determination of the presence/absence of suitable habitat for Threatened, Endangered and "Sensitive Species" (TESS) plants was based on previous WWE observations of typical habitat occupied by BLM or USFS sensitive plants, the Colorado Natural Heritage Program (CNHP) Rare Plant Field Guide (Spackman et al. 1997), and locations of species documented in the CNHP statewide database.

## **3.2 Survey Methods**

A preliminary review of the project area, using aerial photography maps, was conducted to familiarize personnel with vegetation types and terrain and as an aid to help determine the likelihood of the presence of threatened, endangered or sensitive wildlife and plant species. Field data, including general project location, boundaries and reported features, were verified and/or recorded with the aid of a handheld global positioning system (GPS) receiver utilizing NAD83/WGS84 map datum, with all coordinate locations based on the Universal Transverse Mercator (UTM) coordinate system within Zone 12. WWE biologists conducted pedestrian surveys of the area to identify and locate wildlife species, wildlife sign (tracks, fecal droppings, and vegetation disturbance), vegetation communities and wildlife habitats. Vegetation types were determined through field identification of plants, aerial photography, and on-the-ground assessments of plant abundance. Identification of plant species was aided by using pertinent published field guides (Whitson et al. 2004, Weber and Wittman 2001, CWMA 2007, Kershaw et al. 1998). Visual searches for raptor and other bird species nests were focused on shale cliffs and piñon or juniper tree woodlands within a 0.25 mile distance from the proposed pipeline's centerline. Nest searches and bird identification were aided with the use of binoculars and song recognition, where needed.

Photographs were taken of the general project location, surrounding vegetation and terrain (Cover Photo).

## 4.0 CULTURAL RESOURCES INVENTORY

#### 4.1 Survey Methods

WWE conferred with Grand River Institutes (GRI) regarding potential cultural resources that may be found along the proposed alignment.

Class III cultural resource inventory of the proposed Logan Wash Pipeline Project was conducted by GRI under BLM Antiquities Permit No. C-52775. The same deeded parcels were surveyed for cultural resources as for biological resources (GRI 2008).

#### **5.0 RESULTS OF SURVEY**

#### 5.1 TESS Plant Species

Special status species of plants that may be present in the project area, and their habitats, are listed in Tables 1 and 2. There are two categories for TESS plant listing, 1) Federal Threatened, Endangered and Candidate Species (3 species) and 2) BLM Sensitive Species (3 species). Nomenclature and habitat descriptions are based on the CHNP literature (Spackman et al. 1997).

| Scientific<br>Name                      | Common<br>Name                 | Status* | Habitat Preference  |
|---|--------------------------------|---------|---|
| Penstemon<br>debilis                    | Parachute<br>penstemon         | С       | Endemic to Garfield County with only five known<br>occurrences; sparsely vegetated, south facing, steep,<br>white shale talus in the Mahogany Zone of the<br>Parachute Creek Member of the Green River Formation.<br>Elevation: 7,800-9,000 feet                                    |
| Phacelia<br>scopulina var.<br>submutica | DeBeque<br>phacelia            | С       | This plant grows only in Garfield and Mesa counties within<br>the Piceance Basin in western Colorado The plant is<br>restricted to the barren, dark gray and brown, clay soils of the<br>Atwell Gulch and Shire members of the Eocene and<br>Paleocene Wasatch geological formation |
| Sclerocactus<br>glaucus                 | Colorado<br>hookless<br>cactus | Т       | Endemic to western Colorado generally found on coarse<br>soils derived from cobble and gravel river and stream terrace<br>deposits, or rocky surfaces on mesa slopes at 4,400 to 6,200<br>feet in elevation.  |

Table 1. Potential Federally-listed Threatened, Endangered and Candidate plant species

E= Federal Endangered, T= Federal Threatened, C= Federal Candidate

| Table 2. Potential BLM or CNHP listed sensitiv | e plant species that may occur in the project area |
|--|--|
|--|--|

| Scientific Name            | Common Name               | Habitat Preference   |
|----------------------------|---------------------------|--|
| Cirsium perplexans         | Rocky Mountain<br>thistle | Barren clay outcrops derived from shales of the Mancos or<br>Wasatch formations; open and disturbed sites in mixed shrubland<br>and piñon-juniper woodland. Elev. 5,000-8,000 feet                     |
| Astragalus<br>naturitensis | Naturita<br>milkvetch     | Sandstone mesas, ledges, crevices and slopes in pinyon-juniper woodlands. Elev. 5000-7000 ft.  |
| Astragalus<br>debequaeus   | DeBeque<br>milkvetch      | Varicolored, fine textured, seleniferous, saline soils of the<br>Wasatch Formation-Atwell Gulch Member. Barren outcrops of<br>dark clay interspersed with lenses of sandstone. Elev. 5100-6400<br>feet |

On BLM lands, several individual Colorado hookless plants were observed and recorded during the survey at varying distances from the proposed Pipeline. Permission to survey TESS plants on private land was granted for only a portion of the project area. No TESS plants were observed in these surveyed areas. Furthermore, the private land areas that were not surveyed do not appear to have suitable habitat for any TESS species. These areas consist of greasewood/sagebrush communities in fine fluvial soils not typical for habitat of any of the plant species concerned in this analysis.

## 5.2 Federal Listed Threatened, Endangered, Candidate Wildlife Species

No federally listed threatened, endangered or candidate wildlife species are known to occupy the private lands of the proposed pipeline alignment and, thus, none of these species will be affected as a result of the proposed project. All perennial and ephemeral washes potentially affected by

construction (silt loading) drain into Conn Creek and from there into the section of the Colorado River that is designated critical habitat for the Federally-endangered Colorado pikeminnow and razorback sucker (Maddux et al. 1993).

## 5.3 State Listed Threatened, Endangered Special Concern Wildlife Species

WWE biologists determined that one state-listed threatened, endangered or special concern species may occur within the project area and is listed in Table 3 (CDOW 2008b).

Table 3. Potential State-listed Threatened, Endangered and Special Concern wildlife species

| Scientific Name                       | Common Name                       | State<br>Status | Habitat Preference  |
|---------------------------------------|-----------------------------------|-----------------|---|
| Oncorhynchus<br>clarki<br>pleuriticus | Colorado River<br>cutthroat trout | SC              | Perennial mountain streams on the Roan Plateau in drainages of Parachute and Roan Creeks. |

\* E= State Endangered, T= State Threatened, SC = Species of Concern

Access was not permitted for surveys to identify presence of Colorado River cutthroat trout in the project area.

## 5.4 Birds of Conservation Concern (BCC)

## 5.4.1 Raptors

Several raptor (birds of prey) species nest, reside, forage, or pass through the general area of the pipeline project. Raptor species that are common to the area include Golden Eagle, Bald Eagle, Red-tailed Hawk, American Kestrel, Cooper's Hawk, Sharp-shinned Hawk, Northern Harrier, Peregrine Falcon, Long-eared Owl and Great Horned Owl. The riparian corridors and shale cliffs existing in the project area are of sufficient height and density for tree and cliff nesting raptors.

Raptor species that are listed as BCC within the Piceance Basin, which may occur in the project area, are listed in Table 4. In addition to the BCC list, eight other species of raptors that could potentially be found nesting in the pipeline project area are also listed in Table 4.

| Common<br>Name        | Scientific Name       | BCC | Habitat & Breeding Records  |
|-----------------------|-----------------------|-----|---|
| Northern<br>Harrier   | Circus cyaneus        | Y   | • Grassland, shrubland, agricultural areas, and marshes.<br>Nests in areas with abundant cover (e.g., tall reeds,<br>cattails, grasses) in grasslands and marshes. Also<br>known to nest in high-elevation sagebrush. |
| Cooper's<br>Hawk      | Accipiter<br>cooperii | Ν   | • Cottonwood riparian to spruce/fir forests, including piñon/juniper woodlands. Nests most frequently in pines and aspen.   |
| Sharp-shinned<br>Hawk | Accipiter<br>striatus | Ν   | • High density young, or even-aged, stands of coniferous forest and deciduous forests of aspen or oak brush with small stands of conifers.  |

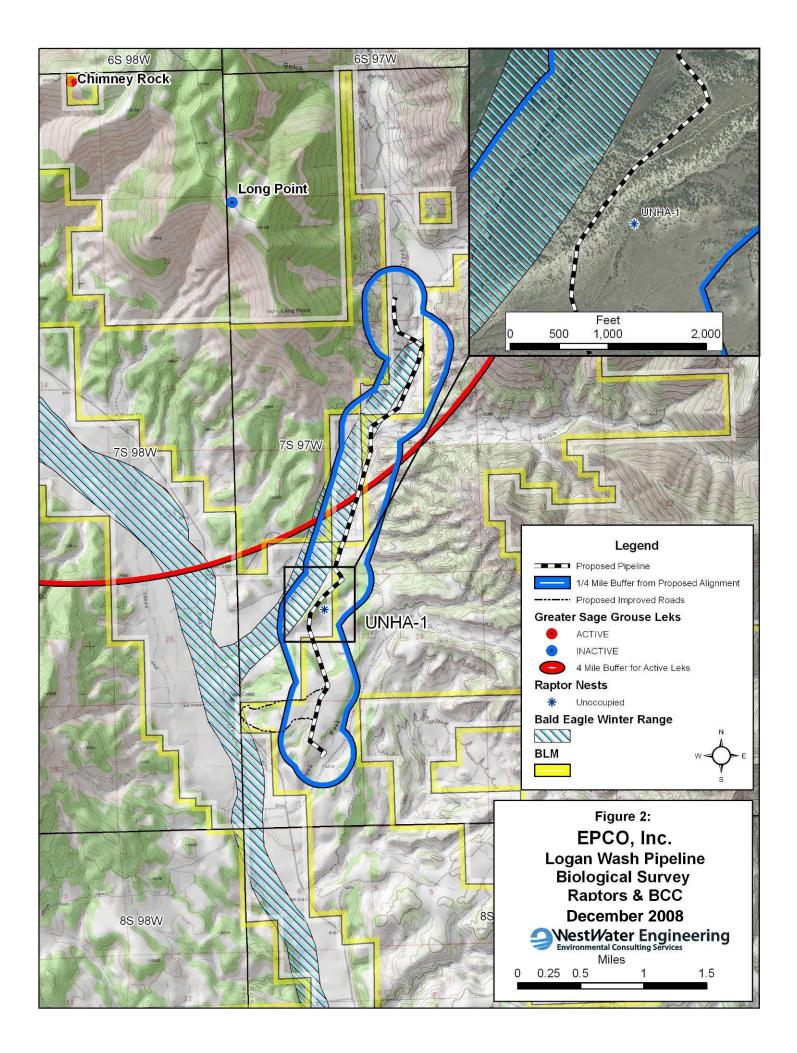
 Table 4. Raptor species that may be present in the project area

| Common<br>Name            | Scientific Name             | BCC | Habitat & Breeding Records   |
|---------------------------|-----------------------------|-----|--|
| Red-tailed<br>Hawk        | Buteo<br>jamaicensis        | Ν   | • Diverse habitats including grasslands, piñon-juniper<br>woodlands and deciduous, coniferous and riparian<br>forests. Nests in mature trees (especially cottonwood,<br>aspen, and pines) and on cliffs and utility poles. |
| Swainson's<br>Hawk        | Buteo swainsoni             | Y   | • Typically, arid grassland, desert, agricultural areas, shrublands and riparian forests. Nests in trees in or near open areas.  |
| Golden Eagle              | Aquila<br>chrysaetos        | Y   | • Grasslands, shrublands, agricultural areas, piñon-<br>juniper woodlands, and ponderosa forests. Prefers nest<br>sites on cliffs and sometimes in trees in rugged areas.  |
| American<br>Kestrel       | Falco<br>sparverius         | Ν   | • Coniferous and deciduous forests and open terrain with suitable perches. Nests in cavities in trees, cliffs and buildings.   |
| Peregrine<br>Falcon       | Falco<br>peregrinus         | Y   | • Piñon-juniper woodlands and coniferous and riparian forest near cliffs. Nests on ledges of high cliffs away from human disturbance.  |
| Prairie Falcon            | Falco<br>mexicanus          | Y   | • Grasslands, shrublands, and alpine tundra. Nests on cliffs or bluffs in open areas.  |
| Great Horned<br>Owl       | Bubo<br>virginianus         | Ν   | • Occupies diverse habitats including riparian, deciduous and coniferous forests with adjacent open terrain for hunting.   |
| Northern Saw-<br>whet Owl | Aegolius<br>acadicus        | Ν   | • Mountain and foothills forest and canyon country.<br>Significant use of piñon-juniper woodland and<br>Douglas-fir.   |
| Long-eared<br>Owl         | Asio otus                   | Ν   | • Occupies mixed shrublands. Nests and roost in sites in dense cottonwoods, willows, scrub oak, junipers and dense forest of mixed conifers and aspens.  |
| Bald Eagle                | Haliaeetus<br>leucocephalus | Y   | • Generally nest near larger bodies of water that support fish populations. Nests in large trees and cliffs.   |

One nest was observed within 0.25 miles of the Logan Wash Pipeline alignment, within the surveyed areas. The observed nest was not occupied at the time of the survey, but may have been occupied the previous nesting season. One American Kestrel was observed (flying) in the project area. The Kestrel was observed near the north portion of BLM on the pipeline alignment, but no nest was found after a thorough search. The Kestrel was observed on two occasions and was considered by WWE biologists to have been nesting in the higher elevation cliffs near Long Point above the project area.

No known Bald Eagle nest sites are located within the project area. CDOW records (NDIS 2007) indicate Bald Eagle winter range is along the Roan and Conn Creek basins (Figure 2). It is likely that wintering Bald Eagles forage in the pipeline project area. Bald Eagles often feed on the carcasses of mule deer, which have died due to winter stress or highway road-kills.

Location information regarding the raptor nest observed during this survey is found in Table 5 and Figure 2.



| Raptor  | Occupied | Туре  | Мар    | Distance<br>to | NAD8.<br>Zon |          | Comments  |
|---------|----------|-------|--------|----------------|--------------|----------|---|
| Species | (Yes/No) | Nest  | Label  | Alignment      | Easting      | Northing |   |
| Unknown | No       | Stick | UNHA-1 | 350 feet       | 736092       | 4366974  | Likely recent use by magpies.<br>The stick platform has<br>potential for several species. |

**Table 5. Raptor Nest Sites** 

## 5.4.2 Birds of Conservation Concern (BCC) other than raptors

WWE biologists surveyed permitted portions of the proposed pipeline route for the presence of the sensitive BCC (Table 6) and their habitat in order to help evaluate the potential impacts of this project. BCC habitat and nesting records, as described in the Colorado Breeding Bird Atlas (Kingery 1998), Colorado Birds (Andrews and Righter 1992) and Birds of Western Colorado Plateau and Mesa Country (Righter et al. 2004) in the vicinity of the proposed pipeline, are summarized in Table 6. The Brewer's sparrow, another sagebrush inhabiting BCC, was not expected in this low elevation site and, therefore, was not included in Table 6, below.

| Common<br>Name                     | Scientific Name         | Habitat & Breeding Records   |
|------------------------------------|-------------------------|--|
|                                    | Gymnorhinus             | • Piñon-juniper woodlands. Nests in piñons or junipers.  |
| Pinyon Jay                         | cyanocephalus           | • Confirmed resident in Mesa and Garfield Counties in the vicinity of the pipeline.  |
| Black-<br>throated Gray<br>Warbler | Dendroica<br>nigrescens | <ul> <li>Mature piñon-juniper woodlands. Nests on horizontal branches<br/>in piñon or juniper.</li> <li>Nesting has been confirmed in the area of DeBeque, Colorado.</li> </ul>                          |
| Sage Sparrow                       | Amphispiza belli        | <ul> <li>Large contiguous areas of low-elevation big sagebrush or<br/>sagebrush/greasewood shrublands. Nests in sagebrush.</li> <li>Breeding has been confirmed in area of DeBeque, Colorado.</li> </ul> |

Table 6. BLM sensitive & migratory bird species that may be present in the project area

One BCC species, Sage sparrow, was observed during the survey. The primary suitable habitat for nesting would be in the mature sagebrush shrublands. Sage sparrows were encountered in all of the mature sagebrush and sagebrush/greasewood stands. Pinyon Jays typically display defensive responses to human intrusion into their communal nesting territories, which aid in the detection of nesting territories. None of this behavior was noted during the survey. No singing Black-throated Gray Warblers were observed or heard, which would indicate territorial, prenesting behavior.

## 5.4.3 Greater Sage-Grouse

The Greater Sage-Grouse is recognized by the BLM and CDOW as a species of special concern. Greater Sage-Grouse occupy the sagebrush shrublands on the divide between the Parachute Creek and Roan Creek drainages. They require large, continuous areas of sagebrush habitat on flat gently rolling terrain with vegetation dominated by sagebrush (*Artemesia tridentata* var. *vaseyana*) and, generally, lacking an overstory of mountain shrub or woodland species.

Recent research by the CDOW reveals that approximately 80 percent of the females nest within a 4-mile radius of the lek on which they were bred (Colorado Greater Sage-Grouse Conservation Plan 2008).

The Logan Wash Pipeline alignment is located outside the normal habitat for Greater Sage-Grouse, but a portion falls within the 4-mile radius from an active lek (Chimney Rock) and a historical lek (Long Point).

No sage-grouse sign was observed during the surveys. It is unlikely that sage-grouse will occur on the project site, due to the habitat and terrain present along the proposed pipeline. Active and inactive lek sites can be seen in Figure 2.

#### **5.5 Terrestrial Species**

### 5.5.1 American Elk and Mule Deer



The proposed pipeline alignment lies within CDOW, Game Management Unit (GMU) 31. The project area is situated within mule deer and American elk overall range. It is also included in mule deer winter range and the northern portion in elk winter range. The proposed pipeline alignment lies within mule deer winter concentration areas and severe winter range as mapped by CDOW

"NDIS" (Figure 3). During the survey, two mule deer groups were observed, along with droppings, and fresh tracks throughout the project area.

Elk and mule deer utilize the range extensively on the Roan Creek drainage, following the snow line to higher elevations in the spring. Mule deer rely on the existing sagebrush and shrubs for their primary food source, while elk rely primarily on available grasses for food. Areas of piñon juniper woodlands and scattered oakbrush and serviceberry copses provide necessary forage and production areas as well as escape, thermal, and loafing cover for deer and elk, particularly during the summer period.

#### 5.5.2 Black Bear and Mountain Lion

CDOW "NDIS" mapping shows the Logan Wash Pipeline alignment to be within overall range for black bear and mountain lion. A black bear fall concentration area is located at the northern portions of the pipeline alignment (Figure 3) reaching into upper Conn Creek, the East Fork of Conn Creek and Bowdish Gulch.

Black bear are a common resident mammal on the Roan Plateau. Black bears are omnivorous and the diet depends largely on what kinds of food are seasonally available, although their mainstay is vegetation. In spring, emerging grasses and succulent forbs are favored. In summer and early fall, bears take advantage of a variety of berries and other fruits. In late fall, preferences are for berries and mast (acorns), where available. When the opportunity is present, black bears eat a diversity of insects, including beetle larvae and social insects (ants, wasps, bees, termites, etc.), and they kill a variety of mammals, including rodents, rabbits, and young or unwary ungulates. The Roan Plateau provides important habitat to black bear during the late spring, summer and fall months with its abundance of berry and mast producing plants including serviceberry, chokecherry and Gambel oak. Black bear are in hibernation from mid-November through May.

Mountain lion typically follow migrating deer herds in search of deer as the primary food source. Mountain lion have large territories and are highly mobile as they search for food or new territories. Mountain lion prefer to hunt in rocky terrain near woodland habitats. These habitat conditions occur within the project area. Mountain lion could travel through and hunt in the project area year-round. The project area is not mapped by CDOW as a potential mountain lion conflict area.

## 5.5.3 Small Mammals

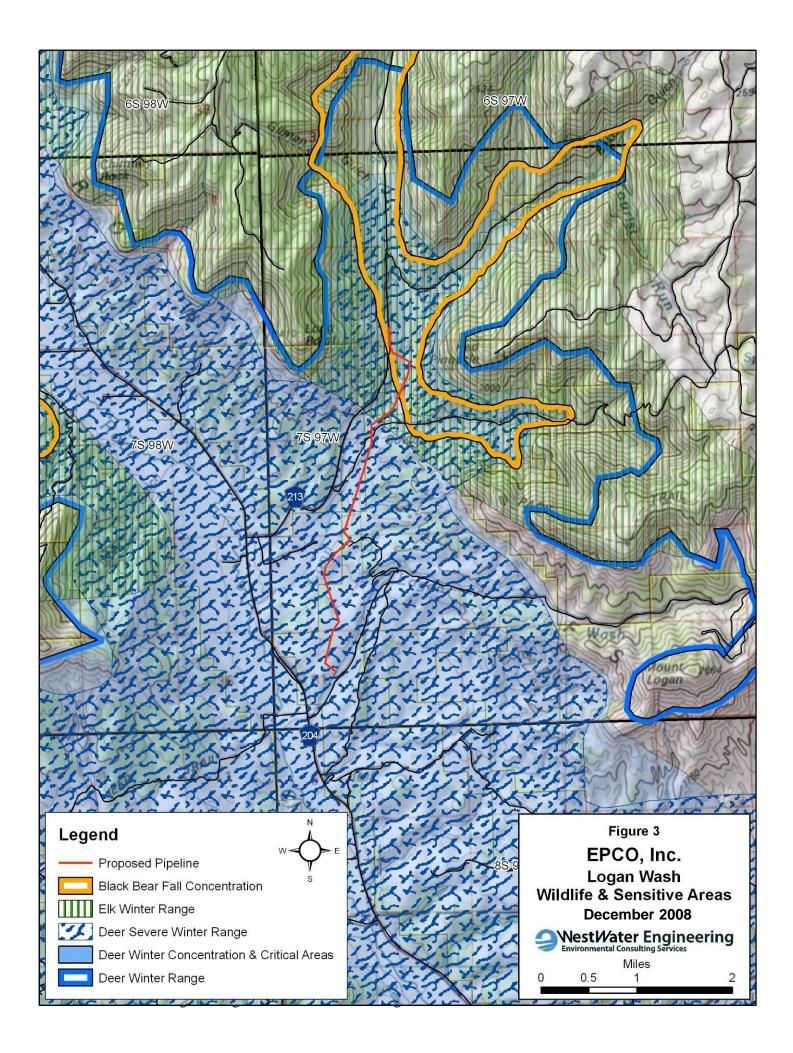
Common small mammal species (small game, furbearers, non-game) that may be present on the project site include coyote (*Canis latrans*), golden-mantled ground squirrel (*Spermophilus lateralis*), valley pocket gopher (*Thomomys bottae*), cottontail rabbit (*Sylvilagus spp.*) white-tailed jackrabbit (*Lepus townsendii*) and least chipmunk (*Tamias minimus*).

Species of bats from the genera *Myotis* may be present in the woodlands including two BLM sensitive species *Myotis yumanensis* and *Myotis thysanodes*.

## **5.5.4 Other Bird Species**

The proposed project lies within overall range for wild turkey (Merriam's - *Meleagris gallopavo merriami*). Wild turkeys are commonly observed in the Roan Creek drainage area.

The project areas' shrublands, woodlands and understory grasses provide nesting and foraging habitats for various other migratory and non-migratory bird species, depending on the season of the year. Bird species that may occur on the project site include; Black-billed Magpie (*Pica pica*), Common Raven (*Corvus corax*), Mountain Bluebird (*Sialia currucoides*), Brewer's Sparrow (*Spizella breweri*), Vesper Sparrow (*Pooecetes gramineus*), Tree Swallows (*Tachycineta thalassina*), Cliff Swallows (*Petrochelidon pyrrhonota*), Turkey Vulture (*Cathartes aura*) and Green-tailed Towhee (*Pipilo chlorurus*).



#### 5.5.5 Reptiles



Plateau striped whiptail (*Cnemidophorus velox*), sagebrush lizard (*Sceloporus graciousus*), short-horned lizard (*Phrynosoma hernandesi*), collared lizard (*Crotaphytus collaris*), Western terrestrial garter snake (*Thamnophis elegans*), Racer (*Coluber constrictor*), bull snake (*Pituophis catenifer*) and western rattlesnake (*Crotalus viridis*)

are reptiles potentially occurring in the project area. Two short-horned lizards (*Phrynosoma hernandesi*) were observed during the surveys (Photo 2).

### 5.6 Aquatic Species

#### 5.6.1 Amphibians

Two BLM sensitive species Northern Leopard frog (*Rana pipiens*) and Great Basin spadefoot (*Spea intermontana*), along with the Tiger salamander (*Ambystoma tigrinum*) and Chorus frog (*Pseudacris triseriata*), may occur in suitable ponds and in perennial streams and wetlands near the project.

#### 5.6.2 Fish

Conn Creek is the only perennial drainage within the project area. Since access to Conn Creek was not permitted for survey of fish populations, it is unknown whether any fish exist in this creek.

#### **5.7 Cultural Resources**

Eight CRI surveys have previously taken place in some areas of the project alignment prior to this survey; most of the alignment has been previously surveyed for cultural resources. During this survey a newly recorded site (5GF4211) and two isolated finds (5GF4213 and 5GF4214) were located on private lands. Site 5GF4211 was field determined as "needs data", or more data is needed to determine eligibility status. Site 5GF4211 (Field Needs Data) is situated 60 feet from the centerline of the proposed pipeline. GRI suggested fencing on the eastern boundary of the site for avoidance and protection.

## **5.0 AFFECTS TO WILDLIFE**

#### 5.1 Wildlife Impact Assessment

Construction of the Logan Wash Pipeline will affect site-specific native vegetation and wildlife habitat adjacent to the project site. Affects will be minimized by locating the pipeline within and adjacent to the currently disturbed ROWs. Because the alignment is within an existing pipeline corridor, the project will minimally contribute to the overall cumulative impacts to the wildlife populations of the Roan Plateau that are experiencing gradual habitat loss, fragmentation, alteration and displacement through increased development.

## **5.1.1 Terrestrial Species**

## 5.1.1.1 Elk and Mule Deer

Potential affects include the temporary loss of a small amount of elk and mule deer winter ranges. Since the pipeline parallels an existing ROW for most of the alignment, the minimal loss of forage is not significant. Human presence and activities during the project may create a direct disturbance for elk and deer populations within 0.25 miles of the project area.

## 5.1.1.2 Birds

**Greater Sage-Grouse:** Sage-grouse are highly dependent on sagebrush dominated habitats on the Roan Plateau. The quality and quantity of this habitat type dictates its suitability for sage-grouse. Disturbance to sagebrush shrublands that reduces the availability and suitability of presently occupied habitat would affect this species. However, no suitable sagebrush habitat is located within or near the proposed project. The nearest lek to the proposed pipeline is Long Point Lek (historical lek site) and it is located 1.5 miles from the alignment with a large, steep canyon wall between the lek site and the project site.

**Passerine Species:** The affects to foraging and nesting habitat to a small number of bird species is expected to be minimal.

**Raptors:** One nest site is located where removal of the nest tree is a concern. Regardless of observed unoccupied nests, the activity status of these nests is currently unknown by CDOW definitions, as the nests have been observed for only one season. Raptor nesting within 0.25 miles of the pipeline alignment could potentially be indirectly affected by disturbance associated with pipeline construction, including equipment and human presence. Nest sites that are in direct-line of site of construction activities have the most potential for being adversely affected. Effects of disturbance to nest sites are often mitigated when vegetation or terrain features are present to hide the nest from direct-line of sight.

## 5.1.1.3 Black Bear and Mountain Lion

Due to the large home range of both black bear and mountain lions, and because of the extensive amount of available habitat for these species, no adverse affect from this project for these species is expected.

## 5.1.1.4 Small Mammals

The amount of available habitat for small mammals, including bats, should not be affected significantly by the pipeline project. Disturbance will occur primarily within an existing pipeline ROW with only a small amount of new disturbance in the temporary work spaces of the pipeline. This small amount of new disturbance is not expected to impact small mammal populations.

## 5.1.1.5 Reptiles

The amount of available habitat for reptiles should not be impacted significantly by the proposed pipeline project. Disturbance will occur primarily within an existing pipeline corridor, with only a small amount of new disturbance for this project. This small amount of new disturbance is not expected to affect reptile populations.

## **5.1.2 Aquatic Species**

#### 5.1.2.1 Amphibians

Downstream individuals would be most susceptible in the event contaminates were introduced to surface water during construction activities. The amount of available habitat for amphibians should not be affected significantly by the proposed pipeline project. Disturbance will occur primarily within an existing pipeline corridor, with only a small amount of new disturbance for this project. This small amount of new disturbance is not expected to affect amphibian populations.

#### 5.1.2.2 Endangered Fish

The Colorado pikeminnow and the razorback sucker are both federally-listed fish species that occur in the Colorado River. Potential impacts from the proposed pipeline include: water use, sedimentation of tributaries to the Colorado River, and spills of chemicals and fuels from equipment.

It is not likely that endangered fish will be affected by this project, due to the distance from the Colorado River and the project size.

### 6.0 AFFECTS TO TESS PLANT SPECIES

No TESS plants were found on private lands where surveys were allowed for the Logan Wash Pipeline. Areas not surveyed are not suitable for TESS plants that are anticipated for the region; therefore, the project is not expected to affect any TESS species on private lands.

## 7.0 MITIGATION RECOMMENDATIONS

The following recommendations for mitigation are presented for maintenance and improvement of wildlife habitat, quality and prevention of human-caused impacts to resources.

#### 7.1 Maintenance and Restoration of Habitat

Sagebrush communities in the Piceance Basin have declined over the years and continue to do so as a result of development and loss of habitat. Noxious weeds and invasive plant species have now invaded many habitats due to construction and ground clearing of native vegetation.

Woodlands, sagebrush and native grasses are key food sources for elk and mule and provide nesting and foraging habitat for a variety of migratory birds and small mammals. Reclamation plans should include efforts to restore these vegetation communities, particularly the sagebrush community for sage-obligate species.

Reclamation recommendations include the following:

1. Seeding of native Wyoming and big basin sagebrush should be added to the re-vegetation plan. Local, ecologically adapted sagebrush seed from the existing sagebrush vegetation near the project area should be used in reclamation.

2. Ongoing control of noxious and invasive weeds is recommended as an additional method to maintain native vegetation communities and favorable wildlife habitats. An "Integrated Vegetation and Weed Management Plan" is provided for this project in a separate report.

## 7.2 Planning for Sensitive Time Periods and Areas

## 7.2.1 Mule Deer and Elk

Disturbance associated with construction equipment and personnel may cause elk and mule deer to select habitats in more secluded areas away from the pipeline corridor during construction. Construction activities during the winter months will impact deer and elk winter range as mapped by the CDOW "NDIS". According to the Colorado Oil and Gas Conservation Commission's final draft rules of November 7, 2008, elk winter range is excluded from the rules as sensitive wildlife habitat. Deer critical winter range and deer severe winter range are included in the new 2008 rules; both of which are located within the project area (COGCC 2008). It is suggested that if construction activities begin during the winter, that BLM stipulations for deer and elk winter ranges be implemented to protect possible wintering animals from human disturbance. BLM stipulates that no activities are to occur during December 1 to May 1 in deer or elk winter ranges (BLM 1987).

### 7.2.2 Migratory Birds

In order to comply with the Migratory Bird Treaty Act by showing a good faith effort to reduce potential impacts on nesting birds, brush clearing in sagebrush stands and piñon-juniper woodlands habitats should take place outside of the nesting seasons. Nesting season is generally considered between May 15 and July 31 in this area for most species. June 1 to July 15 is the peak period when most incubation and brood rearing takes place. If brush clearing can occur prior to May 1, most affected birds will relocate to alternate nesting sites. After mid-to-late July, most fledging has occurred and brush clearing impacts would be minimized.

Pinyon Jays are an exception to typical nesting periods in this area and are known as an early nester. Records show nests with eggs as early as March 23. Often young birds have fledged by May 15. Since Pinyon Jay habitat makes up a lesser amount of the ROW, the pre-May 1 vegetation clearing recommendation is acceptable and adequate to avoid destruction of active migratory bird nests.

#### 7.2.3 Greater Sage-Grouse

In order to reduce the likelihood that sage-grouse populations decline near the project area, effective natural gas pre-development planning and post-development practices offer the best prospect for mitigating adverse affects to sage-grouse populations. Planning development with projects engineered to avoid, minimize, and mitigate affects of natural gas development are approaches that result in the most favorable mitigation outcomes.

#### 7.2.4 Raptors

Activities associated with the proposed project have the potential to impact raptor populations. In order to reduce the potential affects to nesting raptors, it will be important that the project proponent schedule construction activities such that they do not interfere with breeding, nesting and brood rearing activities. CDOW's (Craig 2002 and Klute 2008) recommended raptor nest site avoidance standards for the species observed in this survey are summarized below (Table 7). If the project cannot be completed prior to, or after, the next nesting season, known nest sites should be re-inventoried by qualified biologists. If any birds are found behaving in a manner consistent with nesting, every effort should be made to apply the timing limitation and buffer distance stipulations.

| Species               | Buffer Zone            | Seasonal Restriction  |
|-----------------------|------------------------|-----------------------|
| Red-tailed Hawk       | 0.33 mile              | 15 February - 15 July |
| Swainson's Hawk       | 0.25 mile              | 1 April - 15 July     |
| Sharp-shinned Hawk    | 0.25 mile              | 1 April - 15 August   |
| Cooper's Hawk         | 0.25 mile              | 1 April - 15 August   |
| American Kestrel      | *                      | *                     |
| Peregrine Falcon      | 0.5 mile               | 15 March - 31 July    |
| Prairie Falcon        | 0.5 mile               | 15 March - 15 July    |
| Golden Eagle          | 0.25 mile + alt. nests | 15 December - 15 July |
| Bald Eagle            | 0.50 mile              | 15 October - 30 July  |
| Northern Harrier      | 0.25 mile              | 1 April - 15 August   |
| Long-eared Owl        | 0.25 mile              | 1 March - 15 July     |
| Northern Saw-whet Owl | 0.25 mile              | 1 March – 15 July     |
| Great Horned Owl      | *                      | *                     |

Table 7. Timing and buffer recommendations for active raptor nests

\* Great Horned Owls and Kestrels are relatively tolerant of human activity. Keep activity to a minimum during breeding season.

#### 7.3 Other Mitigation Practices

In regards to cultural site 5GF4211, GRI suggested fencing on the eastern boundary of the site for avoidance and protection.

Efforts to control soil erosion within the project area should be implemented. Disturbed soils within the project area are susceptible to erosion and downstream water quality could be negatively affected by increased soil erosion. In addition to stormwater management around the project site, other current factors (noxious weeds, livestock grazing, other natural gas development) affecting soil erosion should be managed and remedial measures implemented. Prior to construction in the vicinity of potential stream crossings, appropriate consultation with the U.S. Army Corps of Engineers (ACOE) is recommended.

To protect the integrity of the perennial stream ecosystems and the associated riparian habitat within the project area, precautions should be taken when crossing or intersecting the drainages identified. Implementation of a storm water management plan and standard best management practices, including adequate barriers and filtration methods, should be used to prevent and reduce soil from eroding into perennial streams and riparian areas. This may include the installation of check dams along small ephemeral drainages and vegetation restoration.

#### **8.0 REFERENCES**

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#### PROPERTY LEASE AGREEMENT

This Property Lease Agreement ("Lease") is made and entered into this 20<sup>th</sup> day of April, 2008 (the "Execution Date"), but effective as of May 1, 2008 (the "Effective Date") by and between Specialty Restaurants Corporation and Stockton Restaurant Corporation, whose addresses are 8191 E. Kaiser Blvd., Anaheim, CA 92808 hereinafter referred to as ("Lessor") and EnCana Oil & Gas (USA) Inc., whose address is 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, its successors and assigns hereinafter referred to as ("Lessee").

Whereas, EnCana Oil & Gas (USA) Inc. desires to lease property in Garfield County, Colorado, for the purpose of maintaining a temporary construction staging area, pipe off-loading site and pipeline and equipment storage yard. Lessee shall, under the terms of this Lease, have the exclusive right of ingress and egress, and the right to enjoy the exclusive use and occupancy of the property described below. Lessee has the right to assign this Lease or the right to sublease the above described property with Lessor's approval, such approval not to be unreasonably withheld, conditioned, or delayed, at any time for the purpose stated herein. In accordance with the provisions set forth below, this Lease is contingent upon approval of a Special Use Permit from Garfield County Building and Planning Department, which the Lessor cannot terminate prior to the termination of the Lease. Lessee will apply for a Special Use Permit within 45 days of the Execution Date. If the Lessee does not apply within 45 days of the Execution Date. If the Lessee does not apply within 45 days of the Execution Date. If the Lessee does not apply within 45 days of the Execution Date, this Lease shall terminate upon expiration of the 45-day period.

Whereas, Lessor warrants that they are the owner of certain real property located in Garfield County; and

Whereas, Lessor desires to lease property to EnCana Oil & Gas (USA) Inc. for the purpose described above;

Therefore, in consideration of the promises and mutual covenants and conditions set forth below, the parties agree as follows:

- Purpose. Lessor agrees to lease to Lessee a parcel of land located in Township 8 South, Range 96 West, part of Sections 5 and 6, as described on the attached Exhibit A, in Garfield County, Colorado (the "Leased Property"), as a temporary construction staging area, pipe off-loading site and pipeline and equipment storage yard, however there will be no hazardous material storage.
- Term. The term of this Lease shall be for a 12 month period, beginning May 1, 2008 continuing through April 30, 2009 with the unrestricted option of the Lessee to continue to lease the Leased Property thereafter, for an additional one year period, if it is necessary for said construction staging, pipe and / or equipment to be maintained thereon.
- 3. <u>Consideration</u>. The consideration for the 12 month lease is , paid at the time of approval of the Special Use Permit and with the Lessor to receive a copy of the Special Use Permit. No work shall be performed such as fencing, gravel, or installation of roadways, and no occupancy of the yard shall occur, until the Special Use Permit is approved. The consideration to extend the Lease for an additional one year period is \$100,000.00 payable 30 days prior to the

805/01/03

#### Colorado Office of Archaeology and Historic Preservation

#### LIMITED-RESULTS CULTURAL RESOURCE SURVEY FORM

(page 1 of 3)

Small scale limited results projects include block surveys under 160 acres and linear surveys under four miles. To be included under these guidelines there should be no sites and a maximum of four Isolated Finds. See manual for instructions. This form must be typed.

#### I. IDENTIFICATION

- 1. Report Title (include County): Class III Cultural Resources Inventory for two proposed pipe yard locations in Garfield County, Colorado for Encana Oil and Gas (USA), Inc.
- 2. Date of Field Work: April 14 and 15, 2008
- 3. Form completed by: \_\_\_\_Carl E. Conner

Date: April 16, 2008

4. Survey Organization/Agency: Grand River Institute Principal Investigator: Carl E. Conner

Principal Investigator's Signature:

Other Crew:

Address: P.O. Box 3543, Grand Junction, CO 81502

5. Lead Agency / Land Owner: Bureau of Land Management, Glenwood Springs Field Office Contact: Cheryl Harrison, Archaeologist

Address: P.O. Box 1009, Glenwood Springs, Colorado 81601

- 6. Client: Encana Oil and Gas (USA), Inc.
- 7. Permit Type and Number: BLM -- C-52775
- 8. Report / Contract Number: GRI Project No. 2823
- 9. Comments:

#### **II. PROJECT DESCRIPTION**

10. Type of Undertaking: Construction of storage/staging areas for pipeline materials (~ 27 acres total).

11. Size of Undertaking (acres): 27 Size of Project (if different): 27 acres

12. Nature of the Anticipated Disturbance: \_\_\_\_Blading and grading for storage/staging yards.

13. Comments: The project area at the northeast has been previously disturbed by land clearing activities and is bordered by a compressor site; the block area to the southwest has been heavily disturbed by grazing activities.

#### Limited-Results Cultural Resource Survey Form

(page 2 of 3)

#### **III. PROJECT LOCATION**

14. Description: Project area is located approximately 5 to 8 miles northeast of the town of Debeque, CO

15. Legal Location

| Principal Mer | ridian: 6th | Х | NM | Ute        |       |
|---------------|-------------|---|----|------------|-------|
| Quad. Map:    | Parachute   |   |    | _ Date(s): | 1962  |
| 0 111         | n 1n'       |   |    |            | 10/01 |

Township: 7 S Range: 96 W

Ouad. Map: Red Pinnacle Date(s): 1962/1973 Secs.: 27 SW, SW Secs.: 5 NW, NW and 6 SE, NE

16. Total number of acres surveyed: \_\_\_\_\_27 (private land)

Township: 8 S Range: 96 W

17. Comments:

#### **IV. ENVIRONMENT**

18. General Topographic Setting: Colorado River valley between Parachute and Debeque

Current Land Use: Open range land, residential and energy development.

19. Flora: Sagebrush, greasewood, grasses and forbs.

20. Soils/Geology: Tan sandy soil / Gravels and alluvium deposits of the Quaternary Age

21. Ground Visibility: 20 - 30 %

22. Comments: Heavy greasewood vegetation covers much of the project area.

#### V. LITERATURE REVIEW

23. Location of File Search: BLM Glenwood Springs Field Office & SHPO Compass Website

Dates: April 4, 2008

24. Previous Survey Activity

In the project area: No projects have been previously conducted within either of the two block areas, however, a block area of BLM Project #5407-10, "Encana 33 Proposed Well Pads Orchard 2 Mesa

GAP in Garfield County, Colorado" conducted by Metcalf Archaeological Consultants in 2007 was

surveyed just south of the pipe yard at the southwest.

In the general area: Numerous energy related projects have been conducted within a mile of the present project area and are shown on the attached lists.

#### Limited-Results Cultural Resource Survey Form

(page 3 of 3)

#### V. LITERATURE REVIEW (continued)

25. Known Cultural Resources

In the project area: None.

In the general region: <u>The previously recorded cultural resources near the two project areas are primarily</u> historic features (i.e. water control features, bridges, roads etc.) although a few prehistoric sites have also been recorded (see attached lists). Additionally, overviews of the prehistory and history of the region are provided in the Colorado Council of Professional Archaeologists publication entitled "Colorado Prehistory: A Context for the Northern Colorado River Basin" (Reed and Metcalf 1999), and the Colorado Historical Society's publication entitled "Colorado Plateau Country Historic Context"(Husband 1984).

26. Expected Results: Limited cultural resources were expected due to previous disturbance and heavy vegetation cover.

#### VI. STATEMENT OF OBJECTIVES

27. The purpose of the study was to identify and record all cultural remains over 50 years old within the area of potential impact, to assess their significance and eligibility to the National Register of Historic Places (NRHP), and make recommendations concerning management. If possible, the remains will add to our understanding of the prehistory and history of the region.

#### **VII. FIELD METHODS**

28. Definitions: <u>Sites were defined as a discrete locus of patterned activity greater than 50 years of age and</u> consisting of five or more prehistoric artifacts with or without features or over 50 historic artifacts with associated features. Also, single isolated hearths with no other associated artifacts or features were to be recorded as a site.

- IF Isolated finds were defined as less than five artifacts without associated features. Exceptions to this definition include historic trash dumps without associated features; a single core reduction event with a single core and associated reduction debitage; a single pot drop, where the sherds are from a single vessel; or, a prospector pit with/or without artifacts and no associated historic structures or features.
  - 29. Describe Survey Method: <u>The proposed block areas were walked by two archaeologists in zig zag</u> transects spaced approximately 15 meters apart within the flagged locations to cover a total of approximately 27 acres of private land. Crew members worked from USGS 7.5 minute series maps.

#### VIII. RESULTS

- 30. List IFs if applicable. Indicate IF locations on the map completed for Part III.

   A. Smithsonian Number:
   Description:
  - B. Smithsonian Number: \_\_\_\_\_ Description: \_\_\_\_\_
- 31. Using your professional knowledge of the region, why are there none or very limited cultural remains in the project area? Is there subsurface potential?

Most of the project areas lie within previously disturbed areas. There is no subsurface potential.

#### EnCana GRI# 2823 Compass Search

Pipe Yard at SW

T. 7S., R. 96W., Sec. 31, 32

| Site Type                       | Assessment                               | UTM Coordinates   |
|---------------------------------|--|---|
| Open Camp                       | Eligible - Field                         |   |
| in retail in provident          | Deption balance and participation of the |   |
| Historic, Water Control         | Not Eligible - Officially                | and the providence of the second s |
| Contraction and a local state 1 | elevato Council of Participio            |   |
| University in the start of the  | in North on Calende Live                 |   |
|                                 | Open Camp<br>Historic, Water Control     | Open Camp       Eligible - Field         Historic, Water Control       Not Eligible - Officially                |

| Project #  | Title/Author/Date/Contractor  |  |  |
|--|---|--|--|
| ME.CH.R1   | Title: Debeque Canyon to Grand Valley Hist<br>Author: Unknown<br>Date: 01/01/1979<br>Contractor: Colorado Dept. Of Highways Hist  |  |  |
| MC.HW.R9   | Title: Cultural Resources Report for Historic Resources, Debeque Canyon to Grand<br>Valley, Garfield and Mesa Counties, Colorado (I 70-1[19]&[36]).<br>Author: Unknown<br>Date: 01/01/1979<br>Contractor: Colorado Department of Highways   |  |  |
| GF.LM.NR192<br>Title: Cultural Resources Inventory Report on Proposed Federal # 1-29 N<br>Related New Access in Garfield County, Co for Barrett Energy Company<br>Author: Conner, Carl E.<br>Date: 09/22/1986<br>Contractor: Grand River Institute, Inc. |   |  |  |
| MC.CH.R96  | <ul> <li>Title: Interstates 25, 70, 225, and 270, U.S. Highways 13 and 470 for the Proposed<br/>Adesta Communications Fiber Optic System (C SW00-102)</li> <li>Author: Sherman, Stephen A. Tania R. Metcalf, Mary W. Painter, D. Chadwick Jones<br/>Chistian J. Zier</li> <li>Date: 03/01/2000</li> <li>Contractor: Centennial Archaeology for the Colorado Department of Transportation</li> </ul> |  |  |
| MC.LM.R232<br>BLM #12702-1   | Title: Piceance Basin Pipeline Class III Cultural Resources Inventory, Garfield and<br>Mesa Counties, Colorado (SWCA 02-183)<br>Author: Martin, William and Andrew Sawyer<br>Date: 03/26/2002<br>Contractor: SWCA, Inc. Environmental Consultants for the BLM, Grand Junction<br>Field Office   |  |  |

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| Project #                 | Title/Author/Date/Contractor  |  |
|---------------------------|---|--|
| GF.LM.R366<br>BLM #1107-9 | Title: Class III Cultural Resource Inventory Report for the Proposed Pipeline Route<br>from the Orchard Unit Compressor to Ok-11 Well Location in Garfield County,<br>Colorado for Encana Oil and Gas, Inc. (USA) (GRI NO. 26106)(BLM GSFO# 1107-9)<br>Author: Conner, Carl and Barbara Davenport<br>Date: 11/09/2006 |  |
|                           | Contractor: Grand River Institute   |  |

T. 8S., R., 96W., Sec. 5, 6

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| Site ID    | Site Type               | Assessment              | UTM Coordinates |
|------------|-------------------------|-------------------------|-----------------|
| 5GF.519    | Open Architectural      | Eligible - Officially   |                 |
| 5GF.2741.1 | Historic, Water Control | Needs Data - Officially |                 |

| Project #  | Title/Author/Date/Contractor  |  |  |
|------------|---|--|--|
| MC.CH.R96  | <ul> <li>Title: Interstates 25, 70, 225, and 270, U.S. Highways 13 and 470 for the Proposed Adesta Communications Fiber Optic System (C SW00-102)</li> <li>Author: Sherman, Stephen A. Tania R. Metcalf, Mary W. Painter, D. Chadwick Jones, Chistian J. Zier</li> <li>Date: 03/01/2000</li> <li>Contractor: Centennial Archaeology for the Colorado Department of Transportation</li> </ul>                      |  |  |
| MC.R.R28   | <ul> <li>Title: Class III Cultural Resources Inventory of 373 Acres for the Proposed</li> <li>Debeque Wildlife Area, Mesa and Garfield Counties, Colorado (Original and</li> <li>Addendum Survey of 47 Acres)</li> <li>Author: Coulam, Nancy; Hurley, Warren</li> <li>Date: 06/01/2000</li> <li>Contractor: Archaeologists for the Bureau of Reclamation, Upper Colorado Region</li> <li>and SWCA Inc.</li> </ul> |  |  |
| MC.LM.R232 | <ul> <li>Title: Piceance Basin Pipeline Class III Cultural Resources Inventory, Garfield and Mesa Counties, Colorado (SWCA 02-183)</li> <li>Author: Martin. William and Andrew Sawyer</li> <li>Date: 03/26/2002</li> <li>Contractor: SWCA, Inc. Environmental Consultants for the BLM, Grand Junction Field Office</li> </ul>   |  |  |
| GF.LM.R366 | Title: Class III Cultural Resource Inventory Report for the Proposed Pipeline<br>Route from the Orchard Unit Compressor to Ok-11 Well Location in Garfield<br>County, Colorado for Encana Oil and Gas, Inc. (USA) (GRI NO. 26106)(BLM<br>GSFO# 1107-9)<br>Author: Conner, Carl and Barbara Davenport<br>Date: 11/09/2006<br>Contractor: Grand River Institute   |  |  |

Pipe Yard at NE T. 7S., R. 96W., Sec. 27, 28, 33, 34

| Site ID  | Site Type                                       | Assessment                | UTM Coordinates   |
|----------|---|---------------------------|---|
| 5GF.109  | OPEN CAMP                                       | Eligible - Field          | 1 AL  |
| 5GF.364  | HISTORIC, BRIDGE                                | Eligible - Officially     | (cand)  |
| 5GF.389  | HISTORIC,<br>STRUCTURE/FOUNDAT<br>ION/ALIGNMENT | Not Eligible - Field      | 1.88., R., 96WL, Soc. 5, 6  |
| 5GF.392  | HISTORIC, TRAIL/ROAD                            | Needs Data - Officially   | ane in trans  |
| 5GF.1247 | ISOLATED FIND                                   | Not Eligible - Field      | to a set interpo  |
| 5GF.1324 | HISTORIC, TRASH<br>DUMP                         | Not Eligible - Officially | n and and the second |
| 5GF.1350 | ISOLATED FIND                                   | Not Eligible - Field      | El Saford   |

| Project #   | Title/Author/Date/Contractor  |  |  |
|-------------|---|--|--|
| ME.CH.R1    | Title: Debeque Canyon to Grand Valley Hist<br>Author: Unknown<br>Date: 01/01/1979<br>Contractor: Colorado Dept. Of Highways Hist  |  |  |
| MC.HW.R9    | Title: Cultural Resources Report for Historic Resources, Debeque Canyon to Grand<br>Valley, Garfield and Mesa Counties, Colorado (I 70-1[19]&[36]).<br>Author: Unknown<br>Date: 01/01/1979<br>Contractor: Colorado Department of Highways   |  |  |
| MC.LM.R247  | Title: Preliminary Report on Cultural Resources Inventory Fourteen Locations on<br>the Rifle to Grand Junction Segment Colorado Ute Electrical Association Rifle to<br>San Juan 345 KV Transmission Line Project<br>Author: Collins Susan M<br>Date: 06/01/1985<br>Contractor: Nickens and Associates |  |  |
| GF.LM.NR192 | Title: Cultural Resources Inventory Report on Proposed Federal # 1-29 Well and<br>Related New Access in Garfield County, Co for Barrett Energy Company<br>Author: Conner, Carl E.<br>Date: 09/22/1986<br>Contractor: Grand River Institute, Inc.  |  |  |

| Project #   | Title/Author/Date/Contractor   |  |  |
|-------------|--|--|--|
| MC.LM.R68   | Title: Grant Norpac Cultural Resource Inventory of a 39 Mile Seismic Line, Mesa<br>and Garfield Counties, Colorado<br>Author: Scott, John M<br>Date: 04/01/1991<br>Contractor: Metcalf Archaeological Consultants for BLM Glenwood Springs<br>Resource Area  |  |  |
| GF.LM.R112  | Title: a Class III Cultural Resource Inventory of Three Stock Reservoirs in Smith<br>and Kelly Gulches, Garfield County, Colorado (BLM-GSRA S3 1098-7)<br>Author: Seacat, Todd B.<br>Date: 04/28/1998<br>Contractor: Bureau of Land Management, Glenwood Springs Resource Area   |  |  |
| MC.CH.R96   | Title: Interstates 25, 70, 225, and 270, U.S. Highways 13 and 470 for the Proposed<br>Adesta Communications Fiber Optic System (C SW00-102)<br>Author: Sherman, Stephen A. Tania R. Metcalf, Mary W. Painter, D. Chadwick<br>Jones, Chistian J. Zier<br>Date: 03/01/2000<br>Contractor: Centennial Archaeology for the Colorado Department of Transportation |  |  |
| MC.LM.R232  | Title: Piceance Basin Pipeline Class III Cultural Resources Inventory, Garfield and<br>Mesa Counties, Colorado (SWCA 02-183)<br>Author: Martin. William and Andrew Sawyer<br>Date: 03/26/2002<br>Contractor: SWCA, Inc. Environmental Consultants for the BLM, Grand Junction<br>Field Office  |  |  |
| GF.LM.NR750 | Title: Class III Cultural Resources Inventory for the Proposed Sg #43-28 Well<br>Location in Garfield County, Colorado for Williams Production RMT (GRI #2524)<br>Author: Davenport, Barbara<br>Date: 05/13/2005<br>Contractor: Grand River Institute  |  |  |
| GF.LM.NR744 | Title: Class III Cultural Resource Inventory for the Proposed Pipeline to the<br>Sg#43-28 Well Location in Garfield County, Colorado for Williams Production<br>RMT (GRI #2584)<br>Author: Conner, Carl E.<br>Date: 09/09/2005<br>Contractor: Grand River Institute  |  |  |
| GF.LM.R366  | Title: Class III Cultural Resource Inventory Report for the Proposed Pipeline Route<br>from the Orchard Unit Compressor to OK-11 Well Location in Garfield County,<br>Colorado for Encana Oil and Gas, Inc. (USA) (GRI NO. 26106)(BLM GSFO#<br>1107-9)<br>Author: Conner, Carl and Barbara Davenport<br>Date: 11/09/2006                                     |  |  |
|             | Contractor: Grand River Institute  |  |  |

OAHP Use Only: OAHP Doc. No. OAHP Project No.

Colorado Office of Archaeology and Historic Preservation

#### LIMITED-RESULTS CULTURAL RESOURCE SURVEY FORM

(page 1 of 3)

Small scale limited results projects include block surveys under 160 acres and linear surveys under four miles. To be included under these guidelines there should be no sites and a maximum of four Isolated Finds. See manual for instructions. This form must be typed.

| I.  | ID  | IDENTIFICATION   |  |  |  |  |  |  |
|-----|---|--|--|--|--|--|--|--|
|     | 1.  | Report Title (include County): Class III Inventory of a third pipe yard in relation to the Collbran Pipeline |  |  |  |  |  |  |
| -   |   | Project, as an ADDENDUM to: Class III cultural resources inventory for two proposed pipe yard loca           |  |  |  |  |  |  |
|     | 1   | in Garfield County, Colorado, Encana Oil and Gas (USA), Inc.   |  |  |  |  |  |  |
|     | 2.  | Date of Field Work: April 30, 2008   |  |  |  |  |  |  |
|     | 3.  | Form completed by: Carl E. Conner Date: May 1, 2008  |  |  |  |  |  |  |
|     | 4.  | Survey Organization/Agency: Grand River Institute  |  |  |  |  |  |  |
|     |   | Principal Investigator: Carl E. Conner   |  |  |  |  |  |  |
|     |   | Principal Investigator's Signature:  |  |  |  |  |  |  |
|     |   | Other Crew:  |  |  |  |  |  |  |
|     |   | Address: P.O. Box 3543, Grand Junction, CO 81502   |  |  |  |  |  |  |
|     | 5.  | Lead Agency / Land Owner:Bureau of Land Management, Glenwood Springs Field Office                            |  |  |  |  |  |  |
|     |   | Contact: Cheryl Harrison, Archaeologist  |  |  |  |  |  |  |
|     |   | Address:P.O. Box 1009, Glenwood Springs, Colorado 81601  |  |  |  |  |  |  |
|     | 6. Client: Encana Oil and Gas (USA), Inc. |  |  |  |  |  |  |  |
|     | 7.  | Permit Type and Number:BLM C-52775   |  |  |  |  |  |  |
|     | 8.  | Report / Contract Number: GRI Project No. 2833   |  |  |  |  |  |  |
|     | 9.  | Comments:  |  |  |  |  |  |  |
|     |   | 2 White Standor - House -  |  |  |  |  |  |  |
|     |   | Contractory Contractory Contral River Institute  |  |  |  |  |  |  |
| _   |   |  |  |  |  |  |  |  |
| II. |   | <b>ROJECT DESCRIPTION</b>  |  |  |  |  |  |  |
|     | 10.                                       | . Type of Undertaking:Construction of storage/staging areas for pipeline materials (~ 27 acres total).       |  |  |  |  |  |  |
|     |   |  |  |  |  |  |  |  |

11. Size of Undertaking (acres): 8.4 Size of Project (if different): 8.4 acres 12. Nature of the Anticipated Disturbance: Blading and grading for storage/staging yards.

13. Comments:

#### Limited-Results Cultural Resource Survey Form

(page 2 of 3)

#### **III. PROJECT LOCATION**

14. Description: Project area is located approximately 8 miles northeast of the town of Debeque, CO

15. Legal Location

| Principal Meridian: | 6th <u>X</u> | NM        | Ute        |       |
|---------------------|--------------|-----------|------------|-------|
| Quad. Map: Para     | chute        | and a shi | _ Date(s): | 1962  |
| Township: 7 S       | Range:_      | 96 W      | Sec.: 33   | NE NE |

16. Total number of acres surveyed: \_\_\_\_\_8.4 (private land)

17. Comments:

#### **IV. ENVIRONMENT**

18. General Topographic Setting: Colorado River valley between Parachute and Debeque

\_\_\_Current Land Use: \_\_\_\_Open range land and energy development.

19. Flora: Greasewood, grasses and forbs.

20. Soils/Geology: <u>Tan silty soil / Gravels and alluvium deposits of the Quaternary Age</u>

21. Ground Visibility: <u>20 - 30 %</u>

22. Comments: <u>Heavy greasewood vegetation covers much of the project area.</u>

#### V. LITERATURE REVIEW

23. Location of File Search: \_\_\_\_\_BLM Glenwood Springs Field Office & SHPO Compass Website

Dates: April 4, 2008

24. Previous Survey Activity

In the project area: \_\_\_\_\_No projects have been previously conducted within the block area

In the general area: Numerous energy related projects have been conducted within a mile of the present project area and are shown on the attached lists.

#### Limited-Results Cultural Resource Survey Form

(page 3 of 3)

#### V. LITERATURE REVIEW (continued)

25. Known Cultural Resources

In the project area: \_\_\_\_None.

In the general region: <u>The previously recorded cultural resources near the two project areas are primarily</u> historic features (i.e. water control features, bridges, roads etc.) although a few prehistoric sites have also been recorded (see attached lists). Additionally, overviews of the prehistory and history of the region are provided in the Colorado Council of Professional Archaeologists publication entitled "Colorado Prehistory: A Context for the Northern Colorado River Basin" (Reed and Metcalf 1999), and the Colorado

- Historical Society's publication entitled "Colorado Plateau Country Historic Context"(Husband 1984).
  - 26. Expected Results: Limited cultural resources were expected due to previous disturbance and heavy vegetation cover.

#### VI. STATEMENT OF OBJECTIVES

27. The purpose of the study was to identify and record all cultural remains over 50 years old within the area of potential impact, to assess their significance and eligibility to the National Register of Historic Places (NRHP), and make recommendations concerning management. If possible, the remains will add to our understanding of the prehistory and history of the region.

#### VII. FIELD METHODS

28. Definitions: <u>Sites were defined as a discrete locus of patterned activity greater than 50 years of age and consisting of five or more prehistoric artifacts with or without features or over 50 historic artifacts with associated features. Also, single isolated hearths with no other associated artifacts or features were to be recorded as a site.</u>

IF Isolated finds were defined as less than five artifacts without associated features. Exceptions to this definition include historic trash dumps without associated features; a single core reduction event with a single core and associated reduction debitage; a single pot drop, where the sherds are from a single vessel; or, a prospector pit with/or without

- artifacts and no associated historic structures or features.
  - 29. Describe Survey Method: <u>The proposed block area was walked by two archaeologists in zig zag</u> transects spaced approximately 15 meters apart within the flagged location to cover a total of approximately 8.4 acres of private land. Crew members worked from USGS 7.5 minute series maps.

#### VIII. RESULTS

- - B. Smithsonian Number: \_\_\_\_\_ Description: \_\_\_\_\_
  - 31. Using your professional knowledge of the region, why are there none or very limited cultural remains in the project area? Is there subsurface potential?

Most of the project area lies within previously disturbed areas. There is no subsurface potential.

# **EnCana GRI# 2833 Compass Search** T. 7S., R. 96W., Sec. 27, 28, 33, 34 Lifferbill.

| Site ID  | Site Type                                       | Assessment                | UTM Coordinates  |
|----------|---|---------------------------|--|
| 5GF.109  | OPEN CAMP                                       | Eligible - Field          | 12:7 49 580mE 43 64 210mN  |
| 5GF.364  | HISTORIC, BRIDGE                                | Eligible - Officially     | 12:7 49 614mE 43 64 251mN  |
| 5GF.389  | HISTORIC,<br>STRUCTURE/FOUNDAT<br>ION/ALIGNMENT | Not Eligible - Field      | 12:7 50 138mE 43 64 295mN  |
| 5GF.392  |   | Needs Data - Officially   | 13:2 51 439mE 43 61 176mN<br>13:2 51 040mE 43 61 465mN<br>TO<br>12:7 51 464mE 43 64 517mN<br>12:7 50 503mE 43 64 977mN |
| 5GF.1247 | ISOLATED FIND                                   | Not Eligible - Field      | 12:7 50 750mE 43 63 670mN  |
| 5GF.1324 | HISTORIC, TRASH<br>DUMP                         | Not Eligible - Officially | 12:7 50 800mE 43 64 070mN  |
| 5GF.1350 | ISOLATED FIND                                   | Not Eligible - Field      | 12:7 50 840mE 43 63 690mN  |

| Project #   | Title/Author/Date/Contractor   |  |
|---|--|--|
| ME.CH.R1  | Title: Debeque Canyon to Grand Valley Hist<br>Author: Unknown<br>Date: 01/01/1979<br>Contractor: Colorado Dept. Of Highways Hist |  |
| MC.HW.R9  | Author: Unknown  |  |
| MC.LM.R247  | Author: Collins Susan M  |  |
| GF.LM.NR192<br>Title: Cultural Resources Inventory Report on Proposed Federal # 1-29 Well<br>Related New Access in Garfield County, Co for Barrett Energy Company<br>Author: Conner, Carl E.<br>Date: 09/22/1986<br>Contractor: Grand River Institute, Inc. |  |  |

| Project #   | Title/Author/Date/Contractor   |  |
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| MC.LM.R68   |  |  |
| GF.LM.R112  | Title: a Class III Cultural Resource Inventory of Three Stock Reservoirs in Smith<br>and Kelly Gulches, Garfield County, Colorado (BLM-GSRA S3 1098-7)<br>Author: Seacat, Todd B.<br>Date: 04/28/1998<br>Contractor: Bureau of Land Management, Glenwood Springs Resource Area   |  |
| MC.CH.R96   | Title: Interstates 25, 70, 225, and 270, U.S. Highways 13 and 470 for the Proposed<br>Adesta Communications Fiber Optic System (C SW00-102)<br>Author: Sherman, Stephen A. Tania R. Metcalf, Mary W. Painter, D. Chadwick<br>Jones, Chistian J. Zier<br>Date: 03/01/2000<br>Contractor: Centennial Archaeology for the Colorado Department of Transportation |  |
| MC.LM.R232  | Title: Piceance Basin Pipeline Class III Cultural Resources Inventory, Garfield and<br>Mesa Counties, Colorado (SWCA 02-183)<br>Author: Martin. William and Andrew Sawyer<br>Date: 03/26/2002<br>Contractor: SWCA, Inc. Environmental Consultants for the BLM, Grand Junction<br>Field Office  |  |
| GF.LM.NR750 | Title: Class III Cultural Resources Inventory for the Proposed Sg #43-28 Well<br>Location in Garfield County, Colorado for Williams Production RMT (GRI #2524)<br>Author: Davenport, Barbara<br>Date: 05/13/2005<br>Contractor: Grand River Institute  |  |
| GF.LM.NR744 | Title: Class III Cultural Resource Inventory for the Proposed Pipeline to the<br>Sg#43-28 Well Location in Garfield County, Colorado for Williams Production<br>RMT (GRI #2584)<br>Author: Conner, Carl E.<br>Date: 09/09/2005<br>Contractor: Grand River Institute  |  |
| GF.LM.R366  | Title: Class III Cultural Resource Inventory Report for the Proposed Pipeline Route<br>from the Orchard Unit Compressor to OK-11 Well Location in Garfield County,<br>Colorado for Encana Oil and Gas, Inc. (USA) (GRI NO. 26106)(BLM GSFO#<br>1107-9)<br>Author: Conner, Carl and Barbara Davenport   |  |
|             | Date: 11/09/2006<br>Contractor: Grand River Institute  |  |

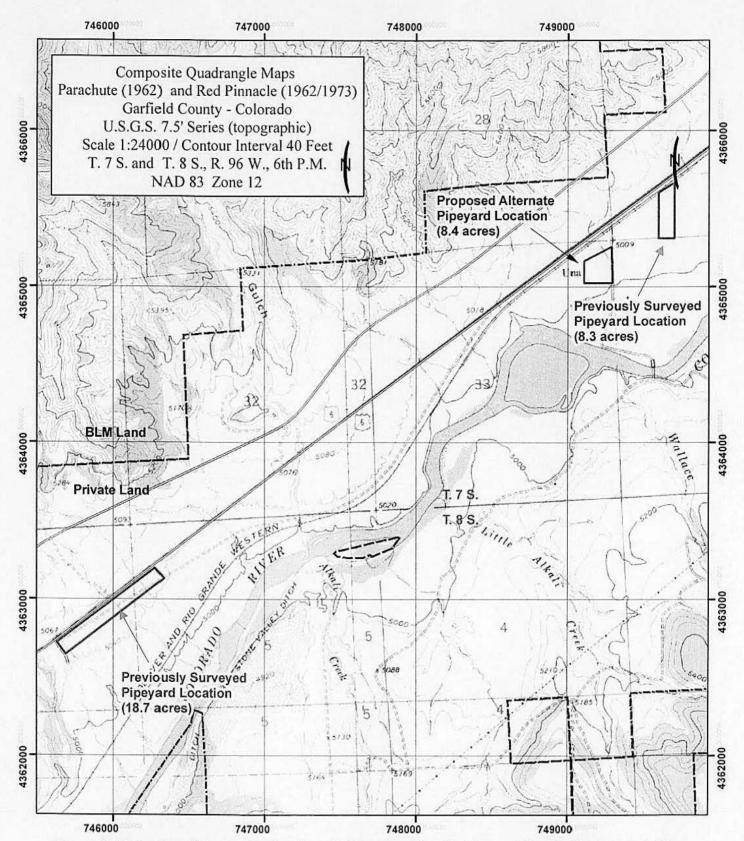
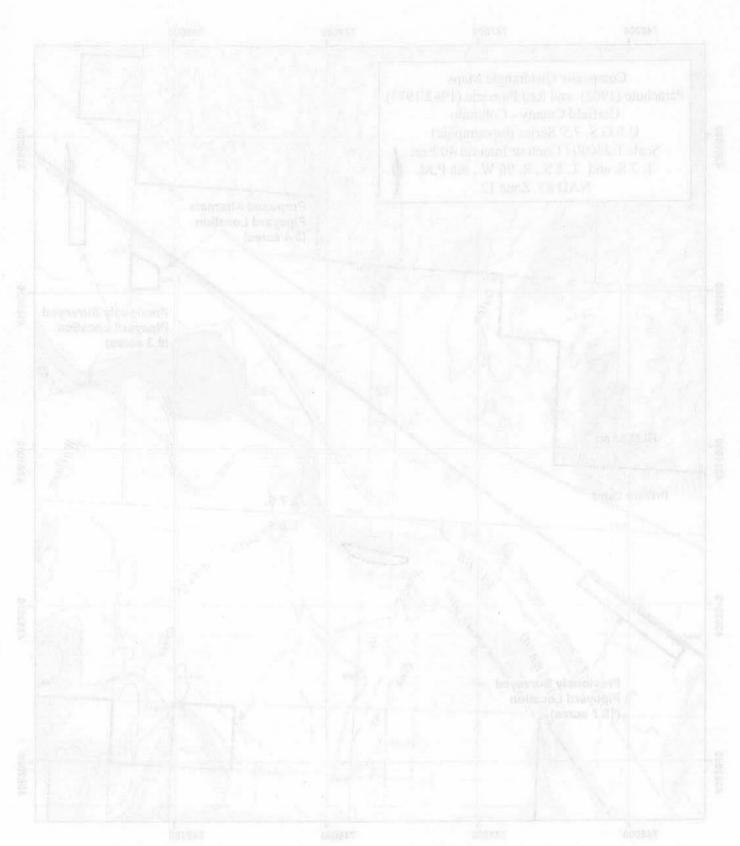


Figure 1. Project location map for the Class III inventory of a third pipe yard in relation to the Collbran Pipeline Project, as an ADDENDUM to: Class III Cultural resources Inventory Report for two proposed pipe yard locations in Garfield County, Colorado for EnCana Oil and Gas (USA). Area surveyed is highlighted. [GRI Project No. 2833, May 1, 2008]



Equity 1. Project Detailor on a far free Clear III meaning of a filial pipe yard in infation to the Collinar Pipeline Project, in an ADM MOLM to Clear III Cultoral consulter Inventory Report for two proposed pipe yard bearings in Casheld County Colored a for EnCancelli and Cas (ESA). They waveyed it highlighted. [CRI Propost No. 2023, New 1, 2008]

<u>n</u>



Habitat Assessment for the Collbran Pipeyard Parcels EnCana Oil and Gas Garfield County, CO May 2, 2008

PREPARED FOR: EnCana Oil & Gas (U.S.A.), Inc. 2717 County Road 215 Parachute, CO 81635

PREPARED BY: Wildlife Specialties, L.L.C. P.O. Box 1231 Lyons, CO, 80540

# **1.0 Description and Proposed Action**

The Collbran Pipe yards were located in two distinct parcels. The smaller of the two parcels was approximately 7 acres (3.2 [hectares] ha) and located approximately 100 yards southwest of the intersection of Highway 6 and Garfield County Road 300. This intersection is located approximately 4.6 miles southwest of the Town of Parachute, Garfield County and 7.2 miles (11.52 kilometers [km]) northeast of the Town of DeBeque, Mesa County. The larger parcel was approximately 20 acres (9.1 ha) and located approximately 1.2 miles (1.9 km) west of the compression station (Figure 1). Both project areas are on the Parachute CO, US Geological Survey, 7.5 minute series topographical map. The elevation of the two parcels is approximately 5,000 feet (ft) (1,524 meters [m]) above mean sea level.

The project area is located in the eco-region identified as the Southern Rocky Mountain Steppeopen woodland-coniferous forest-alpine meadow province of the dry domain (Bailey 1995). This eco-region is characterized by annual temperatures ranging from 2° to 7° C (35° to 45° F). A considerable amount of precipitation is in the form of snow and can equal up to 102 cm (40 inches) per year in higher elevations (Bailey 1995). Vegetation changes with altitude and slope aspect.

The dominant plant community near the 7 acre parcel was dominanted by greasewood (*Sacrobatus vermiculatus*) with an understory of cheatgrass (*Bromus tectorum*) and common velvetgrass (*Holcus lanatus*). Sagebrush (*Artemesia tridentata*), rabbitbrush (*Chrysothamnus* sp.) and shadscale (*Atriplex* sp.). The most common herbaceous species on the site was common velvetgrass (Photo 1).

The dominant plant community of the 20 acre parcel was sagebrush and grease wood with an understory of cheat grass. The eastern portion of this parcel burned in the past, removing all vegetation (Photo 2). Several ephemeral drainages dissected the parcel, flowing in a southerly direction, two of which were associated with box culverts constructed presumably to enable water to flow under Highway 6 (Figure 1; photos 3, 4).

Prior to the issuance of appropriate permits by the Bureau of Land Management, a threatened and endangered species habitat assessment, per the Endangered Species Act (ESA) of 1973 (as amended) is required. Surveys are also required under the Migratory Bird Treaty Act (MBTA) of 1918 (16 U.S.C. §§ 703-711) to protect against violations of the MBTA. Surveys conducted in support of this report ensure compliance with the ESA and MBTA.

# 2.0 Habitat Assessment

Surveys to assess the project area's suitability for use by state sensitive and federally listed threatened and endangered species and nesting raptors were conducted on 27 March, 2008 by Robert T. Magill of Wildlife Specialties, L.L.C. Mr. Magill has an M.S. degree in wildlife management from Texas Tech University in Lubbock Texas and has completed numerous threatened and endangered species habitat assessments and sensitive species surveys in Garfield County Colorado and throughout the intermountain west.

Habitats within the 20 acre and 7 acre pipe yard parcels were assessed for overall quality to support wildlife and state sensitive species, federally protected species and nesting raptors on 27 March and 29 April, 2008 respectively. Using a pedestrian survey, a wildlife biologist assessed the habitat types present, their condition and evaluated their suitability for supporting sensitive species. The project area was traversed to identify basic habitat types and document which

species were currently using these habitats. A hand-held Global Positioning System (GPS) unit was used to identify the location of physical characteristics of the site pertinent to use of the area as wildlife habitat. Figure 1 shows the location of the both the 7 acre and 20 acre parcels within the greater landscape.

Habitat assessments and sensitive species surveys were conducted before the breeding season for most migratory songbirds and raptors on the 20 acre parcel. Therefore, some species which may breed in the area may not have been present at the time the survey was conducted. Surveys and habitat assessments for the 7 acre parcel were conducted during the breeding season for raptors and early migratory songbirds. As a result of the timing of these surveys, late migrants or late nesting species might not be documented. Similarly, surveys for both parcels were conducted prior to the emergence of most reptiles, and despite warm temperatures during the visits, no reptiles were observed.

# 3.0 Results

<u>7 Acre Parcel</u> – No nest structures suitable for supporting nesting raptor nests were observed within this site. Although no nesting activity was observed within the project area, cottonwood trees (*Populus fremontii*) trees were present beyond the limits of the project area and were considered suitable for use by nesting raptors and common ravens (*Corvus corax*) and raptors. Although common ravens were observed within the vicinity of the parcel, nest structures suitable for their use were detected either on the project area or in adjacent cottonwood trees.

This parcel bordered previously disturbed areas to the east. These areas had been cleared of most standing vegetation and were being used for industrial purposes at the time the habitat assessment was conducted (Photo 5). Habitats within the parcel itself were intact yet were heavily used by browsing and grazing ungulates, including but not limited to elk (*Cervus elaphus*) and livestock. Species observed within this parcel included elk, western meadowlark (*Sturnella neglecta*), blackbilled magpie (*Pica hudsonia*), Brewers sparrow (*Spizella breweri*), violet-green swallow (*Tachycineta thalassina*) and American kestrel (*Falco sparverius*). Vegetation of the parcels was visually determined to be denser, and of higher quality for wildlife within the eastern portion of the parcel. Kestrels, magpies, and brewer's sparrows were all observed in the more densely vegetated eastern portion of the parcel.

Due to the parcels proximity to areas with high levels of disturbance and the presence of cattle on the site, wildlife species expected to use or be observed within the site would be generalist species adapted to living in an altered environment, such as the European starling (*Sturnus vulgaris*) and raccoons (*Procyon lotor*).

Invasive and noxious weeds were present throughout the parcel. Salt cedar (*Tamarix ramosissima*) is on the Colorado Department of Agriculture's (CDOA) "B-List" of noxious weeds: the species has been identified as a target species for the development and implementation of a weed management plan to stop its continued spread (CDOA 2008) (Photo 6). Although present throughout rangelands of Colorado, and identified as an invasive species, cheat grass has not been officially identified as a noxious weed in Colorado. No other noxious weeds were observed within the parcel.

# 20 Acre Parcel

No nest structures suitable for supporting nesting raptor nests were observed within this site. Although no nesting activity was observed within the project area, power towers and poles and juniper (*Juniperus osteosperma*), pinyon pine (*Pinus edulis*) and cottonwood trees (*Populus deltoides*) trees were present beyond the limits of the project area and were considered suitable for use by nesting raptors and common ravens (*Corvus corax*) and raptors. Common ravens were observed carrying nesting material (e.g. sticks, grasses) as they flew over the site.

The two box culverts adjacent to the project site were visually inspected for evidence of use by either bats or swallows. The eastern most culvert contained evidence of previous use by nesting cliff swallows (*Petrochelidon pyrrhonota*), however, no sign of bat use was observed (Photo 7).

Rocky Mountain elk used all portions of this parcel as winter range. An active colony of whitetailed prairie dogs (*Cynomys leucurus*) was present along the southern edge of the parcel. Other species identified as using the area through either direct observation (auditory or visual) or through the presence of sign (scat, tracks) included coyote (*Canis latrans*), desert cottontail rabbit (*Sylvilagus audubonii*), western meadowlark and Say's phoebe (*Sayornis saya*). Avian nomenclature was taken from Sibley (2000). Mammalian nomenclature was taken from Fitzgerald et al. (1994).

Cheat grass was present throughout the parcel and is common across the rangelands of Colorado. Although the species is considered an invasive species, cheat grass has not been officially identified as a noxious weed in Colorado. No formally identified noxious weeds were observed within this parcel.

# 4.0 Conclusion

Based on information obtained during surveys conducted at both the 7 acre and 20 acre parcels to be used for the development of a pipe yard, no state sensitive or federally protected species were determined to be using the area. Although the sagebrush habitats common within the 20 acre parcel are relatively contiguous with other habitats in the area, disturbances associated with previous energy development and associated infrastructure and the presence of the railroad likely preclude the use of these habitats by disturbance sensitive species.

Both parcels are likely located within the foraging range of at least one pair of common ravens as indicated by the presence of an the observation of an individual carrying nesting material over the 20 acre parcel and the observation of an individual common raven carrying food over the 7 acre parcel. Although no detailed surveys were carried out, tree dominated riparian and upland habitats provide suitable nesting areas for common ravens. Construction of the proposed pipe yard will not impact nesting activities of any state sensitive or federally protected species or raptor species. However, the removal of sagebrush-shrub dominated habitats may decrease nesting and foraging opportunities for species such as the western meadowlark and Brewer's sparrow.

No habitat critical or essential to the continued existence of any species protected under the ESA was identified within either the pipe yard or the compression station site. The implementation of the construction of facilities and their associated infrastructure is not expected to impact state sensitive or threatened and endangered species or raptors on either site.

The noxious weed salt cedar was observed within the boundaries of the 7 acre parcel. Because the CDOA has identified salt cedar as a noxious species it is recommended that development of this parcel be implemented in coordination with CDOA management plans targeting the control of this species as well as in conjunction with any Best Management Practices outlined in the plan for controlling the distribution of the species.

### **5.0 Literature Cited**

- Bailey, R.G. 1995. Description of the ecoregions of the United States. 2d ed. Rev. and expanded (1<sup>st</sup> ed. 1980). Misc. Publ. No. 1391 (rev.), Washington.
- Colorado Department of Agriculture. 2008. Noxious Weed Management Program. http://www.colorado.gov. Accessed 1 May, 2008.
- Fitzgerald, J.P., C.A. Meaney, and D.M. Armstrong. 1994. Mammals of Colorado. Denver Museum of Natural History and University Press of Colorado. 467 pp.
- Sibley, D.A. 2000. The National Audubon Society; the Sibley guide to birds. Alfred A. Knopf, New York. 543 pp.

### 6.0 Project Figures and Photos



Photo 1. View west from northeast corner of the 7 acre parcel. Grasses along the edge of the road and throughout the parcel are cheat grass and common velvetgrass.



Photo 2. View southwest across the burned portion of the 20 acre parcel.



Photo 3. View north toward downstream side of eastern most box culvert on the 20 acre parcel.



Photo 4. View north through second box culvert on the 20 acre parcel.



Photo 5. View east from southeast corner of 7 acre parcel. Industrial development, including gravel mining, is evident in the background.



Photo 6. View east from southwest corner of 7 acre parcel. The state identified noxious weed salt cedar is highlighted by the yellow circle.

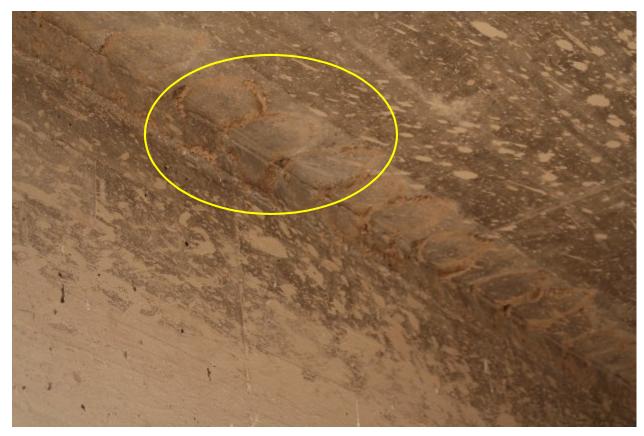
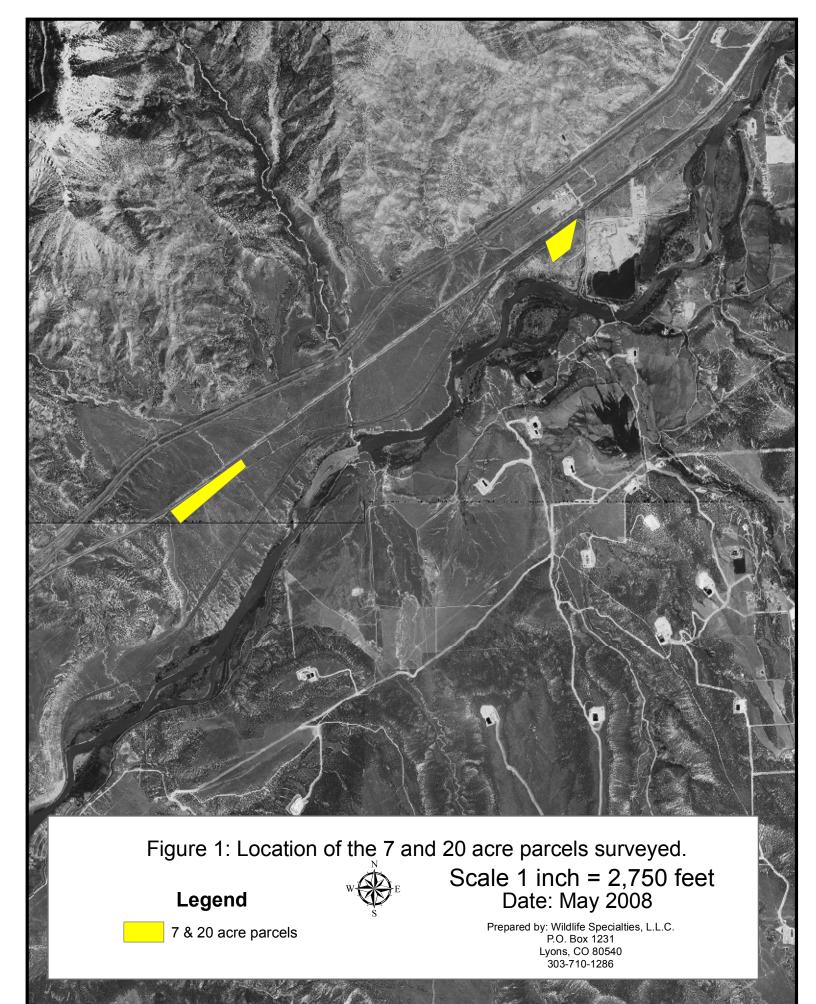


Photo 7. Evidence of previous swallow use of the eastern most box culvert for nesting. The yellow circle highlights locations of old nests placed against the culvert wall and ceiling.



January 12, 2009

Specialty Restaurants Corporation 8191 East Kaiser Blvd Anaheim, CA 92808 (Lessor)

and

Enterprise Gas Processing, LLC 2727 North Loop West Houston, TX 77008 A Delaware limited Liability Company

(Lessee)

Specialty Restaurants Corporation by accepting payment in the amount of has acknowledged that Enterprise Gas Processing, LLC has accepted assignment of the two (2) leases dated April 30, 2008 for a 7 acres vacant land parcel and a 21 acre vacant land parcel that were leased to EnCana Oil and Gas (USA) Inc. Enterprise Gas and Processing shall abide by all terms of such leases.

Lease dated April 30, 2008 (7 acres) shall be extended and have an expiration date of October 31, 2009.

Lease dated April 30, 2008 (21 acres) shall have a new expiration date of May 1, 2010.

alty Restaurants Corporation 1/12/09

### PIPELINE EASEMENT AGREEMENT

STATE OF COLORADO

COUNTY OF GARFIELD

101 101 101

This **PIPELINE EASEMENT AGREEMENT** ("Agreement"), is made effective as of this 1<sup>st</sup> day of April, 2009 ("Effective Date"), between CHEVRON U.S.A. INC., a Pennsylvania corporation, with offices at 11111 S. Wilcrest Dr., Houston, Texas 77099 ("Grantor") and ENTERPRISE GAS **PROCESSING, LLC.**, a Delaware limited liability company, with offices at 2727 North Loop West, Houston, TX 77008 ("Grantee"). (Grantor and Grantee shall each and collectively be referred to as "Party" and "Parties" in this Agreement.)

### RECITALS

A. Grantor owns certain land in Garfield County, Colorado referenced in Section 1.1.

- B. Grantee desires to obtain an easement, servitude, privilege and Right-of-Way covering the Land.
- C. In consideration of the mutual promises set out in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Grantor and Grantee agree to be bound by the terms of this Agreement.

#### AGREEMENT

#### 1. GRANT AND RESERVATIONS

- 1.1 Grant. Subject to the terms and conditions of this Agreement, Grantor grants Grantee, a non-exclusive easement, servitude, privilege and right-of-way ("<u>Right-of-Way</u>"), over, upon, under, through and across certain parcels situated in Section 30, T7S-R97W, of the 6<sup>th</sup> P.M., Garfield County, Colorado, that are more particularly described and incorporated by reference in Exhibit A ("Land") solely for the purpose of laying, constructing, using, operating, inspecting, maintaining, repairing, altering, replacing, and/or removing one 16-inch gas pipeline and related appurtenances, structures and facilities (including, without limitation, compression units, dehydration facilities, fittings, tie-overs, line heaters, appliances, meters, valve boxes, cathodic protection equipment and vents) ("<u>Pipeline</u>") as may be necessary for the transportation of natural gas and associated liquids and gases across the Land.
  - (A) Right-of-Way Boundaries. The Right-of-Way is twenty five feet in width, the centerline of the Right-of-Way being situated directly over the proposed Pipeline, as depicted on Exhibit A Description and Plat of Land and Right-of-Way. Grantee shall provide Grantor an as built survey prepared by a licensed surveyor of the Pipeline as constructed within two months of completing construction of the Pipeline. If Grantee fails to provide the as built survey required under this Section 1.1, it shall be considered a breach of this Agreement for purposes of Section 13. The as built survey shall be incorporated into Exhibit A and serve as the description of the boundaries of the Right-of-Way for all purposes under this Agreement. Grantee shall maintain current as-built drawings for the Pipeline and

QLS No. 837.1

Pipeline Easement Agreement, dated April 1, 2009, between Chevron and Enterprise Execution Version

### ASSIGNMENT, CONVEYANCE AND BILL OF SALE

This Assignment, Conveyance and Bill of Sale ("Assignment") is made and entered into this <u>21</u><sup>#</sup> day of July, 2008 (the "Effective Date") by and between EnCana Oil & Gas (USA) Inc., a Delaware corporation ("Assignor"), and Enterprise Gas Processing, LLC, a Delaware limited liability company ("Assignee").

WHEREAS, Assignor has acquired certain easements, has applied for various permits and rights-of-way, and has ordered pipe in anticipation of the construction of a natural gas gathering system which will consist of, among other assets, the following: (i) an approximately 22-mile, 24-inch diameter, high-pressure pipeline to be built from the Anderson Gulch area, which is located in Section 31, Township 9 South, Range 95 West, Mesa County, Colorado, to an interconnect with Assignor's Great Divide Gathering System located in Section 34, Township 7 South, Range 96 West, Garfield County, Colorado (the "Collbran Valley Gathering System"); and, (ii) approximately 63,000 feet of 24-inch diameter, high-pressure pipeline to be built in Mesa County, Colorado and which will be connected to the Collbran Valley Gathering System (collectively, the "Gathering Systems"); and

WHEREAS, Assignor wishes to assign to Assignee, and Assignee wishes to assume, Assignor's right, title and interest in the Assets (as defined in this Assignment) in order to construct the Gathering Systems.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. <u>Assignment</u>. Assignor does hereby GRANT, SELL, ASSIGN, CONVEY and TRANSFER to Assignee all of Assignor's right, title and interest in and to the following (collectively, the "*Assets*"):

(a) All rights-of-way, other real property rights, licenses and permits relating to the Gathering Systems, which rights-of-way, other real property rights, licenses and permits are described in <u>Exhibit A</u> attached hereto;

(b) All contracts and agreements, purchase orders and leases solely relating to the Gathering Systems, which contracts, agreements, purchase orders and leases are described in <u>Exhibit B</u> attached hereto;

(c) All pipe, compressors, equipment, valves and other materials exclusively relating to the Gathering Systems, including assets currently installed at the Mamm Creek Conditioning Facility and other locations, which pipe, compressors, equipment, valves, other materials and assets are described in <u>Exhibit C</u> attached hereto;

(d) All planning and construction records relating to the Gathering Systems;

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(e) All warranties and guarantees of the manufacturers or suppliers of the foregoing described Assets and the warranties and guarantees of subcontractors, consultants, and service providers relating to or made in connection with the foregoing described Assets (the "Assigned Warranties"); and

(f) All other right, title and interest of Assignor exclusively relating to the Gathering Systems.

TO HAVE AND TO HOLD the Assets unto Assignee forever.

2. <u>Special Warranty</u>. Assignor hereby binds itself and its successors and assigns to warrant and forever defend the title to the Assets unto Assignee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Assignor, but not otherwise. Assignee shall be and is hereby subrogated to all covenants and warranties of title by parties (other than Assignor) heretofore given or made to Assignor or its predecessors in title in respect of any of the Assets.

Assumption and Indemnification. Assignee accepts this Assignment and the 3. Assets conveyed hereby and assumes and agrees to perform all of Assignor's obligations accruing thereunder from and after the Effective Date. In addition, if any sales, use or other transfer tax is due or owing or assessed against either Assignor or Assignee by reason of this Assignment, then such transfer tax shall paid by Assignee. Assignee agrees to indemnify and hold Assignor harmless from and against any and all claims, demands and causes of action of any kind and all losses, damages, liabilities, costs and expenses of whatever nature (including court costs and reasonable attorneys' fees) arising out of or relating to the Assets from and after the Effective Date; provided, however, the foregoing indemnity shall be subject to, and shall in no way modify or affect, the indemnification obligations between Assignor and Assignee contained in the Gathering Agreement (hereinafter defined). Assignor agrees to indemnify and hold Assignee harmless from and against any and all claims, demands and causes of action of any kind and all losses, damages, liabilities, costs and expenses of whatever nature (including court costs and reasonable attorneys' fees) arising out of or relating to the Assets prior to the Effective Date.

EXCEPT FOR THE SPECIAL WARRANTY OF TITLE 4. Disclaimer. REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN AND THE CONTAINED IN THE GATHERING AGREEMENT, ASSIGNOR HEREBY (a) EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESSED OR IMPLIED AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (i) THE CONDITION (INCLUDING ENVIRONMENTAL CONDITION) OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESSED WARRANTY OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), (ii) ASSIGNEE'S ABILITY TO ASSUME OPERATIONS OF THE ASSETS, (iii) THE COMPLETENESS OF THE ASSETS IN ORDER TO CONSTRUCT, OWN AND OPERATE THE GATHERING SYSTEMS, AND (iv) ANY FILES, RECORDS, INFORMATION OR DATA FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR, AND (b) NEGATES ANY RIGHTS OF ASSIGNEE UNDER STATUTES TO CLAIM DIMINUTION OF CONSIDERATION AND

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ANY CLAIMS BY ASSIGNEE FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, IT BEING THE INTENTION OF ASSIGNOR AND ASSIGNEE THAT THE ASSETS SHALL BE CONVEYED "AS IS, WHERE IS" IN THEIR PRESENT CONDITION AND STATE OF REPAIR.

Without limiting the provisions of Section 4 of this 5. Remaining Assets. Assignment, Assignee acknowledges and understands that Assignor has not acquired all of assets necessary to construct, own and operate the Gathering Systems, including, without limitation, the following (collectively, the "Remaining Assets"): (i) right-of-way grant from the United States Department of Interior, Bureau of Land Management ("BLM ROW"), (ii) pipeline development permit from Garfield County, Colorado (the "Garfield County Permit"), (iii) a surface lease for compression facilities at a site in or near Section 31, Township 91 South, Range 95 West, Mesa County, Colorado (the "Haves Mesa Compressor Station Site Lease"), and (iv) certain easements in fee; provided, however, Assignor has (x) applied for, but has not received, the BLM ROW and the Garfield County Permit as of the Effective Date and (y) entered into negotiations for the Hayes Mesa Compressor Station Site Lease. Assignor and Assignee acknowledge and understand that it shall be the sole and exclusive obligation of Gatherer to acquire the Remaining Assets; provided, however, (a) Assignor shall provide personnel and other resources as may be reasonably requested by Assignee and as may be reasonably available to assist Assignee with the transition of ownership of the Assets and the completion of construction of the Gathering Systems and (b) if Assignor obtains the BLM ROW, the Garfield County Permit and/or the Hayes Mesa Compressor Station Site Lease, then Assignor shall assign the same to Assignee pursuant to an Assignment, Conveyance and Bill of Sale substantially the same as this Assignment. Assignor and Assignee agree (i) that prior to commencing construction of the Gathering Systems on real property owned by the Colohan Family Trust, Assignee shall first notify Assignor, (ii) to coordinate to allow a representative of Assignor and the Colohan Family Trust to be present during all construction activities on property owned by the Colohan Family Trust, (iii) to cooperate in good faith to address any concerns of the Colohan Family Trust to the extent reasonably possible, and (iv) that Assignee shall allow a representative of Assignor to be involved in the direction and control of construction activities on the Colohan Family Trust property to the extent reasonably possible and consistent with Assignee's necessity to control the methods, means and timing related to the construction of the Gathering Systems.

6. <u>Successors and Assigns</u>. This Assignment shall be binding upon Assignee, its successors and assigns and shall run with the real property interests included in the Assets. All references herein to Assignor and Assignee shall include their respective successors and assigns. As used herein, "including" and its variants mean "including but not limited to" or "including without limitation" and appropriate variations thereof.

7. <u>Conflict</u>. This Assignment is subject to the terms and conditions of that certain First Amended and Restated Gas Gathering Agreement by and between Assignor, as "Shipper," and Assignee, as "Gatherer," entered into as of July <u>21</u>, 2008, but effective as of December 28, 2006 (the "Gathering Agreement"). In the event of a conflict between this Assignment and the Gathering Agreement, the terms and conditions of the Gathering Agreement shall control.

8. <u>Governing Law</u>. This Assignment shall be governed by, construed and enforced in accordance with the laws of the State of Colorado, without giving effect to principles thereof

relating to conflicts of law rules that would direct the application of the laws of another jurisdiction.

9. <u>Further Assurances</u>. Assignor agrees to execute and deliver to Assignee all such other additional instruments, notices, transfer orders and other documents and to do all such other and further acts and things as may be necessary to more fully and effectively grant, sell, assign, convey and transfer to Assignee all of Assignor's right, title and interest in and to the Assets and to enforce the Assigned Warranties.

10. <u>Counterparts</u>. This Assignment may be executed in any number of counterparts and each of such counterparts shall together constitute but one and the same Assignment.

[signature page follows]

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IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment effective as of the Effective Date.

# ASSIGNOR:

| ENCAN      | NA OIL & GAS (USA) INC., |  |
|------------|--------------------------|--|
|            | vare corporation         |  |
| -          |                          |  |
|            |                          |  |
| Sr By:     |                          |  |
| 1. Name:_  | Dean V. Purcelli         |  |
| RIL Title: | Vice President           |  |

**ASSIGNEE:** 

ENTERPRISE GAS PROCESSING, LLC, a Delaware limited liability company

Bv: Name Title

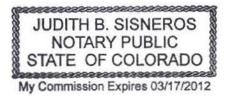
STATE OF COLORADO ) ) ss. CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this  $2i^{St}$  day of July, 2008 by <u>Dean V. Parcell</u> as <u>Vice - President</u> of EnCana Oil & Gas (USA) Inc., a Delaware corporation, on behalf of said corporation.

Witness my hand and official seal.

My commission expires:

Jotary Public



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STATE OF <u>Colorado</u>) ss. COUNTY OF <u>Denve</u>)

The foregoing instrument was acknowledged before me this  $\frac{21}{2}$  day of July, 2008 by <u>Ci) Radtke</u> as <u>Sf. vice - President</u> of Enterprise Gas Processing, LLC, a Delaware limited liability company, on behalf of said limited liability company.

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Witness my hand and official seal.

My commission expires:\_

Notary Public JUDITH B. SISNEROS **NOTARY PUBLIC** STATE OF COLORADO My Commission Expires 03/17/2012

# Exhibit A

# **RIGHTS-OF-WAY, REAL PROPERTY RIGHTS & PERMITS**

# NOTE: ONLY A PORTION OF THE FOLLOWING RIGHTS-OF-WAY ARE ASSIGNED, AS FURTHER DESCRIBED BELOW:

|   | LESSOR /<br>LEASE<br>NAME   | DOCUMENT                              | EFF. DATE | COUNTY | воок       | PAGE   | ENTRY   | LEGAL<br>DESCRIPTION<br>OF ENTIRE<br>RIGHT-OF-<br>WAY                        | DESCRIPTION<br>OF RIGHT-<br>OF-WAY<br>BEING<br>ASSIGNED   | CONSENT<br>TO ASSIGN<br>REQUIRED? | COMMENTS |
|---|---|---------------------------------------|-----------|--------|------------|--------|---------|--|---|-----------------------------------|----------|
| 1 | Ben E.<br>Nichols<br>Living Trust   | Right-of-Way<br>Easement<br>Agreement | 1/19/08   | Mesa   | 4640       | 363    | 2433040 | Sec. 31 SW,<br>T9S, R95W, 6 <sup>TH</sup><br>PM                              | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No                                |          |
| 2 | Raymond G.<br>Bailey and<br>Amanda J.<br>Bailey                             | Right-of-Way<br>Easement<br>Agreement | 1/17/08   | Mesa   | 4367       | 103    | 2367107 | Sec. 31 lot 2,<br>T9S, R95W, 6 <sup>TH</sup><br>PM                           | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No                                |          |
| 3 | Ben E.<br>Nichols<br>Living Trust<br>and Lois M.<br>Nichols<br>Living Trust | Right-of-Way<br>Easement<br>Agreement | 1/19/08   | Mesa   | BK<br>4640 | PG 369 | 2433041 | Sec. 36 E2, Sec.<br>35 N2, Sec. 26<br>SWSW, T9S,<br>R96W, 6 <sup>TH</sup> PM | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to  | No                                |          |

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|   |                            |                                       |          |      |      |     |         |  | Right-of-Way<br>Easement<br>Agreement   |    |  |
|---|----------------------------|---------------------------------------|----------|------|------|-----|---------|--|---|----|--|
| 4 | Hayward<br>Ranch LLC       | Right-of-Way<br>Easement<br>Agreement | 1/17/08  | Mesa | 4640 | 342 | 2433037 | Sec. 36 E2, Sec.<br>35 N2, Sec. 26<br>SWSW, T9S,<br>R96W, 6 <sup>TH</sup> PM | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No |  |
| 5 | Richard V.<br>Stewart      | Right-of-Way<br>Easement<br>Agreement | 2/6/08   | Mesa | 4640 | 397 | 2433045 | Sec. 36 lots 4 and<br>5 NW4, N2SW,<br>T9S, R96W, 6 <sup>TH</sup><br>PM       | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No |  |
| 6 | Melanie<br>Andrea<br>Borin | Right-of-Way<br>Easement<br>Agreement | 3/5/2008 | Mesa | 4640 | 384 | 2433043 | Sec. 36 lots 4 and<br>5 NW4, N2SW,<br>T9S, R96W, 6 <sup>TH</sup><br>PM       | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No |  |
| 7 | Sheila K.<br>Brown         | Right-of-Way<br>Easement<br>Agreement | 2/5/08   | Mesa | 4640 | 350 | 2433038 | Sec. 36 lots 4 and<br>5 NW4, N2SW,<br>T9S, R96W, 6 <sup>TH</sup><br>PM       | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to  | No |  |

|    |   |                                       |         |      |            |        |         |  | Right-of-Way<br>Easement<br>Agreement   |    |  |
|----|---|---------------------------------------|---------|------|------------|--------|---------|--|---|----|--|
| 8  | Linda<br>Suzanne<br>Castiglione<br>and Donald<br>Richard<br>Bowlus  | Right-of-Way<br>Easement<br>Agreement | 3/14/08 | Mesa | 4640       | 356    | 2433039 | Sec. 36 lots 4 and<br>5 NW4, N2SW,<br>T9S, R96W, 6 <sup>TH</sup><br>PM                           | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No |  |
| 9  | Suzanne<br>Economou<br>and George<br>Economou   | Right-of-Way<br>Easement<br>Agreement | 2/22/08 | Mesa | BK<br>4640 | PG 331 | 2433035 | Sec. 36 lots 4 and<br>5 NW4, N2SW,<br>T9S, R96W, 6 <sup>TH</sup><br>PM                           | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No |  |
| 10 | Jon W.<br>Seriani, Jon<br>F. Seriani,<br>Jack Seriani,<br>Mike<br>Seriani,<br>Dennis<br>Mayer and<br>Chuck<br>Mayer | Right-of-Way<br>Easement<br>Agreement | 2/11/08 | Mesa | 4640       | 377    | 2433042 | Sec. 29 lots 3 and<br>4, Mountain<br>Meadows<br>Subdivision,<br>T9S, R96W, 6 <sup>TH</sup><br>PM | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No |  |
| 11 | Kurt<br>Streweler<br>and Amber<br>Streweler   | Right-of-Way<br>Easement<br>Agreement | 3/10/08 | Mesa | BK<br>4640 | PG 325 | 2433034 | Sec. 29 lot 7,<br>Mountain<br>Meadows<br>Subdivision,<br>T9S, R96W, 6 <sup>TH</sup><br>PM        | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to  | No |  |

| 12 | John Richard<br>Latham,<br>Margaret K.<br>Latham,<br>Julia Anne<br>Cox, and<br>Thomas A.<br>Cox | Right-of-Way<br>Easement<br>Agreement  | 3/31/08   | Mesa              | BK<br>4640                                     | PG 176  | 2432988                                 | Sec. 19 lots 11<br>and 12, Sec. 30<br>lots 1, 2, 5, 6, 7,<br>and 8, Sec. 24<br>NW4, NENE<br>T9S, R96W, 6 <sup>TH</sup><br>PM  | Right-of-Way<br>Easement<br>Agreement<br>7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement                                | No |   |
|----|---|--|---|-------------------|--|---|---|---|---|----|---|
| 13 | Richard and<br>Sally Loudin<br>Revocable<br>Inter Vivos<br>Trust                                | Right-of-Way<br>Easement<br>Agreement  | 2/4/08  | Mesa              | BK<br>4640                                     | PG 336  | 2433036                                 | Sec. 13 SESE,<br>E2SWSE,<br>S3/4NESE,<br>S3/4E2NWSE<br>and Sec. 24<br>N4NENE,<br>N2NENWNE<br>T9S, R97W, 6 <sup>TH</sup><br>PM | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement   | No |   |
| 14 | Steven W.<br>Keinath and<br>Sherry L.<br>Keinath  | Master<br>Surface Use<br>Agreement,<br>Amendment<br>to Master<br>Surface Use<br>Agreement,<br>Second<br>Amendment<br>to Master<br>Surface Use<br>Agreement | Memorandum<br>of Surface<br>Use<br>Agreement<br>effective<br>9/1/04;<br>Amendment<br>to Master<br>Surface Use<br>Agreement<br>effective<br>3/15/07;<br>Second<br>Amendment<br>effective<br>3/1/08 | Mesa,<br>Garfield | Mesa:<br>BK<br>3875<br>Garfield:<br>BK<br>1669 | Mesa:<br>PG 153-<br>55<br>Garfield:<br>PG 356 | Mesa:<br>2248155<br>Garfield:<br>669999 | Sec. 33 T7S,<br>R96W, 6 <sup>TH</sup> PM<br>and Sec. 4, 5, 7,<br>8, 9, 16, 17 and<br>18 T8S, R96W,<br>6 <sup>TH</sup> PM      | Partial<br>Assignment of<br>Master Surface<br>Use Agreement,<br>as amended,<br>with respect to<br>all rights and<br>obligations<br>relating to<br>construction of<br>the Collbran<br>Pipeline (as such<br>term is defined<br>therein) | No | Confidentiality<br>provision applies<br>to amount of<br>consideration.<br>Article XIX<br>provides,<br>"Disclosure to<br>successors in<br>interest to the<br>partiesis<br>authorized after<br>notice to the other<br>party." |

| 15 | Colohan<br>Family Trust   | Right-of-Way<br>Easement<br>Agreement | 4/18/08 | Garfield | N/A        | N/A    | N/A     | Sec. 3 W2NW,<br>Sec. 4 SENE<br>T8S, R96W, 6 <sup>TH</sup><br>PM and Sec. 34<br>W2SW T7S,<br>R96W, 6 <sup>TH</sup> PM           | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No | Not yet recorded. |
|----|---|---------------------------------------|---------|----------|------------|--------|---------|--|---|----|-------------------|
| 16 | Ronald E.<br>Tipping,<br>Marie E.<br>Tipping,<br>Rodney C.<br>Power, and<br>William R.<br>Patterson | Right-of-Way<br>Easement<br>Agreement | 2/18/08 | Garfield | BK<br>4640 | PG 184 | 2432989 | A tract of land<br>situated in Sec.<br>27 SESW, Sec.<br>33 SENE, and<br>Sec. 34 NWSW,<br>NW4, T7S,<br>R96W, 6 <sup>TH</sup> PM | 7.5' on either<br>side of the<br>centerline as<br>described in<br>construction<br>plans and shown<br>on Exhibit A to<br>Right-of-Way<br>Easement<br>Agreement | No |                   |

# NOTE: THE FOLLOWING RIGHT-OF-WAY IS ASSIGNED IN ITS ENTIRETY:

|   | LESSOR /<br>LEASE<br>NAME  | DOCUMENT                        | EFF. DATE | COUNTY | воок | PAGE | ENTRY | LEGAL<br>DESCRIPTION<br>OF ENTIRE<br>RIGHT-OF-<br>WAY   | DESCRIPTION<br>OF RIGHT-<br>OF-WAY<br>BEING<br>ASSIGNED | CONSENT<br>TO ASSIGN<br>REQUIRED? | COMMENTS                    |
|---|--|---------------------------------|-----------|--------|------|------|-------|---|---|-----------------------------------|-----------------------------|
| 1 | Bureau of<br>Land<br>Management<br>(Grand<br>Junction<br>Field Office) | Pipeline right-<br>of-way grant | N/A       | N/A    | N/A  | N/A  | N/A   | Lands as<br>generally<br>described below:<br>Sections 4, 8, 9,<br>17, 16, 20, 21,<br>31, 32 T8S,<br>R96W, 6 <sup>TH</sup> PM<br>Section 6, T9S,<br>R96W, 6 <sup>TH</sup> PM | Entire right-of-<br>way                                 | Yes                               | Permit application pending. |

| Sections 12, 13<br>T9S, R97W, 6 <sup>TH</sup><br>PM            |  |
|--|--|
| Sections 19, 27<br>28, 29, 30 T9S,<br>R96W, 6 <sup>TH</sup> PM |  |

# PERMITS

# FEDERAL PERMITS

|   | Type of<br>Permit  | Issued By  | Purpose /<br>Application   | Permit No. | Approval/<br>Issuance<br>Date | Expiration<br>Date | Comments  | Consent to<br>assign<br>required? |
|---|--|--|--|------------|-------------------------------|--------------------|---|-----------------------------------|
| I | Nationwide<br>Permit 12 Pre-<br>Construction<br>Notification | Department of<br>Defense - Sacramento<br>District Army Corps<br>of Engineers (Grand<br>Junction, Colorado) | Work in navigable<br>U.S. waters or<br>discharge, dredge or<br>fill material in U.S.,<br>including wetlands<br>(construction of<br>drainage crossings) |            |                               |                    | Approved.   | Yes                               |
| 2 | Right-of-Way<br>Grant  | Bureau of Land<br>Management (Grand<br>Junction Field Office)  | Pipeline right-of-<br>way grant  |            |                               |                    | <ul> <li>Permit application pending.</li> <li>Lands as generally described below:</li> <li>Sections 4, 8, 9, 17, 16, 20, 21, 31, 32 T8S, R96W, 6<sup>TH</sup> PM</li> <li>Section 6, T9S, R96W, 6<sup>TH</sup> PM</li> <li>Sections 12, 13 T9S, R97W, 6<sup>TH</sup> PM</li> <li>Sections 19, 27 28, 29, 30 T9S, R96W, 6<sup>TH</sup> PM</li> </ul> | Yes                               |

|   | Type of<br>Permit       | Issued By                              | Purpose /<br>Application                    | Permit No. | Approval/<br>Issuance<br>Date | Expiration<br>Date | Comments  | Consent to<br>assign<br>required? |
|---|-------------------------|--|---|------------|-------------------------------|--------------------|---|-----------------------------------|
| 3 | Special Use<br>Permit   | Forest Service (White<br>River Office) | Installation of<br>pipeline                 |            |                               |                    | Permit application pending.<br>Lands as generally described<br>below:<br>Section 7, T9S, R96W, 6 <sup>TH</sup> PM | Yes                               |
| 4 | Temporary Use<br>Permit | Forest Service (White<br>River Office) | Use of roads across<br>Forest Service lands |            |                               |                    | Permit application pending.<br>Access across Mesa County V<br>Road (Note: County only has<br>historical access.)  | Yes                               |

# STATE PERMITS

|   | Type of<br>Permit                            | Issued By   | Purpose /<br>Application   | Permit No. | Approval/<br>Issuance<br>Date | Expiration<br>Date | Comments                    | Consent to<br>assign<br>required? |
|---|--|---|--|------------|-------------------------------|--------------------|-----------------------------|-----------------------------------|
| 1 | Utility<br>Installation                      | Colorado<br>Department of<br>Transportation   | Installation of<br>natural gas pipeline<br>(US Highway 6)          |            |                               |                    | Permit application pending. | Yes                               |
| 2 | Minimal<br>Industrial<br>Discharge<br>Permit | Colorado<br>Department of<br>Public Health and<br>Environment, Water<br>Quality Control<br>Division | Discharge of<br>hydrostatic test<br>water and trench<br>dewatering |            |                               |                    | Permit application pending. | Yes                               |
| 3 | Construction<br>Stormwater<br>Permit         | Colorado<br>Department of<br>Public Health and<br>Environment, Water<br>Quality Control<br>Division | Discharge of<br>stormwater from<br>construction site               | COR-03D552 | 04/08/08                      | 06/30/12           | Approved.                   | Yes                               |
| 4 | Construction<br>Emissions<br>Permit          | Colorado<br>Department of<br>Public Health and  | Construction of land<br>development<br>projects greater than       | 08ME0147L  | 03/19/08                      | 02/15/09           | Approved.                   | Yes                               |

| Environment, Air<br>Pollution Control<br>Division | 25 acres |  |  |  |
|---|----------|--|--|--|
| DIVISION  |          |  |  |  |

# LOCAL PERMITS

|   | Type of Permit   | Issued By   | Purpose /<br>Application   | Permit<br>No. | Approval/<br>Issuance<br>Date | Expiration<br>Date | Comments                       | Consent to assign required? |
|---|--|---|--|---------------|-------------------------------|--------------------|--------------------------------|-----------------------------|
| 1 | Garfield County<br>Pipeline<br>Development Plan<br>Administrative<br>Permit  | Building and<br>Planning<br>Department,<br>Garfield County,<br>Colorado | Construction of<br>pipeline<br>(pipeline<br>development<br>plan) |               |                               |                    | Permit application pending.    | Yes                         |
| 2 | Garfield County<br>Utilities<br>Installation Permit<br>for Installation of<br>Utilities in Public<br>Right-of-Ways | Road and Bridge<br>Department,<br>Garfield County                       | Installation for<br>natural gas<br>pipeline (County<br>Road 300) |               |                               |                    | Permit application pending.    | Yes                         |
| 3 | Garfield County<br>Utilities<br>Installation Permit<br>for Installation of<br>Utilities in Public<br>Right-of-Ways | Road and Bridge<br>Department,<br>Garfield County                       | Installation of<br>natural gas<br>pipeline (old Una<br>Bridge)   |               |                               |                    | Permit application<br>pending. | Yes                         |
| 4 | Mesa County<br>Underground and<br>Utilities Permit for<br>Installation of<br>Utilities in Public<br>Right-of-Ways  | Division of<br>Design and<br>Engineering,<br>Mesa County                | Installation for<br>natural gas<br>pipeline (County<br>V Road)   |               |                               |                    | Permit application pending.    | Yes                         |

# **OTHER PERMITS**

|   | Type of Permit                                      | Issued By  | Purpose /<br>Application  | Permit<br>No. | Approval/<br>Issuance<br>Date | Expiration<br>Date | Comments                    | Consent to<br>assign<br>required? |
|---|---|--|---|---------------|-------------------------------|--------------------|-----------------------------|-----------------------------------|
| 1 | Union Pacific<br>Railroad<br>Encroachment<br>Permit | Union Pacific<br>Rail Road   | Installation of<br>natural gas<br>pipeline  |               |                               |                    | Permit application pending. | Yes                               |
| 2 | Construction<br>Permit                              | Colorado<br>Department of<br>Public Health<br>and<br>Environment,<br>Air Pollution<br>Control Division | Portable natural<br>gas compressor<br>engine, referred<br>to as EnCana<br>CE-P13,<br>homebased at<br>2717 County<br>Road 215,<br>Parachute,<br>Colorado | 05PO0078      | 6-21-2007                     |                    |                             | Yes                               |
| 3 | Construction<br>Permit                              | Colorado<br>Department of<br>Public Health<br>and<br>Environment,<br>Air Pollution<br>Control Division | Portable natural<br>gas compression<br>package,<br>homebased at<br>2717 County<br>Road 215, Suite<br>1000, Parachute,<br>Colorado                       | 05PO0936      | 2-16-2007                     |                    |                             | Yes                               |
| 4 | Construction<br>Permit                              | Colorado<br>Department of<br>Public Health<br>and<br>Environment,<br>Air Pollution<br>Control Division | Portable natural<br>gas compressor<br>engine, referred<br>to as EnCana<br>CE-P15,<br>homebased at<br>792 Buckhorn<br>Drive, Rifle,<br>Colorado          | 05PO0080      | 3-31-2005                     |                    |                             | Yes                               |

# Exhibit B Contracts and Agreements

# I. Purchase Orders

|    | Purchase Order Number | Date    | _ |
|----|-----------------------|---------|---|
| 1  | 08101684-01-001       | 1/31/08 |   |
| 2  | 08101684-01-001C/01   | 4/22/08 |   |
| 3  | 08101684-01-001C/02   | 5/19/08 |   |
| 4  | 08101684-01A-001      | 4/22/08 | _ |
| 5  | 08101684-02-001C/O1   | 4/22/08 |   |
| 6  | 08101684-02A-001      | 4/22/08 |   |
| 7  | 08101684-03-001       | 4/22/08 |   |
| 8  | 08101684-04-001       | 4/22/08 |   |
| 9  | 08101684-05-001       | 4/22/08 |   |
| 10 | 08101684-06-001       | 4/22/08 |   |
| 11 | 08101684-07-001       | 4/22/08 |   |
| 12 | 08101684-07-001CO1    | 6/17/08 |   |
| 13 | 08101684-08-001       | 4/22/08 |   |
| 14 | 08101684-08-001CO1    | 6/17/08 |   |
| 15 | 08101684-09-001       | 4/22/08 |   |
| 16 | 08101684-10-001       | 4/22/08 | _ |
| 17 | 08101684-11-001       | 4/22/08 | _ |
| 18 | 08101684-11-001-CO1   | 6/17/08 | _ |
| 19 | 08101684-12-001       | 4/22/08 | _ |
| 20 | 08101684-12-001CO1    | 6/17/04 |   |
| 21 | 08101684-13-001       | 4/22/08 | _ |
| 22 | 08101684-14-001       | 4/22/08 | _ |
| 23 | 08101684-15-001       | 4/22/08 | _ |
| 24 | 08101684-15-001CO1    | 6/17/08 |   |
| 25 | 08101684-16-001       | 4/22/08 |   |
| 26 | 0810168417-001        | 4/22/08 |   |
| 27 | 08101684-17-001CO1    | 6/17/08 |   |
| 28 | 08101684-18-001       | 4/22/08 |   |
| 29 | 08101684-19-001       | 4/28/08 |   |
| 30 | 08101684-20-001       | 4/28/08 |   |
| 31 | 08101684-21-001       | 4/28/08 |   |
| 32 | 08101684-22-001       | 4/28/08 | _ |
| 33 | 08101684-23-001       | 4/22/08 |   |
| 34 | 08101684-24-001       | 4/22/08 |   |
| 35 | 08101684-25-001       | 4/22/08 |   |
| 36 | 08101684-26-001       | 4/22/04 | - |
| 37 | 08101684-27-001       | 4/22/08 | _ |
| 38 | 08101684-28-001       | 4/22/08 |   |
| 39 | 08101684-29-001       | 4/22/08 |   |

| 40 | 08101684-31-001    | 4/22/08   |
|----|--------------------|-----------|
| 41 | 08101684-31B-001   | 4/22/08   |
| 42 | 08101684-32-001    | 4/22/08   |
| 43 | 08101684-33-001    | 4/22/08   |
| 44 | 08101684-34-001    | 4/22/08   |
| 45 | 08101684-36-001    | 4/28/04   |
| 46 | 08101684-37-001    | 4/28/08   |
| 47 | 08101684-37-001CO1 | 6/19/08   |
| 48 | 08101684-38-001    | 5/21/08   |
| 49 | 08101684-39-001    | 5/19/08   |
| 50 | 08101684-41-001    | Not dated |
| 51 | 08101684-42-001    | 5/19/08   |
| 52 | 08101684-43-001    | 5/21/08   |
| 53 | 08101684-44-001    | 5/29/08   |
| 54 | 08101684-46-001    | 5/21/08   |
| 55 | 08101684-46-001CO1 | 6/19/08   |
| 56 | 08101684-47-001    | 6/17/08   |
| 57 | 08101684-ColoWyo   | 5/29/08   |
| 58 | 08101684-Hogue     | 5/29/08   |

# II. Other Agreements

1. Surface Access Agreement dated July 1, 2008 by and between Colowyo Coal Company, L.P. and EnCana Oil & Gas (USA) Inc.

2. Lease Of Property dated April 23, 2008 by and between John and Danita Hogue, as Lessor, and EnCana Oil & Gas (USA) Inc., as Lessee

3. Letter of Authorization dated May 1, 2008 from Specialty Restaurant Corporation and Stockton Restaurant Corporation

4. Property Lease Agreement dated effective May 1, 2008 by and between Specialty Restaurants Corporation and Stockton Restaurant Corporation, as Lessor, and EnCana Oil & Gas (USA) Inc., as Lessee

5. Letter of Authorization dated May 1, 2008 from Specialty Restaurant Corporation and Stockton Restaurant Corporation

6. Property Lease Agreement dated effective May 1, 2008 by and between Specialty Restaurants Corporation and Stockton Restaurant Corporation, as Lessor, and EnCana Oil & Gas (USA) Inc., as Lessee

7. Sales Order by and between EnCana Oil & Gas (USA) Inc. and American Cast Iron Pipe Company, as amended

8. Schedule "A" dated July 24, 2006 by and between EnCana Oil & Gas (USA) Inc. and Universal Compression Inc. relating to Application #112190 and Quote #0620602BRB attached to Master Compression Services Agreement dated January 1, 2006 by and between EnCana Oil & Gas (USA) Inc. and Universal Compression Inc.

9. Schedule "A" dated July 24, 2006 by and between EnCana Oil & Gas (USA) Inc. and Universal Compression Inc. relating to Application #112191 and Quote #0620603BRB attached to Master Compression Services Agreement dated January 1, 2006 by and between EnCana Oil & Gas (USA) Inc. and Universal Compression Inc.

10. Work Order dated March 11, 2008 by and between EnCana Oil & Gas (USA) Inc. and Exterran, Inc. relating to Opportunity #80176 and Unit #312244 attached to Master Rental and Service Agreement dated February 1, 2007 by and between EnCana Oil & Gas (USA) Inc. and Hanover Compression Limited Partnership

# <u>Exhibit C</u> Equipment and Materials

- 1. 121,440 feet of 24" OD x 0.500" wall API5L Gr. X-70 PSL 2 HF-ERW, 14 mils FBE coated, PEBW pipe per EnCana Purchase Order number 8USSPDA-08-001.
- 63,000 feet of 24" OD x 0.438" wall API5L Gr. X-70 PSL 2 HF-ERW, 14 mils FBE coated, PEBW pipe per EnCana Purchase Order number 8USSPDA-08-002 as amended.
- The Inlet condensate stabilization system and associated equipment denoted on Dwg. No. 2012210-00-01 of the Mamm Creek Conditioning Facility.
- 4. Hot Oil Heater and pump system as denoted on Dwg No. 2012210-00-020 and Dwg. No. 2012210-00-021 of the Mamm Creek Conditioning Facility.
- 5. Engineering and design work products:
  - 1. Hayes Mesa plot plan / design work to date
  - 2. Pipeline Surveys or alignments sheets partially or fully completed to date.

### PROPERTY LEASE AGREEMENT

This Property Lease Agreement ("Lease") is made and entered into this  $30^{rh}$  day of 4 April, 2008 (the "Execution Date"), but effective as of May 1, 2008 (the "Effective Date") by and between Specialty Restaurants Corporation and Stockton Restaurant Corporation, whose addresses are 8191 E. Kaiser Blvd., Anaheim, CA 92808 hereinafter referred to as ("Lessor") and EnCana Oil & Gas (USA) Inc., whose address is 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, its successors and assigns hereinafter referred to as ("Lessee").

Whereas, EnCana Oil & Gas (USA) Inc. desires to lease property in Garfield County, Colorado, for the purpose of maintaining a temporary construction trailer office and yard site. Lessee shall, under the terms of this Lease, have the exclusive right of ingress and egress, and the right to enjoy the exclusive use and occupancy of the property described below. Lessee has the right to assign this Lease or the right to sublease the above described property with Lessor's approval, such approval not to be unreasonably withheld, conditioned, or delayed, at any time for the purpose stated herein. In accordance with the provisions set forth below, *this Lease is contingent upon approval of a Special Use Permit from Garfield County Building and Planning Department*, which the Lessor cannot terminate prior to the termination of the Lease. Lessee will apply for a Special Use Permit within 45 days of the Execution Date. If the Lessee does not apply within 45 days of the Execution Date, this Lease shall terminate upon expiration of the 45-day period. Proof of application shall be forwarded to Lessor before the expiration of the 45 dayperiod.

Whereas, Lessor warrants that they are the owner of certain real property located in Garfield County; and

Whereas, Lessor desires to lease property to EnCana Oil & Gas (USA) Inc. for the purpose described above;

Therefore, in consideration of the promises and mutual covenants and conditions set forth below, the parties agree as follows:

- <u>Purpose</u>, Lessor agrees to lease to Lessee a parcel of land located in Township 7 South, Range 96 West, Section 33: NE/4NE/4 as described on the attached Exhibit A, in Garfield County, Colorado (the "Leased Property"), as a temporary construction trailer office and yard site, however there will be no hazardous material storage.
- Term. The term of this Lease shall be for a 12 month period, beginning May 1, 2008 continuing through April 30, 2009.
- 3. <u>Consideration</u>. The consideration for the 12 month lease is paid at the time of approval of the Special Use Permit and with the Lessor to receive a copy of the Special Use Permit. No work shall be performed such as fencing, gravel, or installation of roadways, and no occupancy of the yard shall occur, until the Special Use Permit is approved. The Lessee will provide the Lessor a copy of a Liability Policy (Binder) for the yard and be named as additional insured.

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# SPECIALTY RESTAURANTS CORPORATION

December 11, 2008

S

Enterprise Gos Processing, LLC a Delaware limited Liability Company

Specially Restaurants Corporation/ Stockton Restaurant Corporation is aware that EnCana Oil and Gas (USA) Inc., and Enterprise Gas Processing have consummated an agreement and acquired certain permits and leases that have implications for Specialty Restaurants Corp.

Specialty Restaurants Corp/SRC is in agreement and acknowledges that EnCana has assigned Two (2) leases to Enterprise Gas. Specialty Restaurant Corp/SRC Leases are now approved for assignment to Enterprise Gas and are as follows:

- 1. Seven (7) acre, vacant land lease that started on April 30, 2008 and expires on May 1, 2009. This lease has no renewal clause or option clause, this lease will expire on May 1, 2009 and all equipment and belongings of Lessee shall be removed from the property by no later then May 1, 2009. Specialty Restaurant Corp/SRC shall consider extending this lease as per conversations with Taby Guccini-Representative for SRC, under these general terms set forth to be approved by both parties. Consideration of extending this lease will be for a Term of 6-months starting on May 1, 2009 and ending on October 31, 2009 and a one time rental payment of payable to Specialty Restaurants/SRC upon signing of an Amendment to the original lease accepted by all.
- Twenty-one (21) acre, vacant land lease that started on April 30, 2008 and expires May 1, 2009 with the Option to re-new this lease for another 1-year term. Lessee must make payment of to Specialty Restaurants Corp/SRC, 30 days prior to the expiration date of the lease.

12/11/08 Specialty Restaurants Corporation PRESIDENT Stockton Restaurant Corporation

8191 East Kaiser Bondevard, Anaheim, CA 92898 Telephone (714) 279-6100 FAX (714) 998-7574 (Executive) FAX (714) 998-4861 (Legal Finance) FAX (714) 998-4962 (Accounting & Others) FAX (714) 998-8496 (Purchaving) FAX (714) 998-7669 (Construction)



U S Army Corps of Engineers Sacramento District 33 CFR Part 330; Issuance of Nationwide Permits – March 19, 2007 includes corrections of May 8, 2007 and addition of regional conditions December 2007

**12.** Utility Line Activities. Activities required for the construction, maintenance, repair, and removal of utility lines and associated facilities in waters of the United States, provided the activity does not result in the loss of greater than 1/2 acre of waters of the United States.

Utility lines: This NWP authorizes the construction, maintenance, or repair of utility lines, including outfall and intake structures, and the associated excavation, backfill, or bedding for the utility lines, in all waters of the United States, provided there is no change in pre-construction contours. A "utility line" is defined as any pipe or pipeline for the transportation of any gaseous, liquid, liquescent, or slurry substance, for any purpose, and any cable, line, or wire for the transmission for any purpose of electrical energy, telephone, and telegraph messages, and radio and television communication. The term "utility line" does not include activities that drain a water of the United States, such as drainage tile or french drains, but it does apply to pipes conveying drainage from another area.

Material resulting from trench excavation may be temporarily sidecast into waters of the United States for no more than three months, provided the material is not placed in such a manner that it is dispersed by currents or other forces. The district engineer may extend the period of temporary side casting for no more than a total of 180 days, where appropriate. In wetlands, the top 6 to 12 inches of the trench should normally be backfilled with topsoil from the trench. The trench cannot be constructed or backfilled in such a manner as to drain waters of the United States (e.g., backfilling with extensive gravel layers, creating a french drain effect). Any exposed slopes and stream banks must be stabilized immediately upon completion of the utility line crossing of each waterbody.

Utility line substations: This NWP authorizes the construction, maintenance, or expansion of substation facilities associated with a power line or utility line in non-tidal waters of the United States, provided the activity, in combination with all other activities included in one single and complete project, does not result in the loss of greater than 1/2 acre of waters of the United States. This NWP does not authorize discharges into non-tidal wetlands adjacent to tidal waters of the United States to construct, maintain, or expand substation facilities.

Foundations for overhead utility line towers, poles, and anchors: This NWP authorizes the construction or maintenance of foundations for overhead utility line towers, poles, and anchors in all waters of the United States, provided the foundations are the minimum size necessary and separate footings for each tower leg (rather than a larger single pad) are used where feasible.

Access roads: This NWP authorizes the construction of access roads for the construction and maintenance of utility lines, including overhead power lines and utility line substations, in non-tidal waters of the United States, provided the total discharge from a single and complete project does not cause the loss of greater than 1/2-acre of non-tidal waters of the United States. This NWP does not authorize discharges into non-tidal wetlands adjacent to tidal waters for access roads. Access roads must be the minimum width necessary (see Note 2, below). Access roads must be constructed so that the length of the road minimizes any adverse effects on waters of the United States and must be as near as possible to pre-construction contours and elevations (e.g., at grade corduroy roads or geotextile/gravel roads). Access roads constructed above pre-construction contours and elevations in waters of the United States must be properly bridged or culverted to maintain surface flows.

This NWP may authorize utility lines in or affecting navigable waters of the United States even if there is no associated discharge of dredged or fill material (See 33 CFR Part 322). Overhead utility lines constructed over section 10 waters and utility lines that are routed in or under section 10 waters without a discharge of dredged or fill material require a section 10 permit.

This NWP also authorizes temporary structures, fills, and work necessary to conduct the utility line activity. Appropriate measures must be taken to maintain normal downstream flows and minimize flooding to the maximum extent practicable, when temporary structures, work, and discharges, including cofferdams, are necessary for construction activities, access fills, or dewatering of construction sites. Temporary fills must consist of materials, and be placed in a manner, that will not be eroded by expected high flows. Temporary fills must be removed in their entirety and the affected areas returned to pre-construction elevations. The areas affected by temporary fills must be revegetated, as appropriate.

**Notification**: The permittee must submit a pre-construction notification to the district engineer prior to commencing the activity if any of the following criteria are met: (1) the activity involves mechanized land clearing in a forested wetland for the utility line right-of-way; (2) a section 10 permit is required; (3) the utility line in waters of the United States, excluding overhead lines, exceeds 500 feet; (4) the utility line is placed within a jurisdictional area (i.e., water of the United States), and it runs parallel to a stream bed that is within that jurisdictional area; (5) discharges that result in the loss of greater than 1/10-acre of waters of the United States; (6) permanent access roads are constructed above grade in waters of the United States for a distance of more than 500 feet; or (7) permanent access roads are constructed in waters of the United States with impervious materials. (See general condition 27.) (Sections 10 and 404)

**Note 1**: Where the proposed utility line is constructed or installed in navigable waters of the United States (i.e., section 10 waters), copies of the pre-construction notification and NWP verification will be sent by the Corps to the National Oceanic and Atmospheric Administration (NOAA), National Ocean Service (NOS), for charting the utility line to protect navigation.

**Note 2**: Access roads used for both construction and maintenance may be authorized, provided they meet the terms and conditions of this NWP. Access roads used solely for construction of the utility line must be removed upon completion of the work, accordance with the requirements for temporary fills.

**Note 3**: Pipes or pipelines used to transport gaseous, liquid, liquescent, or slurry substances over navigable waters of the United States are considered to be bridges, not utility lines, and may require a permit from the U.S. Coast Guard pursuant to Section 9 of the Rivers and Harbors Act of 1899. However, any discharges of dredged or fill material into waters of the United States associated with such pipelines will require a section 404 permit (see NWP 15)

# A. Nationwide Permit General Conditions

Note: To qualify for NWP authorization, the prospective permittee must comply with the following general conditions, as appropriate, in addition to any regional or case-specific conditions imposed by the division engineer or district engineer. Prospective permittees should contact the appropriate Corps district office to determine if regional conditions have been imposed on an NWP. Prospective permittees should also contact the appropriate Corps district office to determine the status of Clean Water Act Section 401 water quality certification and/or Coastal Zone Management Act consistency for an NWP.

## □ 1. Navigation.

 $\Box$  (a) No activity may cause more than a minimal adverse effect on navigation.

□ (b) Any safety lights and signals prescribed by the U.S. Coast Guard, through regulations or otherwise, must be installed and maintained at the permittee's expense on authorized facilities in navigable waters of the United States.

□ (c) The permittee understands and agrees that, if future operations by the United States require the removal, relocation, or other alteration, of the structure or work herein authorized, or if, in the opinion of the Secretary of the Army or his authorized representative, said structure or work shall cause unreasonable obstruction to the free navigation of the navigable waters, the permittee will be required, upon due notice from the Corps of Engineers, to remove, relocate, or alter the structural work or obstructions caused thereby, without expense to the United States. No claim shall be made against the United States on account of any such removal or alteration.

□ 2. Aquatic Life Movements. No activity may substantially disrupt the necessary life cycle movements of those species of aquatic life indigenous to the waterbody, including those species that normally migrate through the area, unless the activity's primary purpose is to impound water. Culverts placed in streams must be installed to maintain low flow conditions.

□ 3 Spawning Areas. Activities in spawning areas during spawning seasons must be avoided to the maximum extent practicable. Activities that result in the physical destruction (e.g., through excavation, fill, or downstream smothering by substantial turbidity) of an important spawning area are not authorized.

□ 4. Migratory Bird Breeding Areas. Activities in waters of the United States that serve as breeding areas for migratory birds must be avoided to the maximum extent practicable.

□ 5. Shellfish Beds. No activity may occur in areas of concentrated shellfish populations, unless the activity is directly related to a shellfish harvesting activity authorized by NWPs 4 and 48.

□ 6. Suitable Material. No activity may use unsuitable material (e.g., trash, debris, car bodies, asphalt, etc.). Material used for construction or discharged must be free from toxic pollutants in toxic amounts (see Section 307 of the Clean Water Act).

□ 7. Water Supply Intakes. No activity may occur in the proximity of a public water supply intake, except where the activity is for the repair or improvement of public water supply intake structures or adjacent bank stabilization.

□ 8. Adverse Effects From Impoundments. If the activity creates an impoundment of water, adverse effects to the aquatic system due to accelerating the passage of water, and/or restricting its flow must be minimized to the maximum extent practicable.

□ 9. Management of Water Flows. To the maximum extent practicable, the pre-construction course, condition, capacity, and location of open waters must be maintained for each activity, including stream channelization and storm water management activities, except as provided below. The activity must be constructed to withstand expected high flows. The activity must not restrict or impede the passage of normal or high flows, unless the primary purpose of the activity is to impound water or manage high flows. The activity may alter the pre-construction course, condition, capacity, and location of open waters if it benefits the aquatic environment (e.g., stream restoration or relocation activities).

□ **10. Fills Within 100-Year Floodplains**. The activity must comply with applicable FEMA-approved state or local floodplain management requirements.

□ **11. Equipment**. Heavy equipment working in wetlands or mudflats must be placed on mats, or other measures must be taken to minimize soil disturbance.

□ 12. Soil Erosion and Sediment Controls. Appropriate soil erosion and sediment controls must be used and maintained in effective operating condition during construction, and all exposed soil and other fills, as well as any work below the ordinary high water mark or high tide line, must be permanently stabilized at the earliest practicable date. Permittees are encouraged to perform work within waters of the United States during periods of low-flow or no-flow.

□ **13. Removal of Temporary Fills**. Temporary fills must be removed in their entirety and the affected areas returned to preconstruction elevations. The affected areas must be revegetated, as appropriate.

□ **14. Proper Maintenance**. Any authorized structure or fill shall be properly maintained, including maintenance to ensure public safety.

□ 15. Wild and Scenic Rivers. No activity may occur in a component of the National Wild and Scenic River System, or in a river officially designated by Congress as a "study river" for possible inclusion in the system while the river is in an official study status, unless the appropriate Federal agency with direct management responsibility for such river, has determined in

writing that the proposed activity will not adversely affect the Wild and Scenic River designation or study status. Information on Wild and Scenic Rivers may be obtained from the appropriate Federal land management agency in the area (e.g., National Park Service, U.S. Forest Service, Bureau of Land Management, U.S. Fish and Wildlife Service).

□ 16. Tribal Rights. No activity or its operation may impair reserved tribal rights, including, but not limited to, reserved water rights and treaty fishing and hunting rights.

### □ 17. Endangered Species.

□ (a) No activity is authorized under any NWP which is likely to jeopardize the continued existence of a threatened or endangered species or a species proposed for such designation, as identified under the Federal Endangered Species Act (ESA), or which will destroy or adversely modify the critical habitat of such species. No activity is authorized under any NWP which "may affect" a listed species or critical habitat, unless Section 7 consultation addressing the effects of the proposed activity has been completed.

 $\Box$  (b) Federal agencies should follow their own procedures for complying with the requirements of the ESA. Federal permittees must provide the district engineer with the appropriate documentation to demonstrate compliance with those requirements.

 $\Box$  (c) Non-federal permittees shall notify the district engineer if any listed species or designated critical habitat might be affected or is in the vicinity of the project, or if the project is located in designated critical habitat, and shall not begin work on the activity until notified by the district engineer that the requirements of the ESA have been satisfied and that the activity is authorized. For activities that might affect Federally-listed endangered or threatened species or designated critical habitat, the pre-construction notification must include the name(s) of the endangered or threatened species that may be affected by the proposed work or that utilize the designated critical habitat that may be affected by the proposed work. The district engineer will determine whether the proposed activity "may affect" or will have "no effect" to listed species and designated critical habitat and will notify the non-Federal applicant of the Corps' determination within 45 days of receipt of a complete preconstruction notification. In cases where the non-Federal applicant has identified listed species or critical habitat that might be affected or is in the vicinity of the project, and has so notified the Corps, the applicant shall not begin work until the Corps has provided notification the proposed activities will have "no effect" on listed species or critical habitat, or until Section 7 consultation has been completed.

☐ (d) As a result of formal or informal consultation with the FWS or NMFS the district engineer may add species-specific regional endangered species conditions to the NWPs.

□ (e) Authorization of an activity by a NWP does not authorize the "take" of a threatened or endangered species as defined under the ESA. In the absence of

http://www.noaa.gov/fisheries.html respectively.

#### **18.** Historic Properties.

☐ (a) In cases where the district engineer determines that the activity may affect properties listed, or eligible for listing, in the National Register of Historic Places, the activity is not authorized, until the requirements of Section 106 of the National Historic Preservation Act (NHPA) have been satisfied.

☐ (b) Federal permittees should follow their own procedures for complying with the requirements of Section 106 of the National Historic Preservation Act. Federal permittees must provide the district engineer with the appropriate documentation to demonstrate compliance with those requirements.

 $\Box$  (c) Non-federal permittees must submit a preconstruction notification to the district engineer if the authorized activity may have the potential to cause effects to any historic properties listed, determined to be eligible for listing on, or potentially eligible for listing on the National Register of Historic Places, including previously unidentified properties. For such activities, the preconstruction notification must state which historic properties may be affected by the proposed work or include a vicinity map indicating the location of the historic properties or the potential for the presence of historic properties. Assistance regarding information on the location of or potential for the presence of historic resources can be sought from the State Historic Preservation Officer or Tribal Historic Preservation Officer, as appropriate, and the National Register of Historic Places (see 33 CFR 330.4(g)). The district engineer shall make a reasonable and good faith effort to carry out appropriate identification efforts, which may include background research, consultation, oral history interviews, sample field investigation, and field survey. Based on the information submitted and these efforts, the district engineer shall determine whether the proposed activity has the potential to cause an effect on the historic properties. Where the non-Federal applicant has identified historic properties which the activity may have the potential to cause effects and so notified the Corps, the non-Federal applicant shall not begin the activity until notified by the district engineer either that the activity has no potential to cause effects or that consultation under Section 106 of the NHPA has been completed.

 $\Box$  (d) The district engineer will notify the prospective permittee within 45 days of receipt of a complete pre-construction notification whether NHPA Section 106 consultation is required. Section 106 consultation is not required when the Corps determines that the activity does not have the potential to cause effects on historic properties (see 36 CFR §800.3(a)). If NHPA section 106 consultation is required and will occur, the district engineer will notify the non-Federal applicant that he or she cannot begin work until Section 106 consultation is completed.

 $\Box$  (e) Prospective permittees should be aware that section 110k of the NHPA (16 U.S.C. 470h-2(k)) prevents the Corps from granting a permit or other assistance to an applicant who, with intent to avoid the requirements of Section 106 of the NHPA, has intentionally significantly adversely affected a historic property to which the permit would relate, or having legal power to prevent it, allowed such significant adverse effect to occur, unless the Corps, after consultation with the Advisory Council on Historic Preservation (ACHP), determines that circumstances justify granting such assistance despite the adverse effect created or permitted by the applicant. If circumstances justify granting the assistance, the Corps is required to notify the ACHP and provide documentation specifying the circumstances, explaining the degree of damage to the integrity of any historic properties affected, and proposed mitigation. This documentation must include any views obtained from the applicant, SHPO/THPO, appropriate Indian tribes if the undertaking occurs on or affects historic properties on tribal lands or affects properties of interest to those tribes, and other parties known to have a legitimate interest in the impacts to the permitted activity on historic properties.

□ 19. Designated Critical Resource Waters. Critical resource waters include, NOAA-designated marine sanctuaries, National Estuarine Research Reserves, state natural heritage sites, and outstanding national resource waters or other waters officially designated by a state as having particular environmental or ecological significance and identified by the district engineer after notice and opportunity for public comment. The district engineer may also designate additional critical resource waters after notice and opportunity for comment.

□ (a) Discharges of dredged or fill material into waters of the United States are not authorized by NWPs 7, 12, 14, 16, 17, 21, 29, 31, 35, 39, 40, 42, 43, 44, 49, and 50 for any activity within, or directly affecting, critical resource waters, including wetlands adjacent to such waters.

□ (b) For NWPs 3, 8, 10, 13, 15, 18, 19, 22, 23, 25, 27, 28, 30, 33, 34, 36, 37, and 38, notification is required in accordance with general condition 27, for any activity proposed in the designated critical resource waters including wetlands adjacent to those waters. The district engineer may authorize activities under these NWPs only after it is determined that the impacts to the critical resource waters will be no more than minimal.

**20** Mitigation. The district engineer will consider the following factors when determining appropriate and practicable mitigation necessary to ensure that adverse effects on the aquatic environment are minimal:

☐ (a) The activity must be designed and constructed to avoid and minimize adverse effects, both temporary and permanent, to waters of the United States

to the maximum extent practicable at the project site (i.e., on site).

☐ (b) Mitigation in all its forms (avoiding, minimizing, rectifying, reducing, or compensating) will be required to the extent necessary to ensure that the adverse effects to the aquatic environment are minimal.

 $\Box$  (c) Compensatory mitigation at a minimum one-for-one ratio will be required for all wetland losses that exceed 1/10 acre and require pre-construction notification, unless the district engineer determines in writing that some other form of mitigation would be more environmentally appropriate and provides a projectspecific waiver of this requirement. For wetland losses of 1/10 acre or less that require pre-construction notification, the district engineer may determine on a case-by-case basis that compensatory mitigation is required to ensure that the activity results in minimal adverse effects on the aquatic environment. Since the likelihood of success is greater and the impacts to potentially valuable uplands are reduced, wetland restoration should be the first compensatory mitigation option considered.

 $\Box$  (d) For losses of streams or other open waters that require pre-construction notification, the district engineer may require compensatory mitigation, such as stream restoration, to ensure that the activity results in minimal adverse effects on the aquatic environment.

 $\Box$  (e) Compensatory mitigation will not be used to increase the acreage losses allowed by the acreage limits of the NWPs. For example, if an NWP has an acreage limit of 1/2 acre, it cannot be used to authorize any project resulting in the loss of greater than 1/2 acre of waters of the United States, even if compensatory mitigation is provided that replaces or restores some of the lost waters. However, compensatory mitigation can and should be used, as necessary, to ensure that a project already meeting the established acreage limits also satisfies the minimal impact requirement associated with the NWPs.

 $\Box$  (f) Compensatory mitigation plans for projects in or near streams or other open waters will normally include a requirement for the establishment, maintenance, and legal protection (e.g., conservation easements) of riparian areas next to open waters. In some cases, riparian areas may be the only compensatory mitigation required. Riparian areas should consist of native species. The width of the required riparian area will address documented water quality or aquatic habitat loss concerns. Normally, the riparian area will be 25 to 50 feet wide on each side of the stream, but the district engineer may require slightly wider riparian areas to address documented water quality or habitat loss concerns. Where both wetlands and open waters exist on the project site, the district engineer will determine the appropriate compensatory mitigation (e.g., riparian areas and/or wetlands compensation) based on what is best for the aquatic environment on a watershed basis. In cases where riparian areas are determined to be the most appropriate form of compensatory mitigation, the district engineer may waive or reduce the requirement to provide wetland compensatory mitigation for wetland losses.

☐ (g) Permittees may propose the use of mitigation banks, in-lieu fee arrangements or separate activity-specific compensatory mitigation. In all cases, the mitigation provisions will specify the party responsible for accomplishing and/or complying with the mitigation plan.

☐ (h) Where certain functions and services of waters of the United States are permanently adversely affected, such as the conversion of a forested or scrubshrub wetland to a herbaceous wetland in a permanently maintained utility line right-of-way, mitigation may be required to reduce the adverse effects of the project to the minimal level.

□ 21. Water Quality. Where States and authorized Tribes, or EPA where applicable, have not previously certified compliance of an NWP with CWA Section 401, individual 401 Water Quality Certification must be obtained or waived (see 33 CFR 330.4(c)). The district engineer or State or Tribe may require additional water quality management measures to ensure that the authorized activity does not result in more than minimal degradation of water quality.

□ 22. Coastal Zone Management. In coastal states where an NWP has not previously received a state coastal zone management consistency concurrence, an individual state coastal zone management consistency concurrence must be obtained, or a presumption of concurrence must occur (see 33 CFR 330.4(d)). The district engineer or a State may require additional measures to ensure that the authorized activity is consistent with state coastal zone management requirements.

□ 23. Regional and Case-By-Case Conditions. The activity must comply with any regional conditions that may have been added by the Division Engineer (see 33 CFR 330.4(e)) and with any case specific conditions added by the Corps or by the state, Indian Tribe, or U.S. EPA in its section 401 Water Quality Certification, or by the state in its Coastal Zone Management Act consistency determination.

□ 24. Use of Multiple Nationwide Permits. The use of more than one NWP for a single and complete project is prohibited, except when the acreage loss of waters of the United States authorized by the NWPs does not exceed the acreage limit of the NWP with the highest specified acreage limit. For example, if a road crossing over tidal waters is constructed under NWP 14, with associated bank stabilization authorized by NWP 13, the maximum acreage loss of waters of the United States for the total project cannot exceed 1/3-acre.

□ 25. Transfer of Nationwide Permit Verifications. If the permittee sells the property associated with a nationwide permit verification, the permittee may transfer the nationwide permit verification to the new owner by submitting a letter to the appropriate Corps district office to validate the transfer. A copy of the nationwide permit verification must be attached to the letter, and the letter must contain the following statement and signature:

"When the structures or work authorized by this nationwide permit are still in existence at the time the property is transferred, the terms and conditions of this nationwide permit, including any special conditions, will continue to be binding on the new owner(s) of the property. To validate the transfer of this nationwide permit and the associated liabilities associated with compliance with its terms and conditions, have the transferee sign and date below."

(Transferee)

(Date)

□ 26. Compliance Certification. Each permittee who received an NWP verification from the Corps must submit a signed certification regarding the completed work and any required mitigation. The certification form must be forwarded by the Corps with the NWP verification letter and will include:

☐ (a) A statement that the authorized work was done in accordance with the NWP authorization, including any general or specific conditions;

 $\Box$  (b) A statement that any required mitigation was completed in accordance with the permit conditions; and

 $\Box$  (c) The signature of the permittee certifying the completion of the work and mitigation.

# □ 27. Pre-Construction Notification.

□ (a) **Timing**.. Where required by the terms of the NWP, the prospective permittee must notify the district engineer by submitting a pre-construction notification (PCN) as early as possible. The district engineer must determine if the PCN is complete within 30 calendar days of the date of receipt and, as a general rule, will request additional information necessary to make the PCN complete only once. However, if the prospective permittee does not provide all of the requested information, then the district engineer will notify the prospective permittee that the PCN is still incomplete and the PCN review process will not commence until all of the requested information has been received by the district engineer. The prospective permittee shall not begin the activity until either:

 $\Box$  (1) He or she is notified in writing by the district engineer that the activity may proceed under the NWP with any special conditions imposed by the district or division engineer; or

 $\Box$  (2) Forty-five calendar days have passed from the district engineer's receipt of the complete PCN and the prospective permittee has not received written notice from the district or division engineer. However, if the permittee was required to notify the Corps pursuant to general condition 17 that listed species or critical habitat might affected or in the vicinity of the project, or to notify the Corps pursuant to general condition 18 that the activity may have the potential to cause effects to historic properties, the permittee cannot begin the activity until receiving written notification from the Corps that is "no effect" on listed species or "no potential to cause effects" on historic properties, or that any consultation required under Section 7 of the Endangered Species Act (see 33 CFR 330.4(f)) and/or Section 106 of the National Historic Preservation (see 33 CFR 330.4(g)) is completed. Also, work cannot begin under NWPs 21, 49, or 50 until the permittee has received written approval from the Corps. If the proposed activity requires a written waiver to exceed specified limits of an NWP, the permittee cannot begin the activity until the district engineer issues the waiver. If the district or division engineer notifies the permittee in writing that an individual permit is required within 45 calendar days of receipt of a complete PCN, the permittee cannot begin the activity until an individual permit has been obtained. Subsequently, the permittee's right to proceed under the NWP may be modified, suspended, or revoked only in accordance with the procedure set forth in 33 CFR 330.5(d)(2).

□ (b) <u>Contents of Pre-Construction Notification</u>: The PCN must be in writing and include the following information:

 $\Box$  (1) Name, address and telephone numbers of the prospective permittee;

 $\Box$  (2) Location of the proposed project;

 $\Box$  (3) A description of the proposed project; the project's purpose; direct and indirect adverse environmental effects the project would cause; any other NWP(s), regional general permit(s), or individual permit(s) used or intended to be used to authorize any part of the proposed project or any related activity. The description should be sufficiently detailed to allow the district engineer to determine that the adverse effects of the project will be minimal and to determine the need for compensatory mitigation. Sketches should be provided when necessary to show that the activity complies with the terms of the NWP. (Sketches usually clarify the project and when provided result in a quicker decision.);

 $\Box$  (4) The PCN must include a delineation of special aquatic sites and other waters of the United States on the project site. Wetland delineations must be prepared in accordance with the current method required by the Corps. The permittee may ask the Corps to delineate the special aquatic sites and other waters of the United States, but there may be a delay if the Corps does the delineation, especially if the project site is large or contains many waters of the United States. Furthermore, the 45 day period will not start until the delineation has been submitted to or completed by the Corps, where appropriate;

 $\Box$  (5) If the proposed activity will result in the loss of greater than 1/10 acre of wetlands and a PCN is required, the prospective permittee must submit a statement describing how the mitigation requirement will be satisfied. As an alternative, the prospective permittee may submit a conceptual or detailed mitigation plan.

 $\Box$  (6) If any listed species or designated critical habitat might be affected or is in the vicinity

of the project, or if the project is located in designated critical habitat, for non-Federal applicants the PCN must include the name(s) of those endangered or threatened species that might be affected by the proposed work or utilize the designated critical habitat that may be affected by the proposed work. Federal applicants must provide documentation demonstrating compliance with the Endangered Species Act; and

□ (7) For an activity that may affect a historic property listed on, determined to be eligible for listing on, or potentially eligible for listing on, the National Register of Historic Places, for non-Federal applicants the PCN must state which historic property may be affected by the proposed work or include a vicinity map indicating the location of the historic property. Federal applicants must provide documentation demonstrating compliance with Section 106 of the National Historic Preservation Act.

 $\Box$  (c) Form of Pre-Construction Notification: The standard individual permit application form (Form ENG 4345) may be used, but the completed application form must clearly indicate that it is a PCN and must include all of the information required in paragraphs (b)(1) through (7) of this general condition. A letter containing the required information may also be used.

 $\Box$  (d) <u>Agency Coordination</u>:

 $\Box$  (1) The district engineer will consider any comments from Federal and state agencies concerning the proposed activity's compliance with the terms and conditions of the NWPs and the need for mitigation to reduce the project's adverse environmental effects to a minimal level.

 $\Box$  (2) For all NWP 48 activities requiring preconstruction notification and for other NWP activities requiring pre-construction notification to the district engineer that result in the loss of greater than 1/2-acre of waters of the United States, the district engineer will immediately provide (e.g., via facsimile transmission, overnight mail, or other expeditious manner) a copy of the PCN to the appropriate Federal or state offices (U.S. FWS, state natural resource or water quality agency, EPA, State Historic Preservation Officer (SHPO) or Tribal Historic Preservation Office (THPO), and, if appropriate, the NMFS). With the exception of NWP 37, these agencies will then have 10 calendar days from the date the material is transmitted to telephone or fax the district engineer notice that they intend to provide substantive, site-specific comments. If so contacted by an agency, the district engineer will wait an additional 15 calendar days before making a decision on the pre-construction notification. The district engineer will fully consider agency comments received within the specified time frame, but will provide no response to the resource agency, except as provided below. The district engineer will indicate in the administrative record associated with each preconstruction notification that the resource agencies'

concerns were considered. For NWP 37, the emergency watershed protection and rehabilitation activity may proceed immediately in cases where there is an unacceptable hazard to life or a significant loss of property or economic hardship will occur. The district engineer will consider any comments received to decide whether the NWP 37 authorization should be modified, suspended, or revoked in accordance with the procedures at 33 CFR 330.5.

 $\Box$  (3) In cases of where the prospective permittee is not a Federal agency, the district engineer will provide a response to NMFS within 30 calendar days of receipt of any Essential Fish Habitat conservation recommendations, as required by Section 305(b)(4)(B) of the Magnuson-Stevens Fishery Conservation and Management Act.

 $\Box$  (4) Applicants are encouraged to provide the Corps multiple copies of pre-construction notifications to expedite agency coordination.

 $\Box$  (5) For NWP 48 activities that require reporting, the district engineer will provide a copy of each report within 10 calendar days of receipt to the appropriate regional office of the NMFS.

 $\Box$  (e) In reviewing the PCN for the proposed activity, the district engineer will determine whether the activity authorized by the NWP will result in more than minimal individual or cumulative adverse environmental effects or may be contrary to the public interest. If the proposed activity requires a PCN and will result in a loss of greater than 1/10 acre of wetlands, the prospective permittee should submit a mitigation proposal with the PCN. Applicants may also propose compensatory mitigation for projects with smaller impacts. The district engineer will consider any proposed compensatory mitigation the applicant has included in the proposal in determining whether the net adverse environmental effects to the aquatic environment of the proposed work are minimal. The compensatory mitigation proposal may be either conceptual or detailed. If the district engineer determines that the activity complies with the terms and conditions of the NWP and that the adverse effects on the aquatic environment are minimal, after considering mitigation, the district engineer will notify the permittee and include any conditions the district engineer deems necessary. The district engineer must approve any compensatory mitigation proposal before the permittee commences work. If the prospective permittee elects to submit a compensatory mitigation plan with the PCN, the district engineer will expeditiously review the proposed compensatory mitigation plan. The district engineer must review the plan within 45 calendar days of receiving a complete PCN and determine whether the proposed mitigation would ensure no more than minimal adverse effects on the aquatic environment. If the net adverse effects of the project on the aquatic environment (after consideration of the compensatory mitigation proposal) are determined by the district engineer to be minimal, the district engineer will provide a timely written response to the applicant. The response will state that the project can proceed under the terms and conditions of the NWP.

If the district engineer determines that the adverse effects of the proposed work are more than minimal, then the district engineer will notify the applicant either: (1) That the project does not qualify for authorization under the NWP and instruct the applicant on the procedures to seek authorization under an individual permit; (2) that the project is authorized under the NWP subject to the applicant's submission of a mitigation plan that would reduce the adverse effects on the aquatic environment to the minimal level; or (3) that the project is authorized under the NWP with specific modifications or conditions. Where the district engineer determines that mitigation is required to ensure no more than minimal adverse effects occur to the aquatic environment, the activity will be authorized within the 45-day PCN period. The authorization will include the necessary conceptual or specific mitigation or a requirement that the applicant submit a mitigation plan that would reduce the adverse effects on the aquatic environment to the minimal level. When mitigation is required, no work in waters of the United States may occur until the district engineer has approved a specific mitigation plan.

 $\square$  (a) 28. Single and Complete Project. The activity must be a single and complete project. The same NWP cannot be used more than once for the same single and complete project.

#### **B.** Regional Conditions:

I. Sacramento District (All States - CA, NV, UT & CO)

1. When pre-construction notification (PCN) is required, the prospective permittee shall notify the Sacramento District in accordance with General Condition 27 using either the South Pacific Division Preconstruction Notification (PCN) Checklist or a completed application form (ENG Form 4345). In addition, the PCN shall include:

a. A written statement explaining how the activity has been designed to avoid and minimize adverse effects, both temporary and permanent, to waters of the United States;

b. Drawings, including plan and cross-section views, clearly depicting the location, size and dimensions of the proposed activity. The drawings shall contain a title block, legend and scale, amount (in cubic yards) and size (in acreage) of fill in Corps jurisdiction, including both permanent and temporary fills/structures. The ordinary high water mark or, if tidal waters, the high tide line should be shown (in feet), based on National Geodetic Vertical Datum (NGVD) or other appropriate referenced elevation; and

c. Pre-project color photographs of the project site taken from designatedlocations documented on the plan drawing.

2. The permittee shall complete compensatory mitigation required by special conditions of the NWP verification before or concurrent with construction of the authorized activity, except when specifically determined to be impracticable by the Sacramento District. When project mitigation involves use of a mitigation bank or in-lieu fee program, payment shall be made before commencing construction.

3. The permittee shall record the NWP verification with the Registrar of Deeds or other appropriate official charged with the responsibility for maintaining records of title to or interest in real property against areas (1) designated to be preserved as part of mitigation for authorized impacts, including any associated covenants or restrictions, or (2) where structures such as boat ramps or docks, marinas, piers, and permanently moored vessels will be constructed in or adjacent to navigable waters (Section 10 and Section 404). The recordation shall also include a map showing the surveyed location of the authorized structure and any associated areas preserved to minimize or compensate for project impacts.

4. The permittee shall place wetlands, other aquatic areas, and any vegetative buffers preserved as part of mitigation for impacts into a separate "preserve" parcel prior to discharging dredged or fill material into waters of the United States, except where specifically determined to be impracticable by the Sacramento District. Permanent legal protection shall be established for all preserve parcels, following Sacramento District approval of the legal instrument.

5. The permittee shall allow Corps representatives to inspect the authorized activity and any mitigation areas at any time deemed necessary to determine compliance with the terms and conditions of the NWP verification. The permittee will be notified in advance of an inspection.

6. For NWPs 29, 39, 40, 42, 43, 44, and 46, requests to waive the 300 linear foot limitation for intermittent or ephemeral waters of the U.S. shall include an evaluation of functions and services provided by the waterbody taking into account the watershed, measures to be implemented to avoid and minimize impacts, other measures to avoid and minimize that were found to be impracticable, and a mitigation plan for offsetting impacts.

7. Road crossings shall be designed to ensure fish passage, especially for anadromous fisheries. Permittees shall employ bridge designs that span the stream or river, utilize pier or pile supported structures, or involve large bottomless culverts with a natural streambed, where the substrate and streamflow conditions approximate existing channel conditions. Approach fills in waters of the United States below the ordinary high water mark are not authorized under the NWPs, except where avoidance has specifically been determined to be impracticable by the Sacramento District.

8. For NWP 12, clay blocks, bentonite, or other suitable material shall be used to seal the trench to prevent the utility line from draining waters of the United States, including wetlands.

9. For NWP 13, bank stabilization shall include the use of vegetation or other biotechnical design to the maximum extent practicable. Activities involving hard-armoring of the bank toe or slope requires submission of a PCN per General Condition 27.

10. For NWP 23, the PCN shall include a copy of the signed Categorical Exclusion document and final agency determinations regarding compliance with Section 7 of the Endangered Species Act, Essential Fish Habitat under the Magnussen-Stevens Act, and Section 106 of the National Historic Preservation Act. **11**. For NWP 44, the discharge shall not cause the loss of more than 300 linear feet of streambed. For intermittent and ephemeral streams, the 300 linear foot limit may be waived in writing by the Sacramento District. This NWP does not authorize discharges in waters of the United States supporting anadromous fisheries.

12. For NWPs 29 and 39, channelization or relocation of intermittent or perennial drainage, is not authorized, except when, as determined by the Sacramento District, the relocation would result in a net increase in functions of the aquatic ecosystem within the watershed.

13. For NWP 33, temporary fills for construction access in waters of the United States supporting fisheries shall be accomplished with clean, washed spawning quality gravels where practicable as determined by the Sacramento District, in consultation with appropriate federal and state wildlife agencies.

14. For NWP 46, the discharge shall not cause the loss of greater than 0.5 acres of waters of the United States or the loss of more than 300 linear feet of ditch, unless this 300 foot linear foot limit is waived in writing by the Sacramento District.

15. For NWPs 29, 39, 40, 42, and 43, upland vegetated buffers shall be established and maintained in perpetuity, to the maximum extent practicable, next to all preserved open waters, streams and wetlands including created, restored, enhanced or preserved waters of the U.S., consistent with General Condition 20. Except in unusual circumstances, vegetated buffers shall be at least 50 feet in width.

16. All NWPs except 3, 6, 20, 27, 32, 38, and 47, are revoked for activities in histosols and fens and in wetlands contiguous with fens. Fens are defined as slope wetlands with a histic epipedon that are hydrologically supported by groundwater. Fens are normally saturated throughout the growing season, although they may not be during drought conditions. For NWPs 3, 6, 20, 27, 32, and 38, prospective permittees shall submit a PCN to the Sacramento District in accordance with General Condition 27.

17. For all NWPs, when activities are proposed within 100 feet of the point of groundwater discharge of a natural spring, prospective permittees shall submit a PCN to the Sacramento District in accordance with General Condition 27. A spring source is defined as any location where ground water emanates from a point in the ground. For purposes of this condition, springs do not include seeps or other discharges which lack a defined channel.

## II. California Only

1. In the Lake Tahoe Basin, all NWPs are revoked. Activities in this area shall be authorized under Regional General Permit 16 or through an individual permit.

2. In the Primary and Secondary Zones of the Legal Delta, NWPs 29 and 39 are revoked. New development activities in the Legal Delta will be reviewed through the Corps' standard permit process.

## III. Nevada Only

1. In the Lake Tahoe Basin, all NWPs are revoked. Activities in this area shall be authorized under Regional General Permit 16 or through an individual permit.

### IV. Utah Only

1. For all NWPs, except NWP 47, prospective permittees shall submit a PCN in accordance with General Condition 27 for any activity, in waters of the United States, below 4217 feet mean sea level (msl) adjacent to the Great Salt Lake and below 4500 feet msl adjacent to Utah Lake.

2. A PCN is required for all bank stabilization activities in a perennial stream that would affect more than 100 linear feet of stream

3. For NWP 27, facilities for controlling stormwater runoff, construction of water parks such as kayak courses, and use of grout or concrete to construct in-stream structures are not authorized. A PCN is required for all projects exceeding 1500 linear feet as measured on the stream thalweg, using in stream structures exceeding 50 cubic yards per structure and/or incorporating grade control structures exceeding 1 foot vertical drop. For any stream restoration project, the post project stream sinuosity shall be appropriate to the geomorphology of the surrounding area and shall be equal to, or greater than, pre project sinuosity. Sinuosity is defined as the ratio of stream length to project reach length. Structures shall allow the passage of aquatic organisms, recreational water craft or other navigational activities unless specifically waived in writing by the District Engineer.

### V. Colorado Only

1. Final Regional Conditions Applicable to Specific Nationwide Permits within Colorado.

a. Nationwide Permit Nos. 12 and 14, Utility Line Activities and Linear Transportation Projects. In the Colorado River Basin, utility line and road activities crossing perennial water or special aquatic sites require notification to the District Engineer in accordance with General Condition 27 (Pre-Construction Notification).

b. Nationwide Permit No. 13 Bank Stabilization. In Colorado, bank stabilization activities necessary for erosion prevention in streams that average less than 20 feet in width (measured between the ordinary high water marks) are limited to the placement of no more than 1/4 cubic yard of suitable fill\* material per running foot below the plane of the ordinary high water mark. Activities greater than 1/4 cubic yard may be authorized if the permittee notifies the District Engineer in accordance with General Condition 27 (Pre-Construction Notification) and the Corps determines the adverse environmental effects are minimal. [\* See (g) for definition of Suitable Fill]

c. Nationwide Permit No. 27 Aquatic Habitat Restoration, Establishment, and Enhancement Activities.

(1) For activities that include a fishery enhancement component, the Corps will send the Pre-Construction Notification to the Colorado Division of Wildlife (CDOW) for review. In accordance with General Condition 27 (Pre-Construction Notification), CDOW will have 10 days from the receipt of Corps notification to indicate that they will be commenting on the proposed project. CDOW will then have an additional 15 days after the initial 10-day period to provide those comments. If CDOW raises concerns, the applicant may either modify their plan, in coordination with CDOW, or apply for a standard individual permit.

(2) For activities involving the length of a stream, the post-project stream sinuosity will not be significantly reduced, unless it is demonstrated that the reduction in sinuosity is consistent with the natural morphological evolution of the stream (sinuosity is the ratio of stream length to project reach length).

(3) Structures will allow the upstream and downstream passage of aquatic organisms, including fish native to the reach, as well as recreational water craft or other navigational activities, unless specifically waived in writing by the District Engineer. The use of grout and/or concrete in building structures is not authorized by this nationwide permit.

(4) The construction of water parks (i.e., kayak courses) and flood control projects are not authorized by this nationwide permit.

d. Nationwide Permits Nos. 29 and 39; Residential Developments and Commercial and Institutional Developments. A copy of the existing FEMA/locallyapproved floodplain map must be submitted with the Pre-Construction Notification. When reviewing proposed developments, the Corps will utilize the most accurate and reliable FEMA/locally-approved pre-project floodplain mapping, not post-project floodplain mapping based on a CLOMR or LOMR. However, the Corps will accept revisions to existing floodplain mapping if the revisions resolve inaccuracies in the original floodplain mapping and if the revisions accurately reflect pre-project conditions.

2. Final Regional Conditions Applicable to All Nationwide Permits within Colorado

e. Removal of Temporary Fills. General Condition 13 (Removal of Temporary Fills) is amended by adding the following: When temporary fills are placed in wetlands in Colorado, a horizontal marker (i.e. fabric, certified weed-free straw, etc.) must be used to delineate the existing ground elevation of wetlands that will be temporarily filled during construction.

f. Spawning Areas. General Condition 3 (Spawning Areas) is amended by adding the following: In Colorado, all Designated Critical Resource Waters (see enclosure 1) are considered important spawning areas. Therefore, In accordance with General Condition 19 (Designated Critical Resource Waters), the discharge of dredged or fill material in not authorized by the following nationwide permits in these waters: NWPs 7, 12, 14, 16, 17, 21, 29, 31, 35, 39, 40, 42, 43, 44, 49, and 50. In addition, in accordance with General Condition 27 (Pre-Construction Notification), notification to the District Engineer is required for use of the following nationwide permits in these waters: NWPs 3, 8, 10, 13, 15, 18, 19, 22, 23, 25, 27, 28, 30, 33, 34, 36, 37 and 38".

g. Suitable Fill. In Colorado, use of broken concrete as fill material requires notification to the District Engineer in accordance with General Condition 27 (Pre-Construction Notification). Permittees must demonstrate that soft engineering methods utilizing native or non-manmade materials are not practicable (with respect to cost, existing technology, and logistics), before broken concrete is allowed as suitable fill. Use of broken concrete with exposed rebar is prohibited in perennial waters and special aquatic sites.

h. Invasive Aquatic Species. General Condition 11 is amended by adding the following condition for work in perennial or intermittent waters of the United States: If heavy equipment is used for the subject project that was previously working in another stream, river, lake, pond, or wetland within 10 days of initiating work, one the following procedures is necessary to prevent the spread of New Zealand Mud Snails and other aquatic hitchhikers:

(1) Remove all mud and debris from equipment (tracks, turrets, buckets, drags, teeth, etc.) and keep the equipment dry for 10 days. OR

(2) Remove all mud and debris from Equipment (tracks, turrets, buckets, drags, teeth, etc.) and spray/soak equipment with either a 1:1 solution of Formula 409 Household Cleaner and water, or a solution of Sparquat 256 (5 ounces Sparquat per gallon of water). Treated equipment must be kept moist for at least 10 minutes. OR

(3) Remove all mud and debris from equipment (tracks, turrets, buckets, drags, teeth, etc.) and spray/soak equipment with water greater than 120 degrees F for at least 10 minutes.

3. Final Regional Conditions for Revocation/Special Notification Specific to Certain Geographic Areas

i. Fens: All Nationwide permits, except permit Nos. 3, 6, 20, 27, 32, 38 and 47, are revoked in fens and wetlands adjacent to fens. Use of nationwide permit Nos. 3, 20, 27 and 38, requires notification to the District Engineer, in accordance with General Condition 27 (Pre-Construction Notification), and the permittee may not begin the activity until the Corps determines the adverse environmental effects are minimal. The following defines a fen:

Fen soils (histosols) are normally saturated throughout the growing season, although they may not be during drought conditions. The primary source of hydrology for fens is groundwater. Histosols are defined in accordance with the U.S. Department of Agriculture, Natural Resources Conservation Service publications on Keys to Soil Taxonomy and Field Indicators of Hydric Soils in the United States

(http://soils.usda.gov/technical/classification/taxono my).

j. Springs: Within the state of Colorado, all NWPs, except permit 47 (original 'C'), require preconstruction notification pursuant to General Condition 27 for discharges of dredged or fill material within 100 feet of the point of groundwater discharge of natural springs. A spring source is defined as any location where groundwater emanates from a point in the ground. For purposes of this regional condition, springs do not include seeps or other discharges which do not have a defined channel.

4. Additional Information

The following provides additional information regarding minimization of impacts and compliance with existing general Conditions:

a. Permittees are reminded of the existing General Condition No. 6 which prohibits the use of unsuitable material. Organic debris, building waste, asphalt, car bodies, and trash are not suitable material. Also, General Condition 12 requires appropriate erosion and sediment controls (i.e. all fills must be permanently stabilized to prevent erosion and siltation into waters and wetlands at the earliest practicable date). Streambed material or other small aggregate material placed along a bank as stabilization will not meet General Condition 12. Also, use of erosion control mates that contain plastic netting may not meet General Condition 12 if deemed harmful to wildlife.

b. Designated Critical Resource Waters in Colorado. In Colorado, a list of designated Critical Resource Waters has been published in accordance with General Condition 19 (Designated Critical Resource Waters). This list will be published on the Albuquerque District Regulatory home page (<u>http://www.spa.usace.army.mil/reg/</u>)

c. Federally-Listed Threatened and Endangered Species. General condition 17 requires that nod-federal permittees notify the District Engineer if any listed species or designated critical habitat might be affected or is in the vicinity of the project. Information on such species, to include occurrence by county in Colorado, may be found at the following U.S. Fish and Wildlife Service website:

http://www.fws.gov/mountain%2Dprairie/endspp/name\_c ounty\_search.htm

## .C. Further Information

1. District Engineers have authority to determine if an activity complies with the terms and conditions of an NWP.

2. NWPs do not obviate the need to obtain other federal, state, or local permits, approvals, or authorizations required by law.

3. NWPs do not grant any property rights or exclusive privileges.

4. NWPs do not authorize any injury to the property or rights of others.

5. NWPs do not authorize interference with any existing or proposed Federal project.

## **D.** Definitions

**Best management practices (BMPs):** Policies, practices, procedures, or structures implemented to mitigate the adverse environmental effects on surface water quality resulting from development. BMPs are categorized as structural or non-structural.

**Compensatory mitigation**: The restoration, establishment (creation), enhancement, or preservation of aquatic resources for the purpose of compensating for unavoidable adverse impacts which remain after all appropriate and practicable avoidance and minimization has been achieved.

**Currently serviceable**: Useable as is or with some maintenance, but not so degraded as to essentially require reconstruction.

**Discharge**: The term "discharge" means any discharge of dredged or fill material.

**Enhancement:** The manipulation of the physical, chemical, or biological characteristics of an aquatic resource to heighten, intensify, or improve a specific aquatic resource function(s). Enhancement results in the gain of selected aquatic resource function(s), but may also lead to a decline in other aquatic resource function(s). Enhancement does not result in a gain in aquatic resource area.

**Ephemeral stream**: An ephemeral stream has flowing water only during, and for a short duration after, precipitation events in a typical year. Ephemeral stream beds are located above the water table year-round. Groundwater is not a source of water for the stream. Runoff from rainfall is the primary source of water for stream flow.

**Establishment (creation)**: The manipulation of the physical, chemical, or biological characteristics present to develop an aquatic resource that did not previously exist at an upland site. Establishment results in a gain in aquatic resource area.

**Historic Property:** Any prehistoric or historic district, site (including archaeological site), building, structure, or other object included in, or eligible for inclusion in, the National Register of Historic Places maintained by the Secretary of the Interior. This term includes artifacts, records, and remains that are related to and located within such properties. The term includes properties of traditional religious and cultural importance to an Indian tribe or Native Hawaiian organization and that meet the National Register criteria (36 CFR part 60).

**Independent utility**: A test to determine what constitutes a single and complete project in the Corps regulatory program. A project is considered to have independent utility if it would be constructed absent the construction of other projects in the project area. Portions of a multi-phase project that depend upon other phases of the project do not have independent utility. Phases of a project that would be constructed even if the other phases were not built can be considered as separate single and complete projects with independent utility.

**Intermittent stream**: An intermittent stream has flowing water during certain times of the year, when groundwater provides water for stream flow. During dry periods, intermittent streams may not have flowing water. Runoff from rainfall is a supplemental source of water for stream flow.

Loss of waters of the United States: Waters of the United States that are permanently adversely affected by filling, flooding, excavation, or drainage because of the regulated activity. Permanent adverse effects include permanent discharges of dredged or fill material that change an aquatic area to dry land, increase the bottom elevation of a waterbody, or change the use of a waterbody. The acreage of loss of waters of the United States is a threshold measurement of the impact to jurisdictional waters for determining whether a project may qualify for an NWP; it is not a net threshold that is calculated after considering compensatory mitigation that may be used to offset losses of aquatic functions and services. The loss of stream bed includes the linear feet of stream bed that is filled or excavated. Waters of the United States temporarily filled, flooded, excavated, or drained, but restored to pre-construction contours and elevations after construction, are not included in the measurement of loss of waters of the United States. Impacts resulting from activities eligible for exemptions under Section 404(f) of the Clean Water Act are not considered when calculating the loss of waters of the United States.

**Non-tidal wetland**: A non-tidal wetland is a wetland that is not subject to the ebb and flow of tidal waters. The definition of a wetland can be found at 33 CFR 328.3(b). Non-tidal wetlands contiguous to tidal waters are located landward of the high tide line (i.e., spring high tide line).

**Open water**: For purposes of the NWPs, an open water is any area that in a year with normal patterns of precipitation has water flowing or standing above ground to the extent that an ordinary high water mark can be determined. Aquatic vegetation within the area of standing or flowing water is either non-emergent, sparse, or absent. Vegetated shallows are considered to be open waters. Examples of "open waters" include rivers, streams, lakes, and ponds.

**Ordinary High Water Mark**: An ordinary high water mark is a line on the shore established by the fluctuations of water and indicated by physical characteristics, or by other appropriate means that consider the characteristics of the surrounding areas (see 33 CFR 328.3(e)).

**Perennial stream**: A perennial stream has flowing water yearround during a typical year. The water table is located above the stream bed for most of the year. Groundwater is the primary source of water for stream flow. Runoff from rainfall is a supplemental source of water for stream flow.

**Practicable**: Available and capable of being done after taking into consideration cost, existing technology, and logistics in light of overall project purposes.

**Pre-construction notification**: A request submitted by the project proponent to the Corps for confirmation that a particular activity is authorized by nationwide permit. The request may be a permit application, letter, or similar document that includes information about the proposed work and its anticipated environmental effects. Pre-construction notification may be required by the terms and conditions of a nationwide permit, or by regional conditions. A pre-construction notification may be voluntarily submitted in cases where pre-construction notification may be confirmation is not required and the project proponent wants confirmation that the activity is authorized by nationwide permit.

**Preservation**: The removal of a threat to, or preventing the decline of, aquatic resources by an action in or near those aquatic resources. This term includes activities commonly associated with the protection and maintenance of aquatic resources through the implementation of appropriate legal and physical mechanisms. Preservation does not result in a gain of aquatic resource area or functions.

**Re-establishment**: The manipulation of the physical, chemical, or biological characteristics of a site with the goal of returning

natural/historic functions to a former aquatic resource. Reestablishment results in rebuilding a former aquatic resource and results in a gain in aquatic resource area.

**Rehabilitation**: The manipulation of the physical, chemical, or biological characteristics of a site with the goal of repairing natural/historic functions to a degraded aquatic resource. Rehabilitation results in a gain in aquatic resource function, but does not result in a gain in aquatic resource area.

**Restoration**: The manipulation of the physical, chemical, or biological characteristics of a site with the goal of returning natural/historic functions to a former or degraded aquatic resource. For the purpose of tracking net gains in aquatic resource area, restoration is divided into two categories: reestablishment and rehabilitation.

**Riffle and pool complex**: Riffle and pool complexes are special aquatic sites under the 404(b)(1) Guidelines. Riffle and pool complexes sometimes characterize steep gradient sections of streams. Such stream sections are recognizable by their hydraulic characteristics. The rapid movement of water over a course substrate in riffles results in a rough flow, a turbulent surface, and high dissolved oxygen levels in the water. Pools are deeper areas associated with riffles. A slower stream velocity, a streaming flow, a smooth surface, and a finer substrate characterize pools.

**Riparian areas**: Riparian areas are lands adjacent to streams, lakes, and estuarine-marine shorelines. Riparian areas are transitional between terrestrial and aquatic ecosystems, through which surface and subsurface hydrology connects waterbodies with their adjacent uplands. Riparian areas provide a variety of ecological functions and services and help improve or maintain local water quality. (See general condition 20.)

**Shellfish seeding**: The placement of shellfish seed and/or suitable substrate to increase shellfish production. Shellfish seed consists of immature individual shellfish or individual shellfish attached to shells or shell fragments (i.e., spat on shell). Suitable substrate may consist of shellfish shells, shell fragments, or other appropriate materials placed into waters for shellfish habitat.

**Single and complete project**: The term "single and complete project" is defined at 33 CFR 330.2(i) as the total project proposed or accomplished by one owner/developer or partnership or other association of owners/developers. A single and complete project must have independent utility (see definition). For linear projects, a "single and complete project" is all crossings of a single water of the United States (i.e., a single waterbody) at a specific location. For linear projects crossing a single waterbody several times at separate and distant locations, each crossing is considered a single and complete project. However, individual channels in a braided stream or river, or individual arms of a large, irregularly shaped wetland or lake, etc., are not separate waterbodies, and crossings of such features cannot be considered separately.

**Stormwater management**: Stormwater management is the mechanism for controlling stormwater runoff for the purposes of reducing downstream erosion, water quality degradation, and flooding and mitigating the adverse effects of changes in land use on the aquatic environment.

**Stormwater management facilities**: Stormwater management facilities are those facilities, including but not limited to,

stormwater retention and detention ponds and best management practices, which retain water for a period of time to control runoff and/or improve the quality (i.e., by reducing the concentration of nutrients, sediments, hazardous substances and other pollutants) of stormwater runoff.

**Stream bed**: The substrate of the stream channel between the ordinary high water marks. The substrate may be bedrock or inorganic particles that range in size from clay to boulders. Wetlands contiguous to the stream bed, but outside of the ordinary high water marks, are not considered part of the stream bed.

**Stream channelization**: The manipulation of a stream's course, condition, capacity, or location that causes more than minimal interruption of normal stream processes. A channelized stream remains a water of the United States.

**Structure**: An object that is arranged in a definite pattern of organization. Examples of structures include, without limitation, any pier, boat dock, boat ramp, wharf, dolphin, weir, boom, breakwater, bulkhead, revetment, riprap, jetty, artificial island, artificial reef, permanent mooring structure, power transmission line, permanently moored floating vessel, piling, aid to navigation, or any other manmade obstacle or obstruction.

**Tidal wetland**: A tidal wetland is a wetland (i.e., water of the United States) that is inundated by tidal waters. The definitions of a wetland and tidal waters can be found at 33 CFR 328.3(b) and 33 CFR 328.3(f), respectively. Tidal waters rise and fall in a predictable and measurable rhythm or cycle due to the gravitational pulls of the moon and sun. Tidal waters end where the rise and fall of the water surface can no longer be practically measured in a predictable rhythm due to masking by other waters, wind, or other effects. Tidal wetlands are located channelward of the high tide line, which is defined at 33 CFR 328.3(d).

**Vegetated shallows**: Vegetated shallows are special aquatic sites under the 404(b)(1) Guidelines. They are areas that are permanently inundated and under normal circumstances have rooted aquatic vegetation, such as seagrasses in marine and estuarine systems and a variety of vascular rooted plants in freshwater systems.

**Waterbody**: For purposes of the NWPs, a waterbody is a jurisdictional water of the United States that, during a year with normal patterns of precipitation, has water flowing or standing above ground to the extent that an ordinary high water mark (OHWM) or other indicators of jurisdiction can be determined, as well as any wetland area (see 33 CFR 328.3(b)). If a jurisdictional wetland is adjacent--meaning bordering, contiguous, or neighboring--to a jurisdictional waterbody displaying an OHWM or other indicators of jurisdiction, that waterbody and its adjacent wetlands are considered together as a single aquatic unit (see 33 CFR 328.4(c)(2)). Examples of "waterbodies" include streams, rivers, lakes, ponds, and wetlands.



#### DEPARTMENT OF THE ARMY

U.S. ARMY ENGINEER DISTRICT, SACRAMENTO CORPS OF ENGINEERS 1325 J STREET SACRAMENTO CA 95814-2922

REPLY TO ATTENTION OF

April 7, 2009

Regulatory Division (SPK-2009-435)

Mr. Leonard W. Mallett Enterprise Products Operating, LLC Post Office Box 4324 Houston, Texas 77210-4324

Dear Mr. Mallett:

We are responding to your request for a Department of the Army permit for the Oxy 16-inch natural gas pipeline installation project. This project involves activities in waters of the United States to install 4.18 miles of pipeline parallel and adjacent to existing pipeline corridors. The project will cross 21 ephemeral drainages, Conn Creek, and a seep wetland area approximately six miles north of DeBeque within Sections 17, 19, 20, 30, and 31, Township 7 North, Range 97 West, approximate center Latitude 39° 25' 49.87", Longitude -108° 15' 11.17", Garfield County, Colorado.

Based on the information you provided, the proposed activity temporarily impacting waters of the U.S. is authorized by Nationwide Permit Number 12. Your work must comply with the general terms and conditions listed on the enclosed Nationwide Permit information sheets and the following special conditions:

- 1) This Department of the Army permit (Nationwide General Permit #12) is verified contingent upon approval by the Bureau of Land Management (BLM). As lead agency, the BLM decision will ensure that the project complies with the Endangered Species Act and the National Historic Preservation Act which is required prior to performing work under your Department of the Army permit.
- 2) You shall install and maintain appropriate best management practices (BMPs) to minimize indirect impacts to waters of the U.S. Additional BMPs to be implemented at the Conn Creek crossing (as discussed in the field on April 2, 2009) include:
  - a. Use of a geosynthetic liner for spoil pile(s) to prevent the introduction of new materials into the creek;
  - b. Use of a flume crossing (instead of a pump and coffer method);
  - c. The Conn Creek stream channel cross-section and profile shall be surveyed before and after pipeline installation;
  - d. Geotextile shall be used on the constructed banks for erosion control;
  - e. The open cut crossing of Conn Creek will occur in a narrowed ROW of 50 feet. Conn Creek and associated riparian wetlands shall be documented pre- and post-construction with photographs from at least 4 set reference

points. Revegetation efforts shall include the salvage and replanting of existing woody shrubs (via root balls) within the impacted ROW at Conn Creek. This effort shall be supplemented with seed producing narrow leaf cottonwood plantings (on each side of Conn Creek at a minimum 2"-4" caliper) with at least 6 successful cottonwood trees identified within one year of planting. Should additional nearby willows be transplanted to supplement the revegetated ROW, these plants should be harvested in a random manner so as to prevent a concentrated disruption of the established willow community. This crossing site shall be monitored to ensure channel and associated riparian wetland recovery.

- f. The open cut crossing of the seep wetlands (identified by West Water Engineering as wetland polygons A and C) located between waterbody crossing numbers D12b and D13 shall occur in the existing 80 feet disturbed ROW. No new disturbance to these seep wetlands shall occur and the revegetated ROW at this location shall be monitored to ensure wetland species recovery.
- g. A professional wetland biologist shall be present on site when working within wetland areas (Conn Creek and the seep wetlands) to advise you on the location of BMPs, staging areas, and stockpiles, along with supervising the restoration work.
- 3) You must sign the enclosed Compliance Certification and return it to this office, along with post construction photographs, within 30 days after completion of the authorized work.
- 4) To insure impacts are temporary in nature, you shall restore all disturbed areas to their original conditions. You shall inspect the Conn Creek and southern seep wetland restoration crossing sites one full year following restoration to insure that both the seep wetland and Conn Creek and associated riparian wetland have been properly restored. A copy of the inspection report with photographs shall be sent to the Corps Grand Junction Office via e-mail to <u>Susan.Nall@usace.army.mil</u> no later than September 1, 2010. Contingencies shall be proposed for Corps approval of any problems encountered at these two crossing sites or any of the other ephemeral drainage crossings for this project.

This verification is valid for two years from the date of this letter or until the Nationwide Permit is modified, reissued, or revoked, whichever comes first. Failure to comply with the General Conditions of this Nationwide Permit, or the project-specific Special Conditions of this authorization, may result in the suspension or revocation of your authorization.

Please refer to identification number SPK-2009-435 in any correspondence concerning this project. If you have any questions, please contact me at the address below, email *Susan.Nall@usace.army.mil*, or telephone 970-243-1199, extension 16. We appreciate your feedback. At your earliest convenience, please tell us how we are doing by completing the customer survey on our website under *Customer Service Survey*. For more information regarding our program, please visit our website at *www.spk.usace.army.mil/regulatory.html*.

Sincerely,

Susan Bachini Nall Energy Liaison U.S. Army Corps of Engineers Colorado West Regulatory Office 400 Rood Avenue, Room 142 Grand Junction, Colorado 81501-2563

Enclosures

Copy furnished without enclosures:

Mr. David Lehmann, Bureau of Land Management, 2815 H Road, Grand Junction, Colorado 81506

Ms. Judith Jordan, Energy Liaison, Garfield County, 0375 County Road 352, Bldg 2060, Rifle, Colorado 81650

# **COMPLIANCE CERTIFICATION**

Permit File Number: SPK-2009-435

## Nationwide Permit Number: NWP 12

Permittee: Mr. Leonard W. Mallett Enterprise Products Operating, LLC Post Office Box 4324 Houston, Texas 77210-4324

County: Garfield

Date of Verification: April 7, 2009

Within 30 days after completion of the activity authorized by this permit, sign this certification and return it to the following address:

U.S. Army Corps of Engineers Sacramento District Colorado West Regulatory Office 400 Rood Avenue, Room 142 Grand Junction, CO 81501-2563

Please note that your permitted activity is subject to a compliance inspection by a U.S. Army Corps of Engineers representative. If you fail to comply with the terms and conditions of the permit your authorization may be suspended, modified, or revoked. If you have any questions about this certification, please contact the Corps of Engineers @ 970-243-1199, extension 16.

\* \* \* \* \* \* \* \* \*

I hereby certify that the work authorized by the above-referenced permit, including all the required mitigation, was completed in accordance with the terms and conditions of the permit verification.

Signature of Permittee

Date



Stewart Title of Colorado, Inc. Glenwood Springs Division 1620 Grand Avenue Glenwood Springs, Colorado 81601 Phone: 970-945-5434 Fax: 970-945-1135

Date:February 13, 2009Order Number:18874-C2 ◀Buyer:Chevron USAProperty Address:,,

## Please direct all Closing inquiries to:

SEARCH

## Please direct all Title inquiries to:

Susan Sarver 1620 Grand Avenue Glenwood Springs, Colorado 81601 Phone: 970-945-5434 Fax: 970-945-7081 Email Address: susan.sarver@stewart.com

#### SELLER:

Chevron USA

Shane McCoy Western Field Services

#### SELLING BROKER:

We Appreciate Your Business And Look Forward to Serving You in the Future.

**ALTA Commitment Form** 



Stewart Title Guaranty Company, a Texas Corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A.

Countersigned: FOR INFORMATIONAL PURPOSES ONLY

Stewart Title of Colorado, Inc. **Glenwood Springs Division** 1620 Grand Avenue Glenwood Springs, Colorado 81601 Phone: 970-945-5434 Fax: 970-945-1135

Order Number: 18874-C2





Senior Chairman of

ALTA Commitment (6/17/06)

#### COMMITMENT FOR TITLE INSURANCE SCHEDULE A

1. Effective Date: January 23, 2009, at 7:30 A.M.◀

Order Number: 18874-C2 ◀

2. Policy or Policies To Be Issued:(a) A.L.T.A. Owner's (Standard)Proposed Insured:

Amount of Insurance \$ TBD

(b) A.L.T.A. Loan

3. The estate or interest in the land described or referred to in this Commitment and covered herein is:

#### Fee Simple

4. Title to the referenced estate or interest in said land is at the effective date hereof vested in:

#### Chevron USA, Inc.

5. The land referred to in this Commitment is described as follows:

#### Tract 52

(formerly described as SW1/4SE1/4 of Section 19 and the W1/2NE1/4 of Section 30) all in Township 7 South Range 97 West of the  $6^{th}$  Principal Meridian.

County of Garfield State of Colorado

> Statement of Charges: These charges are due and payable before a Policy can be issued: Hourly Search Fee



Order Number: 18874-C2 ALTA Commitment (6/17/06) – Schedule A Page 1 of 1

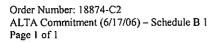
#### **COMMITMENT FOR TITLE INSURANCE**

## SCHEDULE B – Section 1 REQUIREMENTS

Order Number: 18874-C2

#### The following are the requirements to be complied with:

- 1. Payment to or for the account of the grantor(s) or mortgagor(s) of the full consideration for the estate or interest to be insured.
- 2. Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record.
- 3. Execution of Affidavit as to Debts and Liens, which is attached or will be provided at closing.
- 4. Payment of all taxes and assessments currently due and payable, if any.





#### **COMMITMENT FOR TITLE INSURANCE**

#### SCHEDULE B – Section 2 EXCEPTIONS

Order Number: 18874-C2

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

- 1. Rights or claims of parties in possession, not shown by the public records.
- 2. Easements, or claims of easements, not shown by the public records.
- 3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the Land and not shown by the public records.
- 4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- 5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing the public records or attaching subsequent to the effective date hereof, but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.
- 6. Unpatented mining claims, reservations or exceptions in patents, or in acts authorizing the issuance thereof.
- 7. Water rights, claims or title to water.
- 8. Any and all unpaid taxes and assessments and any unredeemed tax sales.
- 9. The effect of inclusions in any general or specific water conservancy, fire protection, soil conservation or other district or inclusion in any water service or street improvement area.
- 10. Right or the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted, as reserved in United States Patent recorded February 16, 1918 in Book 112 at Page 488 as Reception No. 60716.
- Right of way for ditches or canals constructed by the authority of the United States, as reserved in United States Patent recorded February 16, 1918 in Book 112 at Page 488 as Reception No. 60716.
- 12. Index Map of the Pacific Oil Co Pipe Line and Pumping Plat No. 1, recorded February 23, 1954 as Reception No. 185106.

Order Number: 18874-C2 ALTA Commitment (6/17/06) – Schedule B 2 Page 1 of 2



- 13. Rights and Reservations in Warranty Deed recorded April 4, 1958 in Book 307 at Page 479 as Reception No. 201128, and any and all assignments of record, or otherwise, thereof, or interests therein.
- 14. Short Form Option Agreement recorded March 27, 1972 in Book 428 at Page 455 as Reception No. 253050.
- 15. Record of Survey, Roan Creek Basin recorded March 2, 1973 as Reception No. 257248.
- 16. Matters disclosed in Warranty Deed recorded March 20, 1973 in Book 442 at Page 38 as Reception No. 257435.
- 17. Decree recorded April 11, 1973 in Book 443 at Page 23 as Reception No. 257755.
- Pipeline Easement Agreement recorded July 30, 1980 in Book 552 at Page 912 as Reception No. 306098.
- 19. Oil and Gas Lease recorded March 22, 1989 in Book 750 at Page 959 as Reception No. 399962, and any and all assignments of record, or otherwise, thereof, or interests therein, and other Oil and Gas Leases of record, and any and all assignments of record, or otherwise, thereof, or interests therein.
- 20. Right-of-Way Grant recorded June 18, 1998 in Book 1073 at Page 360 as Reception No. 527093.
- Right of Way and Easement recorded August 20, 1998 in Book 1084 at Page 671 as reception No. 530889.



Order Number: 18874-C2 ALTA Commitment (6/17/06) – Schedule B 2 Page 2 of 2 Note: Pursuant to C.R.S. 10-11-122, notice is hereby given that:

- A. The subject real property may be located in a special taxing district;
- B. A certificate of taxes due listing each taxing jurisdiction shall be obtained from the county treasurer or the county treasurer's authorized agent;
- C. Information regarding special districts and the boundaries of such districts may be obtained from the board of county commissioners, the county clerk and recorder, or the county assessor.

Note: Colorado Division of Insurance Regulations 3-5-1, Subparagraph (7) (E) requires that "Every title entity shall be responsible for all matters which appear of record prior to the time of recording whenever the title entity conducts the closing and is responsible for recording or filing of legal documents resulting from the transaction which was closed." Provided that Stewart Title of Colorado, Inc. conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception number 5 will not appear on the Owner's Title Policy and the Lender's Title Policy when issued.

**Note:** Affirmative Mechanic's Lien Protection for the Owner may be available (typically by deletion of Exception No. 4 of Schedule B, Section 2 of the Commitment from the Owner's Policy to be issued) upon compliance with the following conditions:

- A. The land described in Schedule A of this commitment must be a single-family residence, which includes a condominium or townhouse unit.
- B. No labor or materials have been furnished by mechanics or materialmen for purposes of construction on the land described in Schedule A of this Commitment within the past 6 months.
- C. The Company must receive an appropriate affidavit indemnifying the Company against unfilled mechanic's and Materialmen's Liens.
- D. The Company must receive payment of the appropriate premium.
- E. If there has been construction, improvements or major repairs undertaken on the property to be purchased, within six months prior to the Date of the Commitment, the requirements to obtain coverage for unrecorded liens will include: disclosure of certain construction information; financial information as to the seller, the builder and/or the contractor; payment of the appropriate premium; fully executed Indemnity agreements satisfactory to the company; and, any additional requirements as may be necessary after an examination of the aforesaid information by the Company.

No coverage will be given under any circumstances for labor or material for which the insured has contracted for or agreed to pay.

Note: Pursuant to C.R.S. 10-11-123, notice is hereby given:

- A. That there is recorded evidence that a mineral estate has been severed, leased or otherwise conveyed from the surface estate and that there is a substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property; and
- B. That such mineral estate may include the right to enter and use the property without the surface owner's permission.

This notice applies to owner's policy commitments containing a mineral severance instrument exception, or exceptions, in Schedule B, Section 2.

#### NOTHING HEREIN CONTAINED WILL BE DEEMED TO OBLIGATE THE COMPANY TO PROVIDE ANY OF THE COVERAGES REFERRED TO HEREIN UNLESS THE ABOVE CONDITIONS ARE FULLY SATISFIED.

# Stewart Title Guaranty Company Privacy Policy Notice

#### **PURPOSE OF THIS NOTICE**

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Stewart Title Guaranty Company.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

# WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

# Stewart Title of Colorado, Inc. Privacy Policy Notice

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## Stewart Title of Colorado, Inc.

#### DISCLOSURE

The title company, Stewart Title of Colorado, Inc. - Glenwood Springs Division in its capacity as escrow agent, has been authorized to receive funds and disburse them when all funds received are either: (a) available for immediate withdrawal as a matter of right from the financial institution in which the funds are deposited, or (b) are available for immediate withdrawal as a consequence of an agreement of a financial institution in which the funds are to be deposited or a financial institution upon which the funds are to be drawn.

The title company is disclosing to you that the financial institution may provide the title company with computer accounting or auditing services, or other bank services, either directly or through a separate entity which may or may not be affiliated with the title company. This separate entity may charge the financial institution reasonable and proper compensation for these services and retain any profits there from.

The title company may also receive benefits from the financial institution in the form of advantageous interest rates on loans, sometimes referred to as preferred rate loan programs, relating to loans the title company has with the financial institution. The title company shall not be liable for any interest or other charges on the earnest money and shall be under no duty to invest or reinvest funds held by it at any time. In the event that the parties to this transaction have agreed to have interest on earnest money deposit transferred to a fund established for the purpose of providing affordable housing to Colorado residents, then the earnest money shall remain in an account designated for such purpose, and the interest money shall be delivered to the title company at closing.

#### CONDITIONS

- 1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
- 2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
- 3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
- 4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
- 5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at http://www.alta.org.



All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252.



Stewart Title of Colorado, Inc. Glenwood Springs Division 1620 Grand Avenue Glenwood Springs, Colorado 81601 Phone: 970-945-5434 Fax: 970-945-1135

Date: Order Number: Buyer: Seller: Property: February 13, 2009 18740-C2◀

Savage Limited Partnership I Parcel No. 241108200011 &

#### Please direct all Closing inquiries to:

Title Only

#### Please direct all Title inquiries to:

Susan Sarver 1620 Grand Avenue Glenwood Springs, Colorado 81601 Phone: 970-945-5434 Fax: 970-945-7081 Email Address: susan.sarver@stewart.com

SELLER:

Savage Limited Partnership I

C/O WESTERN FIELD SERVICES SHANE MCCOY

SELLING BROKER:

We Appreciate Your Business And Look Forward to Serving You in the Future.

## COMMITMENT FOR TITLE INSURANCE SCHEDULE A

1. Effective Date: January 23, 2009, at 7:30 A.M.◀

Order Number: **18740-C2**◀

2. Policy or Policies To Be Issued:(a) A.L.T.A. Owner's (Standard)Proposed Insured:

Amount of Insurance \$50,000.00

(b) A.L.T.A. Loan

- The estate or interest in the land described or referred to in this Commitment and covered herein is:
   Fee Simple
- 4. Title to the referenced estate or interest in said land is at the effective date hereof vested in:

Savage Limited Partnership 1, as to an undivided 86.975% Sue Stuart Mortimore Erpf Vande Bovenkamp, as to undivided 3.025% Daniel W. Stroock, as to undivided 10%

5. The land referred to in this Commitment is described as follows:

See Attached Legal Description

Statement of Charges: These charges are due and payable before a Policy can be issued:

No Reissue Rate SEARCH at \$50K Rate \$450.00 PAID



Order Number: 18740-C2 ALTA Commitment (6/17/06) – Schedule A Page 1 of 2

## SCHEDULE A

#### LEGAL DESCRIPTION

## PARCEL 1:

Tract 38, situated in Section 5, Township 7 South, Range 97 West of the 6<sup>th</sup> Principal Meridian

PARCEL 2:

Tract 40, situated in Section 8, Township 7 South, Range 97 West of the 6<sup>th</sup> Principal Meridian

PARCEL 3:

Tract 48, situated in Section 17, Township 7 South, Range 97 West of the 6<sup>th</sup> Principal Meridian

PARCEL 4:

Tract 49, situated in Sections 17, 18, 19 and 20, Township 7 South, Range 97 West of the 6<sup>th</sup> Principal Meridian

All in the County of Garfield State of Colorado



Order Number: 18740-C2 ALTA Commitment (6/17/06) – Schedule A Page 2 of 2

## **COMMITMENT FOR TITLE INSURANCE**

## SCHEDULE B – Section 1 REQUIREMENTS

Order Number: 18740-C2

#### The following are the requirements to be complied with:

- 1. Payment to or for the account of the grantor(s) or mortgagor(s) of the full consideration for the estate or interest to be insured.
- 2. Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record.
- 3. Execution of Affidavit as to Debts and Liens, which is attached or will be provided at closing.
- 4. Payment of all taxes and assessments currently due and payable, if any.

Order Number: 18740-C2 ALTA Commitment (6/17/06) – Schedule B 1 Page 1 of 1



#### **COMMITMENT FOR TITLE INSURANCE**

#### SCHEDULE B – Section 2 EXCEPTIONS

Order Number: 18740-C2

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

- 1. Rights or claims of parties in possession, not shown by the public records.
- 2. Easements, or claims of easements, not shown by the public records.
- 3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the Land and not shown by the public records.
- 4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- 5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing the public records or attaching subsequent to the effective date hereof, but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.
- 6. Unpatented mining claims, reservations or exceptions in patents, or in acts authorizing the issuance thereof.
- 7. Water rights, claims or title to water.
- 8. Any and all unpaid taxes and assessments and any unredeemed tax sales.
- 9. The effect of inclusions in any general or specific water conservancy, fire protection, soil conservation or other district or inclusion in any water service or street improvement area.
- 10. Right or the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted, as reserved in United States Patent recorded September 16, 1905 in Book 56 at Page 528 as Reception No. 31058. (Tr. 40)
- 11. Right or the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted, as reserved in United States Patent recorded April 13, 1914 in Book 92 at Page 270 as Reception No. 49318. (Tr. 38)
- 12. Right or the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted, as reserved in United States Patent

Order Number: 18740-C2 ALTA Commitment (6/17/06) – Schedule B 2 Page 1 of 3



recorded May 13, 1957 in Book 300 at Page 445 as Reception No. 197724. (Tr. 48 & 49)

- Right of way for ditches or canals constructed by the authority of the United States, as reserved in United States Patent recorded September 16, 1905 in Book 56 at Page 528 as Reception No. 31058. (Tr. 40)
- Right of way for ditches or canals constructed by the authority of the United States, as reserved in United States Patent recorded April 13, 1914 in Book 92 at Page 270 as Reception No. 49318. (Tr. 38)
- Right of way for ditches or canals constructed by the authority of the United States, as reserved in United States Patent recorded May 13, 1957 in Book 300 at Page 445 as Reception No. 197724. (Tr. 48 & 49)
- 16. Matters disclosed in Quit Claim Deed recorded October 11, 1904 in Book 62 at Page 59 as reception No. 29931.
- 17. Matters disclosed in Warranty Deed recorded January 28, 1905 in Book 64 at Page 90 as Reception No. 30359. (Tr. 40)
- 18. Rights and reservations disclosed in Trustee's Deed recorded June 1, 1948 in Book 236 at Page 83 as Reception No.164908, and any, and all assignments of record, or otherwise, thereof, or interests therein.
- 19. Rights and reservations disclosed in Warranty Deed recorded August 15, 1949 in Book 244 at Page 327 as Reception No.169498, and any, and all assignments of record, or otherwise, thereof, or interests therein.
- 20. Rights and reservations disclosed in Warranty Deed recorded August 26, 1952 in Book 265 at Page 386 as Reception No.180255, and any, and all assignments of record, or otherwise, thereof, or interests therein.
- Rights and reservations disclosed in Warranty Deed recorded April 4, 1958 in Book 307 at Page 479 as Reception No.201128, and any, and all assignments of record, or otherwise, thereof, or interests therein.
- 22. Easement and Right of Way recorded August 29, 1980 in Book 554 at Page 829 as Reception No. 306983.
- Right of Way and Easement recorded August 20, 1998 in Book 1084 at Page 671 as Reception No. 530889.
- 24. Oil and Gas Lease recorded October 30, 2003 in Book 1533 at Page 500 as Reception No. 639670, and any and all assignments of record, or otherwise, thereof, or interests therein, and other Oil and Gas Leases of record, and any and all assignments of record, or otherwise, thereof, or interests

Order Number: 18740-C2 ALTA Commitment (6/17/06) – Schedule B 2 Page 2 of 3



therein.

- 25. Oil and Gas Lease recorded November 26, 2003 in Book 1542 at Page 119 as Reception No. 641740, and any and all assignments of record, or otherwise, thereof, or interests therein, and other Oil and Gas Leases of record, and any and all assignments of record, or otherwise, thereof, or interests therein.
- Pipeline Right of Way Agreement recorded May 11, 2004 in Book 1586 at Page 805 as Reception No. 651929; Assignment recorded November 8, 2004 in Book 1637 at Page 811 as Reception No. 663103.
- 27. Memorandum of Surface Use Agreement recorded May 17, 2007 in Book 1927 at Page 411 as Reception No. 723469.
- 28. Oil and Gas Lease recorded October 6, 2008 as Reception No. 756852, and any and all assignments of record, or otherwise, thereof, or interests therein, and other Oil and Gas Leases of record, and any and all assignments of record, or otherwise, thereof, or interests therein. ◄
- 29. Oil and Gas Lease recorded October 6, 2008 as Reception No. 756853, and any and all assignments of record, or otherwise, thereof, or interests therein, and other Oil and Gas Leases of record, and any and all assignments of record, or otherwise, thereof, or interests therein. ◄
- 30. Right-of-Way and Easement recorded October 16, 2008 as Reception No. 757325.◀
- 31. Memorandum of Services Agreement recorded November 26, 2008 as Reception No. 759318.◀
- 32. Oil and Gas Lease recorded December 19, 2008 as Reception No. 760343 and any and all assignments of record, or otherwise, thereof, or interests therein, and other Oil and Gas Leases of record, and any and all assignments of record, or otherwise, thereof, or interests therein. ◄



Order Number: 18740-C2 ALTA Commitment (6/17/06) – Schedule B 2 Page 3 of 3 **ALTA Commitment Form** 

# COMMITMENT FOR TITLE INSURANCE Issued by Stevart title guaranty company

Stewart Title Guaranty Company, a Texas Corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A.

Countersigned: FOR INFORMATIONAL PURPOSES ONLY

Stewart Title of Colorado, Inc. Glenwood Springs Division 1620 Grand Avenue Glenwood Springs, Colorado 81601 Phone: 970-945-5434 Fax: 970-945-1135

Order Number: 18740-C2





Senior Chairman of

ALTA Commitment (6/17/06)

Note: Pursuant to C.R.S. 10-11-122, notice is hereby given that:

- A. The subject real property may be located in a special taxing district;
- B. A certificate of taxes due listing each taxing jurisdiction shall be obtained from the county treasurer or the county treasurer's authorized agent;
- C. Information regarding special districts and the boundaries of such districts may be obtained from the board of county commissioners, the county clerk and recorder, or the county assessor.

Note: Colorado Division of Insurance Regulations 3-5-1, Subparagraph (7) (E) requires that "Every title entity shall be responsible for all matters which appear of record prior to the time of recording whenever the title entity conducts the closing and is responsible for recording or filing of legal documents resulting from the transaction which was closed." Provided that Stewart Title of Colorado, Inc. conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception number 5 will not appear on the Owner's Title Policy and the Lender's Title Policy when issued.

Note: Affirmative Mechanic's Lien Protection for the Owner may be available (typically by deletion of Exception No. 4 of Schedule B, Section 2 of the Commitment from the Owner's Policy to be issued) upon compliance with the following conditions:

- A. The land described in Schedule A of this commitment must be a single-family residence, which includes a condominium or townhouse unit.
- B. No labor or materials have been furnished by mechanics or materialmen for purposes of construction on the land described in Schedule A of this Commitment within the past 6 months.
- C. The Company must receive an appropriate affidavit indemnifying the Company against unfilled mechanic's and Materialmen's Liens.
- D. The Company must receive payment of the appropriate premium.
- E. If there has been construction, improvements or major repairs undertaken on the property to be purchased, within six months prior to the Date of the Commitment, the requirements to obtain coverage for unrecorded liens will include: disclosure of certain construction information; financial information as to the seller, the builder and/or the contractor; payment of the appropriate premium; fully executed Indemnity agreements satisfactory to the company; and, any additional requirements as may be necessary after an examination of the aforesaid information by the Company.

No coverage will be given under any circumstances for labor or material for which the insured has contracted for or agreed to pay.

Note: Pursuant to C.R.S. 10-11-123, notice is hereby given:

- A. That there is recorded evidence that a mineral estate has been severed, leased or otherwise conveyed from the surface estate and that there is a substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property; and
- B. That such mineral estate may include the right to enter and use the property without the surface owner's permission.

This notice applies to owner's policy commitments containing a mineral severance instrument exception, or exceptions, in Schedule B, Section 2.

#### NOTHING HEREIN CONTAINED WILL BE DEEMED TO OBLIGATE THE COMPANY TO PROVIDE ANY OF THE COVERAGES REFERRED TO HEREIN UNLESS THE ABOVE CONDITIONS ARE FULLY SATISFIED.

Order Number: 18740-C2 Disclosures

# Stewart Title Guaranty Company Privacy Policy Notice

## PURPOSE OF THIS NOTICE

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- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
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- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

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We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

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## Stewart Title of Colorado, Inc.

## DISCLOSURE

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The title company is disclosing to you that the financial institution may provide the title company with computer accounting or auditing services, or other bank services, either directly or through a separate entity which may or may not be affiliated with the title company. This separate entity may charge the financial institution reasonable and proper compensation for these services and retain any profits there from.

The title company may also receive benefits from the financial institution in the form of advantageous interest rates on loans, sometimes referred to as preferred rate loan programs, relating to loans the title company has with the financial institution. The title company shall not be liable for any interest or other charges on the earnest money and shall be under no duty to invest or reinvest funds held by it at any time. In the event that the parties to this transaction have agreed to have interest on earnest money deposit transferred to a fund established for the purpose of providing affordable housing to Colorado residents, then the earnest money shall remain in an account designated for such purpose, and the interest money shall be delivered to the title company at closing.

#### CONDITIONS

- 1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
- 2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
- 3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
- 4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
- 5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at http://www.alta.org.



All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252.

# 

Reception#: 755852 10/06/2008 02:45:29 PM Jean Alberico 1 of 3 Rec Fee:\$16.00 Doc Fee:0.00 GARFIELD COUNTY CO

PRODUCERS 88-PAID UP Rev. No. 1 (CBG)

# **OIL AND GAS LEASE**

This Oil and Gas Lease ("Lease") is made this 4th day of September, 2008, by and between Daniel W. Stroock, whose address is 55

Frost Street, Cambridge, MA ("Lessor") and Orion Energy Partners L.P., whose address is 1675 Broadway, Suite 2000, Denver, CO

80202 ("Lessee").

WITNESSETH, For and in consideration of TEN DOLLARS, the covenants and agreements contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant, demise, lease and let exclusively unto said Lessee, with the exclusive rights for the purposes of, exploring by geophysical and other methods and operating for and producing therefrom oil and all gas of whatsoever nature or kind (including coalbed gas), and laying pipelines, building tanks, , power stations, roadways and structures thereon to produce, save and take care of said products, and the exclusive surface or subsurface rights and privileges related in any manner to any and all such operations, all that certain tract or tracts of land situated in Garfield County, State of Colorado described as follows, to wit:

Township 7 South, Range 97 West, 6th P.M. Resurvey Tract 39: The east 20,36 acres (formerly described as the cast 20 acres of the NE/4NW/4 of Section 8) **Resurvey Tract 48 Resurvey Tract 49** 

Containing 340.36 acres, more or less (the "Premises").

- 1. It is agreed that this Lease shall remain in full force for a term of five (5) years from this date ("Primary Term") and as long thereafter as oil or gas of whatsoever nature or kind is produced in paying quantities from the Premises or on acreage pooled or unitized therewith, or operations are continued as hereinafter provided. If, at the expiration of the Primary Term, oil or gas is not being produced from the Premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling or reworking operations thereon, then this Lease shall continue in force so long as such operations are being continuously prosecuted. Operations shall be considered to be continuously prosecuted if not more than one hundred eighty (180) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on the Premises or on acreage pooled or unitized therewith, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred eighty (180) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the Primary Term, this Lease shall continue in force so long as oil or gas is produced in paying quantities from the Premises or on acreage pooled or unitized therewith. If this lease has not sooner terminated, then effective as of one (1) year after expiration of the primary term, this lease shall terminate as to all leased lands except those lands that are included in a 40.00 acre tract, more or less, on which is legated a well producing or capable of producing oil and or gas in paying quantities. For purposes of this Lease, Resurvey Tract 39 shall be considered to be a 40 acre tract, Resurvey Tract 48 shall be considered to contain four 40.00 acre tracts and Resurvey Tract 49 shall be considered to contain four 40.00 acre tracts. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than 180 days shall elapse between the completion of abandonment of one well and the beginning of operations for the drilling of another well.
- 2. This is a PAID-UP LEASE. In consideration of the payment made herewith, as specified by separate agreement, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the Primary Term surrender this Lease as to all or any portion of the Premises and as to any strata or stratum, by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.
- 3. Lessee covenants and agrees to pay royalty to Lessor as follows:

(a)On oil, to deliver to the credit of Lessor, free of cost on the lease if sold on the Premises or free of cost into the pipeline to which Lessee may connect wells at first point of sale, the equal twenty five per-cent (25%) part of the gross proceeds of all oil produced from the Premises.

> Please return to: Orion Energy Partners L P 1675 Broadway, Suite 2000 Denver, Colorado 80202

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(b)On gas of whatsoever nature or kind, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, twenty-five per-cent (25%) of the gross proceeds realized by Lessee from first point of sale. "Sale" shall be defined, for the purposes of this Lease, as a sale at a marketplace to an entity not affiliated with the Lessee in a transaction in which all obligations and requirements of both parties to the sale are monetized in the price.

(c)On products produced from the Premises Lessee shall pay, as royalty, twenty-five percent (25%) of the gross proceeds realized by Lessee from first point of sale.

(d)Lessee shall have the right to withhold Lessor's actual taxes. Lessor's tax shall be calculated by multiplying Lessor's royalty percentage by the actual tax paid by Lessee. Lessee shall reconcile deductions made from remittances to Lessor with the actual tax paid. Any difference between deductions and actual taxes paid by Lessee shall be refunded to Lessor.

- (e) Lessor may take production in kind, at Lessor's election, such election shall be made by informing Lessee in writing thirty (30) days prior to a change in election, and such change shall be made for a minimum period of six (6) months. If Lessor elects to take-in-kind Lessee shall deliver Lessor's share of production free of all cost compressed into the Enterprise pipeline, or a transmission pipeline of equal utility and location. Lessor's share of production shall be delivered into the Enterprise pipeline in the same condition and state as Lessee's share of production.
- 4. Where gas from a well capable of producing gas is not produced or used after the expiration of the Primary Term, Lessee shall pay or tender as royalty to Lessor at the address set forth above One Dollar (\$100.00) per year per net mineral acre, such payment or tender to be made on or before the anniversary date of this Lease next ensuing after the expiration of ninety (90) days from the date such well is shut in or dewatering operations are commenced and thereafter on or before the anniversary date of this Lease during the period such well is shut in. Shut in shall be limited to two (2) years. If well (s) are shut in for more than two (2) years any drilling units not held by production in paying quantities shall be released.
- 5. If Lessor owns a lesser interest in the Premises than the entire and undivided fee simple estate therein, then the royalties, including any shut-in Gas royalty, herein provided for shall be paid Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
- 6. Lessee shall have the right to use, free of cost, gas, oil and water produced on the Premises for Lessee's operations thereon, except water from the wells, streams, lakes and ponds of Lessor. However, Lessee shall not make volumetric or cost deductions from Lessor's royalty share for compression into the Enterprise pipeline system.
- 7. Refer to Surface Use Agreement
- 8. The rights of the Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of the Premises shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessees' operations may be conducted without regard to any such division. If all or any part of this Lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner. However, all provisions and requirements in this Lease shall become the obligation of the assignee. Lessee shall give Lessor constructive notice of any assignment within 90 days.
- 9. Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, and a unit or units shall not exceed 80 acres each in the event of an oil well, or 640 acres each in the event of a gas well, plus a tolerance of ten percent (10%) to conform to government surveyed sections. Lessee shall execute in writing and record in the records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes, except the payment of royalties on production, from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

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- 10. All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this Lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation. Any delay or interruption caused by storm, flood, act of God or other event of force majeure shall not be counted against Lessee. If, due to the above causes or any cause whatsoever beyond the control of Lessee, Lessee is prevented from conducting operations hereunder, such time shall not be counted against Lessee, and this Lease shall be extended for a period of time equal to the time Lessee was so prevented, anything in this Lease to the contrary notwithstanding.
- 11. Lessor agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.
- 12. The word "Lessor", as used in this Lease, shall mean any one or more or all of the parties who execute this Lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.
- 13. This Agreement may be executed in counterparts, and each counterpart shall be deemed to be an original, but all of which shall be deemed to be one agreement. This Agreement may be executed by fax signatures and distributed to the other Parties. Orion will disburse original signature pages to all parties at its earliest convenience.

14. Audit Rights: Lessee agrees that upon ten (10) business days written notice giving detail of the period and items to be audited, Less<u>eeor</u>, or <u>itsher</u> agent(s), shall transmit to Less<u>or</u>ee's offices or other reasonable location stated in the notice all necessary documents and records, to be specified by Lessor in said notice, to audit all payments due Lessor under this Lease. Lessor agrees that all such information provided by Lessee is confidential in nature and will not be given to any third parties, except consultants, engineers, attorneys, accountants, or other experts employed by Lessor, or as evidence in any court with jurisdiction, without written consent. This provision shall be subject to the statute of limitations set by the State of Colorado.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

By: Daniel W. Stroock

| STATE OF   |            |
|--|------------|
| COUNTY OF BOULDON STARY OUT  |            |
| The foregoing instrument was chrowledged being the this 25 day of Destender 2008 by Daniel W | . Stroock. |
| SUSAN<br>ENNIS   |            |
| My Commission Expires:   | <u> </u>   |
| My comm Exp. 7/25/2012   |            |

#### **OIL AND GAS LEASE**

This Oil and Gas Lease ("Lease") is made this 4th day of September, 2008, by and between JRMD, LLC and Savage Limited

Partnership I, 5953 County Road 320, Rifle, CO 81650 ("Lessor" whether one or more) and Orion Energy Partners L.P., whose

address is 1675 Broadway, Suite 2000, Denver, CO 80202 ("Lessee").

WITNESSETH, For and in consideration of TEN DOLLARS, the covenants and agreements contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant, demise, lease and let exclusively unto said Lessee, with the exclusive rights for the purposes of, exploring by geophysical and other methods and operating for and producing therefrom oil and all gas of whatsoever nature or kind (including coalbed gas), and laying pipelines, , building tanks, , power stations, roadways and structures thereon to produce, save and take care of said products, and the exclusive surface or subsurface rights and privileges related in any manner to any and all such operations, all that certain tract or tracts of land situated in Garfield County, State of Colorado described as follows, to wit:

#### Township 7 South. Range 97 West, 6th P.M.

Resurvey Tract 39: The west 20.36 acres (formerly described as the west 20 acres of the NE/4NW/4 of Section 8) Resurvey Tract 48 Resurvey Tract 49

Containing 340.36 acres, more or less (the "Premises").

- 1. It is agreed that this Lease shall remain in full force for a term of five (5) years from this date ("Primary Term") and as long thereafter as oil or gas of whatsoever nature or kind is produced in paying quantities from the Premises or on acreage pooled or unitized therewith, or operations are continued as hereinafter provided. If, at the expiration of the Primary Term, oil or gas is not being produced from the Premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling or reworking operations thereon, then this Lease shall continue in force so long as such operations are being continuously prosecuted. Operations shall be considered to be continuously prosecuted if not more than one hundred eighty (180) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on the Premises or on acreage pooled or unitized therewith, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred eighty (180) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the Primary Term, this Lease shall continue in force so long as oil or gas is produced in paying quantities from the Premises or on acreage pooled or unitized therewith. If this lease has not sooner terminated, then effective as of one (1) year after expiration of the primary term, this lease shall terminate as to all leased lands except those lands that are included in a 40.00 acre tract, more or less, on which is located a well producing or capable of producing oil and or gas in paying quantities. For purposes of this Lease, Resurvey Tract 39 shall be considered to be a 40 acre tract, Resurvey Tract 48 shall be considered to contain four 40.00 acre tracts and Resurvey Tract 49 shall be considered to contain four 40.00 acre tracts. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than 180 days shall elapse between the completion of abandonment of one well and the beginning of operations for the drilling of another well.
- 2. This is a PAID-UP LEASE. In consideration of the payment made herewith, as specified by separate agreement, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the Primary Term surrender this Lease as to all or any portion of the Premises and as to any strata or stratum, by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.
- 3. Lessee covenants and agrees to pay royalty to Lessor as follows:
  - (a) On oil, to deliver to the credit of Lessor, free of cost on the lease if sold on the Premises or free of cost into the pipeline to which Lessee may connect wells at first point of sale, the equal twenty five per-cent (25%) part of the gross proceeds of all oil produced from the Premises.
  - (b) On gas of whatsoever nature or kind, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, twenty-five per-cent (25%) of the gross proceeds realized by Lessee from first point of sale. "Sale" shall be defined, for the purposes of this Lease, as a sale at a marketplace to an entity not affiliated with the Lessee in a transaction in which all obligations and requirements of both parties to the sale are monetized in the price.
  - (c) On products produced from the Premises Lessee shall pay, as royalty, twenty-five percent (25%) of the gross proceeds realized by Lessee from first point of sale.
  - (d) Lessee shall have the right to withhold Lessor's actual taxes. Lessor's tax shall be calculated by multiplying Lessor's royalty percentage by the actual tax paid by Lessee. Lessee shall reconcile deductions made from remittances to Lessor with the actual tax paid. Any difference between deductions and actual taxes paid by Lessee shall be refunded to Lessor.
  - (c) Lessor may take production in-kind, at Lessor's election, such election shall be made by Lessor informing Lessee in writing thirty (30) days prior to a change in election, and such change shall be made for a minimum period of six (6) months. If Lessor elects to take-in-kind Lessee shall deliver Lessor's share of production free of all cost compressed into the Enterprise pipeline, or a transmission pipeline of equal utility and location. Lessor's share of production shall be delivered into the Enterprise pipeline in the same condition and state as Lessee's share of production.
- 4. Where gas from a well capable of producing gas is not produced or used after the expiration of the Primary Term, Lessee shall pay or tender as royalty to Lessor at the address set forth above One Dollar (\$100.00) per year per net mineral acre, such payment or tender to be made on or before the anniversary date of this Lease next ensuing after the expiration of ninety (90) days from the date such well is shut in or dewatering operations are commenced and thereafter on or before the anniversary date of this Lease during the period such well is shut in. Shut in shall be limited to two (2) years. If well (s) are shut in for more than two (2) years any drilling units not held by production in paying quantities shall be released.

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- 5. If Lessor owns a lesser interest in the Premises than the entire and undivided fee simple estate therein, then the royalties, including any shut-in Gas royalty, herein provided for shall be paid Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
- 6. Lessee shall have the right to use, free of cost, gas, oil and water produced on the Premises for Lessee's operations thereon, except water from the wells, streams, lakes and ponds of Lessor. However, Lessee shall not make volumetric or cost deductions from Lessor's royalty share for compression into the Enterprise pipeline system.

7. Refer to Surface Use Agreement

- 8. The rights of the Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of the Premises shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessees' operations may be conducted without regard to any such division. If all or any part of this Lesse is assigned, no leasehold owner shall be liable for any act or omission of any other lessehold owner. However, all provisions and requirements in this Lease shall become the obligation of the assignee. Lessee shall give Lessor constructive of any assignment within 90 days.
- 9. Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, and a unit or units shall not exceed 80 acress each in the event of an oil well, or 640 acress each in the event of a gas well, plus a tolerance of ten percent (10%) to conform to government surveyed sections. Lessee shall execute in writing and record in the records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes, except the payment of royalties on production, from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere specified, lessor shall receive on production from a unit so pooled only such portion of the royalty situated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.
- 10. All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this Lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation. Any delay or interruption caused by storm, flood, act of God or other event of force majeure shall not be counted against Lessee. If, due to the above causes or any cause whatsoever beyond the control of Lessee, Lessee is prevented from conducting operations hereunder, such time shall not be counted against Lessee, and this Lease shall be extended for a period of time equal to the time Lessee was so prevented, anything in this Lease to the contrary notwithstanding.
- 11. Lessor agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.
- 12. The word "Lessor", as used in this Lease, shall mean any one or more or all of the parties who execute this Lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.
- 13. This Agreement may be executed in counterparts, and each counterpart shall be deemed to be an original, but all of which shall be deemed to be one agreement. This Agreement may be executed by fax signatures and distributed to the other Parties. Orion will disburse original signature pages to all parties at its earliest convenience.

14. Audit Rights: Lessee agrees that upon ten (10) business days written notice giving detail of the period and items to be audited, Lessee, or her agent(s), shall transmit to Lessor's offices or other reasonable location stated in the notice all necessary documents and records, to be specified by Lessor in said notice, to audit all payments due Lessor under this Lease. Lessor agrees that all such information provided by Lessee is confidential in nature and will not be given to any third parties, except consultants, engineers, attorneys, accountants, or other experts employed by Lessor, or as evidence in any court with jurisdiction, without written consent. This provision shall be subject to the statute of limitations set by the State of Colorado.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

JRMD/LLC . Savage, Managing Paymer By

Savage Limited Partnership I

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Join L. Savage, as General Partner of Savage Limited Partnership

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STATE OF Colorado

COUNTY OF Garfield

The foregoing instrument was acknowledged before me this 244 day of September, 2008 by John W. Savage as Managing Partner of JRMD, LLC.

MY COMMISSION EXPIRES My Commission Expires: \_\_\_\_\_08/18/2011

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STATE OF Colorado

**COUNTY OF Garfield** 

The foregoing instrument was acknowledged before me this 211 day of September, 2008 by Joan L. Savage as General Partner of Savage Limited Partnership L

MY COMMISSION EXPIRES My Commission Expires: \_\_\_\_\_08/18/2011

Juil K. Mc alice JILL K, **M**<sup>c</sup>ALICE  $\mathbf{\alpha}$ Auros

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#### **RIGHT-OF-WAY AND EASEMENT**

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#### STATE OF COLORADO

#### COUNTY OF GARFIELD

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, "Savage Limited Partnership I, Joan L. Savage, General Partner" (hereinafter referred to as "Grantor", whether one or more), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration in hand paid to it by Enterprise Gas Processing. LLC., a Delaware Limited Partnership, whose address is c/o Land Department, 2727 North Loop West, Houston, Texas 77008-1044 (hereinafter referred to as "Grantee"), the receipt of which is hereby acknowledged, does hereby grant unto the said Grantee, its successors and assigns, a right-of-way and easement for the purpose of laying, constructing, maintaining, operating, repairing, inspecting, testing, abandoning in place, protecting, altering and/or removing one (1) pipeline including cathodic protection, above-ground and below-ground appurtenances, and any and all other devices, equipment and structures from time to time deemed by Grantee to be necessary or desirable in connection with the use and convenient operation and maintenance of said pipeline for the transportation of oil, gas, water, petroleum products, or any other liquids, gases or substances which can be transported through a pipeline across the following-described lands in Garfield County, Colorado, to-wit:

Tract 40 and Tract 48, T.7S., R.97W., 6th P.M. See attached Exhibit "A", and, Tract 49, T.7S., R.97W., 6th P.M. See attached Exhibit "A"

Grantee's permanent right-of-way and easement shall be thirty feet (30') in width, being fifteen feet (15') on each side of the easement centerline as described in EXHIBIT "A" attached hereto and made a part hereof. Grantee shall also have a Temporary Easement for construction purposes only, being a strip of land fifty feet (50') wide directly adjacent and parallel to one side of the right of way and easement area described in EXHIBIT "A" and shown and depicted on EXHIBIT "A". In addition to the Temporary Easement stated above the Grantee shall utilize for construction purposes only, an additional twenty five feet (25') wide by one hundred fifty feet (150') in length of Additional Temporary Easement and Workspace(s) shall terminate upon the completion of construction of said pipeline and restoration of the lands.

Together with the rights of ingress and egress to the above-described right-of-way and easement herein granted across the adjacent property of Grantor.

TO HAVE AND TO HOLD said pipeline right-of-way and easement unto Grantee, its successors and assigns, for the purposes stated above, subject to the following terms and conditions:

- 1. That in the exercise of its rights hereunder, Grantee shall: (a) bury all pipelines to provide a minimum cover of thirty-six inches (36"), (b) restore the ground surface as nearly as practicable to the original condition which existed prior to the commencement of any work by Grantee; (c) provide suitable ditch cross-overs during construction as are reasonably required by Grantor; (d) properly support each side of a contemplated fence opening by suitable post and braces before a fence is cut, and, where required, to provide a temporary gate; (e) repair in a good and workmanlike manner any and all fences and drainage and irrigation systems which are cut or damaged by Grantee; and (f) pay Grantor for any damages caused by Grantee to Grantor's growing crops, grasses, trees, shrubbery, fences, buildings or livestock as a result of the construction of Grantee's facilities.
- 2. That Grantor reserves the right to use and enjoy the surface of the right-of-way in any manner that will not prevent or interfere with the use of the right-of-way by the Grantee for any of the purposes herein above granted, it being understood that no building, structure, improvement, or obstruction shall be placed within or upon the right-of-way, and that there shall be no alteration of the ground surface or grade of the right-of-way, without the express written consent of the Grantee, and, to the extent that written permission has not been given, Grantee shall have the right to clear and keep cleared from within the right-of-way all trees, brush, undergrowth, buildings, structures, improvements, or other obstructions, after completion of pipeline installation. Grantee shall not be liable for damages caused on the right-of-way by keeping the right-of-way clear of such trees, brush, undergrowth, buildings, structure, improvements, and other obstructions in the exercise of its rights hereunder.
- 3. That Grantee shall have the right, at its option, to install gates in fences crossing said pipeline right-of-way.
- 4. That this instrument may be executed in counterparts, but which together shall constitute one and the same instrument.
- 5. It is understood and agreed that this grant is not a conveyance of the lands described herein or of any interest in the oil, gas and other minerals in, on or under said lands, but is a grant solely of the right-of-way and easement granted herein.
- 6. All fixtures, equipment, and improvements placed on or fixed to the premises by Grantee shall remain the property of Grantee and Grantee shall have the right to remove any or all of its property from the Easement.
- 7. That during maintenance and repair operations of said pipeline or appurtenances, Grantee may utilize such portions of Grantor's property, temporary work space, as may be reasonably necessary. However, after the completion of such operations Grantee shall have no further right to such temporary work space.
- 8. Grantee shall make application for and secure from any and all federal, state and local governmental authorities having jurisdiction (and during the term of this Agreement shall maintain in effect and comply with) all permits, licenses and other authorizations required for this Agreement. Grantee shall pay for all such permits, licenses and other authorizations and for all renewals.

- 9. Grantee agrees to indemnify and hold harmless Grantor from and against any and all loss, costs, damages and expenses incurred in connection with any claims, actions or proceedings arising from or related to Grantee's rights or obligations contained in the Right-of-Way and Easement, except for the negligence and willful misconduct of the Grantor and its successors and assigns.
- 10. It is agreed that this grant covers all the agreements between the parties and no representations or statements, verbal or written, have been made modifying, adding to or changing the terms of this agreement. It is understood and agreed that this easement and all rights, privileges and obligations created herein shall run with the land and shall inure to the benefit of and be binding upon the legal representatives, heirs, executors, administrators, successors, and assigns of the parties hereto.

EXECUTED AND EFFECTIVE this 16 day of \_\_\_\_\_ 200**8**.



it Ma alice Y COMMISSION EXPIRES 08/18/2011

GRANTOR:

By: <u>L. SAF</u>ABE Printed Name: Joan

By: \_\_\_\_\_\_ Printed Name: \_\_\_\_\_\_ ខ

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GRANTEE:

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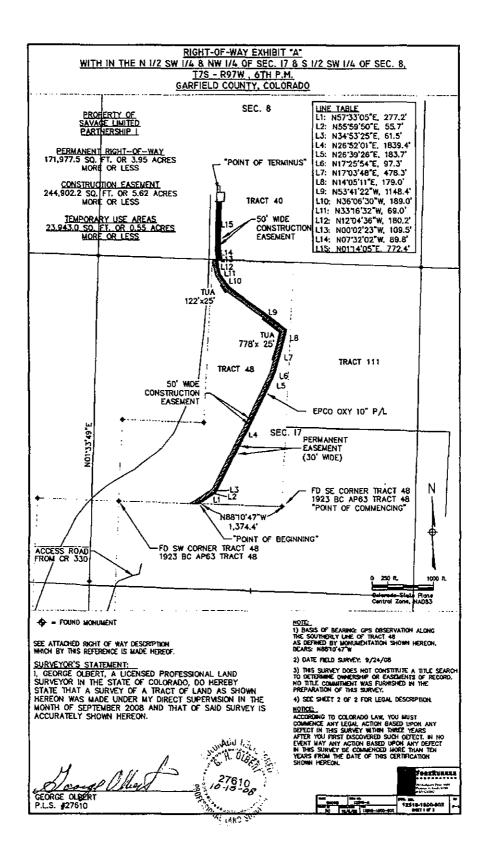
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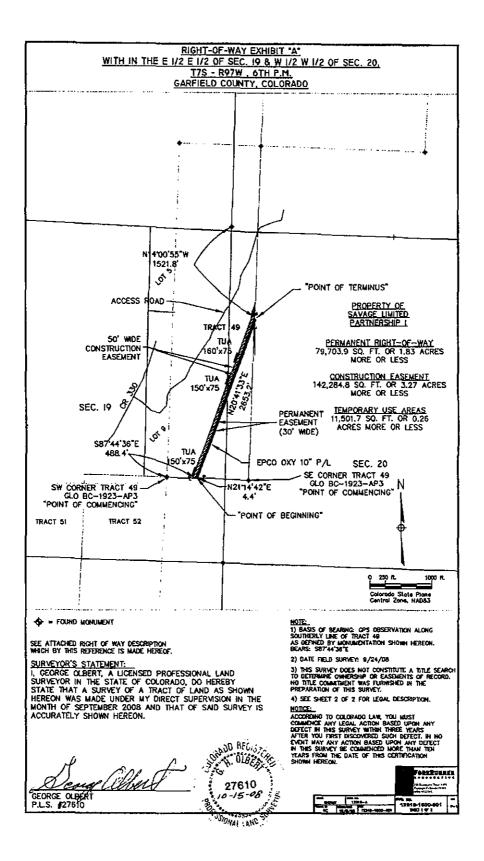
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| PROPERTY OF SAVAGE LIMITED PARTNERSHIP I<br>CENTERLINE DESCRIPTION FOR PROPOSED 30' WIDE RIGHT-OF-WAY AND E<br>A PARCEL OF LAND FOR A 30' WIDE RIGHT-OF-WAY AND EASEMENT SITU<br>NORTH HALF OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTE<br>OF SECTION 17, TRACT 48 AND SOUTH HALF OF THE SOUTHWEST QUARTE<br>SECTION 8, TRACT 40, TOWNSHIP 7 SOUTH, RANGE 97 WEST OF THE<br>SIXTH PRINCIPAL MERIDIAN IN GARFIELD COUNTY, COLORADO; SAID CENTEJ<br>BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:<br>COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT 48; THENCE<br>NORTH 88'10'47" WEST ALONG THE SOUTHERLY LINE OF TRACT 48,<br>FOR A DISTANCE OF 1,374.4 FEET TO THE POINT OF BEGINNING;<br>THENCE NORTH 57'33'05" EAST FOR A DISTANCE OF 277.2 FEET;<br>THENCE NORTH 55'59'50" EAST FOR A DISTANCE OF 55.7 FEET;<br>THENCE NORTH 35'53'25" EAST FOR A DISTANCE OF 61.5 FEET;                              | ate in the<br>R<br>R of |
|---|-------------------------|
| A PARCEL OF LAND FOR A 30' WIDE RIGHT-OF-WAY AND EASEMENT SITU<br>NORTH HALF OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTE<br>OF SECTION 17, TRACT 48 AND SOUTH HALF OF THE SOUTHWEST QUARTE<br>SECTION 8, TRACT 40, TOWNSHIP 7 SOUTH, RANGE 97 WEST OF THE<br>SIXTH PRINCIPAL MERIDIAN IN GARFIELD COUNTY, COLORADO; SAID CENTEJ<br>BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:<br>COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT 48; THENCE<br>NORTH 88'10'47" WEST ALONG THE SOUTHERLY LINE OF TRACT 48,<br>FOR A DISTANCE OF 1,374.4 FEET TO THE POINT OF BEGINNING;<br>THENCE NORTH 57'33'05" EAST FOR A DISTANCE OF 277.2 FEET;<br>THENCE NORTH 55'59'50" EAST FOR A DISTANCE OF 55.7 FEET;   | ate in the<br>R<br>R of |
| NORTH HALF OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTE<br>OF SECTION 17, TRACT 48 AND SOUTH HALF OF THE SOUTHWEST QUARTE<br>SECTION 8, TRACT 40, TOWNSHIP 7 SOUTH, RANGE 97 WEST OF THE<br>SIXTH PRINCIPAL MERIDIAN IN GARFIELD COUNTY, COLORADO; SAID CENTEJ<br>BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:<br>COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT 48; THENCE<br>NORTH 88'10'47" WEST ALONG THE SOUTHERLY LINE OF TRACT 48,<br>FOR A DISTANCE OF 1,374.4 FEET TO THE POINT OF BEGINNING;<br>THENCE NORTH 57'33'05" EAST FOR A DISTANCE OF 277.2 FEET;<br>THENCE NORTH 55'59'50" EAST FOR A DISTANCE OF 55.7 FEET;   | R<br>ROF                |
| NORTH 88"10'47" WEST ALONG THE SOUTHERLY LINE OF TRACT 48,<br>FOR A DISTANCE OF 1,374.4 FEET TO THE POINT OF BEGINNING;<br>THENCE NORTH 57"33"05" EAST FOR A DISTANCE OF 277.2 FEET;<br>THENCE NORTH 55"59"50" EAST FOR A DISTANCE OF 55.7 FEET;  |                         |
| THENCE NORTH 55'59'50" EAST FOR A DISTANCE OF 55.7 FEET;  | ļ                       |
| THENCE NORTH 26'52'01" EAST FOR A DISTANCE OF 1,839.4 FEET;<br>THENCE NORTH 26'39'26" EAST FOR A DISTANCE OF 183.7 FEET;<br>THENCE NORTH 17'25'54" EAST FOR A DISTANCE OF 97.3 FEET;<br>THENCE NORTH 17'03'48" EAST FOR A DISTANCE OF 478.3 FEET;<br>THENCE NORTH 14'05'11" EAST FOR A DISTANCE OF 179.0 FEET;<br>THENCE NORTH 14'05'11" EAST FOR A DISTANCE OF 1148.4 FEET;<br>THENCE NORTH 36'06'30" WEST FOR A DISTANCE OF 1148.4 FEET;<br>THENCE NORTH 36'06'30" WEST FOR A DISTANCE OF 189.0 FEET;<br>THENCE NORTH 36'06'30" WEST FOR A DISTANCE OF 180.2 FEET;<br>THENCE NORTH 12'04'36" WEST FOR A DISTANCE OF 180.2 FEET;<br>THENCE NORTH 00'02'23" WEST FOR A DISTANCE OF 109.5 FEET;<br>THENCE NORTH 00'02'23" WEST FOR A DISTANCE OF 38.8 FEET;<br>THENCE NORTH 01'22'26" EAST FOR A DISTANCE OF 772.4 FEET;<br>THENCE NORTH 01'22'26" EAST FOR A DISTANCE OF 772.4 FEET;<br>TO THE POINT OF TERMINUS. |                         |
| THE ABOVE DESCRIBED PARCEL OF LAND CONTAINING 171,977.5 SQUARE<br>FEET OR 3.95 ACRES MORE OR LESS   |                         |
|   |                         |
|   |                         |
| SURVEYOR'S STATEMENT:<br>, GEORGE CLEERT, A LICENSED PROFESSIONAL LAND<br>SURVEYOR IN THE STATE OF COLORADO, DO HEREBY<br>STATE THAT A SURVEY OF A TRACT OF LAND AS SHOWN<br>HEREON WAS MADE UNDER MY DIRECT SUPPERVISION IN THE<br>MONTH OF SEPTEMBER 2008 AND THAT OF SAID SURVEY IS<br>ACCURATELY SHOWN HEREON.  |                         |
| Seconde Cillung<br>Seconde Cillung<br>PLS. 127610   |                         |



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| PROPERTY OF SAVAGE LIMITED P   | ARTNERSHIP I   |                                       |                   |
|--|--|---------------------------------------|-------------------|
| CENTERLINE DESCRIPTION FOR PR  | OPOSED 30' WIDE RIGHT  | -OF-WAY AND EASEM                     | ENT               |
| A PARCEL OF LAND FOR A 30' H<br>EAST HALF OF THE EAST HALF (<br>OF SECTION 20, TRACT 49, TOWN<br>SIXTH PRINCIPAL MERIDIAN IN GA<br>BEING MORE PARTICULARLY DESC  | OF SECTION 19 AND WES<br>ISHIP 7 SOUTH, RANGE<br>RFIELD COUNTY, COLORA | 17 HALF OF THE WEST<br>97 WEST OF THE | HALF              |
| Commencing at the southeast<br>South 87*44'36° east along ti<br>For a distance of 488.4 feet   | HE SOUTHERLY LINE OF   | TRACT 49,                             |                   |
| THENCE NORTH 21°14'42" EAST F<br>THENCE NORTH 20°41'33" EAST F<br>TO THE POINT OF TERMINUS.  |  |                                       |                   |
| THE ABOVE DESCRIBED PARCEL (<br>FEET OR 1.83 ACRES MORE OR L   |  | ,703.9 SQUARE                         |                   |
|  |  |                                       |                   |
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|  |  |                                       |                   |
|  |  |                                       |                   |
| SURVEYOR'S STATEMENT.<br>I, GEORGE OLBERT, A LICENSED PROFESSION<br>SURVEYOR IN THE STATE OF COLORADO, DO<br>STATE THAT A SURVEY OF A TRACT OF LAN<br>HEREON WAS MADE UNDER MY DIRECT SUPER<br>MONTH OF SEPTEMBER 2008 AND THAT OF S<br>ACCURATELY SHOWN HEREON. | HEREBY<br>D AS SHOWN<br>RVISION IN THE<br>SAID SURVEY IS               |                                       |                   |
|  | HUNAUJ   |                                       |                   |
| Serge Aller 7  | 27610  |                                       |                   |
| GEORGE OLGERT<br>P.L.S. #27610   | AL LANS  |                                       | 122118-1800-801 # |

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# MEMORANDUM OF SERVICES AGREEMENT

THIS MEMORANDUM OF SERVICES AGREEMENT (this "<u>Memorandum</u>") is made and entered into as of November 19, 2008 (the "<u>Effective Date</u>"), by and between ENTERPRISE GAS PROCESSING, LLC, a Delaware limited liability company ("<u>Gatherer</u>"), with an address of 1100 Louisiana, Houston, Texas 70002, and ORION ENERGY PARTNERS LP, a Delaware limited partnership ("<u>Shipper</u>"), with an address of 1675 Broadway, Suite 2000, Denver, Colorado 80202.

WHEREAS, Shipper and Gatherer entered into that certain Services Agreement dated November 19, 2008 (the "<u>Agreement</u>"), pursuant to which Gatherer will provide to Shipper gathering, treating, dehydration, compression and processing services for the Dedicated Gas (any capitalized term used, but not defined, in this Memorandum shall have the meaning ascribed to such term in the Agreement); and

WHEREAS, the Parties desire to file this Memorandum of record in the real property records of Garfield County, Colorado, to give notice of the existence of the Agreement and certain provisions contained therein;

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. <u>Notice</u>. Notice is hereby given of the existence of the Agreement and all of its terms, covenants and conditions to the same extent as if the Agreement was fully set forth herein. Certain provisions of the Agreement are summarized in Sections 2 through 5 below.
- 2. <u>Term.</u> The term of the Agreement shall commence on November 19, 2008, and unless terminated earlier in accordance with the terms and conditions of the Agreement, shall continue in full force and effect through 9:00 A.M., Central Clock Time, on January 1, 2028, and from year to year thereafter, unless and until terminated by either Party upon not less than ninety (90) days prior written notice, such termination to be effective as of the end of the Initial Term or at 9:00 A.M., Central Clock Time, on any January 1<sup>st</sup> thereafter.
- 3. Dedication. Subject to the terms and conditions of the Agreement, Shipper has dedicated for gathering, treating, dehydration, compression and processing under the Agreement, and has agreed to deliver, or cause to be delivered, to Gatherer, at the Receipt Points, (i) all Gas produced and saved from wells now or hereafter located within the area more particularly described on <u>Exhibit A</u> attached hereto (the "<u>Dedicated Area</u>") or on lands pooled or unitized therewith, to the extent such Gas is attributable to the Interests now owned or hereafter acquired by Shipper and/or its Affiliates and their respective successors and assigns and not (a) subject to a Prior Dedication or (b) delivered or used in lease operations as permitted pursuant to Section 6.4 of the Agreement, and (ii) with respect to such wells in which Shipper and/or any of its Affiliates is the operator, Gas produced from such wells which is attributable to the Interests in such wells owned by other working interest owners and royalty owners which is not taken (a) "in-kind" by

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such working interest owners and royalty owners, (b) subject to a Prior Dedication or (c) delivered or used in lease operations as permitted pursuant to Section 6.4 of the Agreement, and for which Shipper and/or its Affiliates has the obligation to deliver such Gas and only for the period that Shipper and/or its Affiliates has such obligation (collectively, "Dedicated Gas").

- 4. <u>Prior Dedications</u>. The Dedicated Gas does not include any Gas currently dedicated for gathering, treating, dehydration, compression or processing under the Prior Dedications; provided that, upon the termination of such Prior Dedications, any Gas previously subject to such Prior Dedications and described in clauses (i) and (ii) of Section 3 above, shall become Dedicated Gas under the Agreement.
- 5. <u>Covenant Running with the Land</u>. So long as the Agreement is in effect, the Agreement shall (i) be a covenant running with the Interests now owned or hereafter acquired by Shipper and/or its Affiliates within the Dedicated Area and (ii) be binding on and enforceable by Gatherer and its successors and assigns against Shipper, its Affiliates and their respective successors and assigns.
- 6. <u>No Amendment to Agreement</u>. This Memorandum is executed and recorded solely for the purpose of giving notice and shall not amend nor modify the Agreement in any way.

[Signature Pages Follow]

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IN WITNESS WHEREOF, this Memorandum has been signed by or on behalf of each of the Parties as of the day first above written.

# **ORION ENERGY PARTNERS LP**

By:\_ Name: Daniel G. Blanchard

**Chief Financial Officer** Title:

STATE OF Colorado § § COUNTY OF Denver

The foregoing instrument was acknowledged before me by Daniel G. Blanchard, the Chief Financial Officer of Orion Energy Partners LP, a Delaware limited partnership, on \_\_\_\_ day of <u>November</u>, 2008. behalf of said limited partnership, this 19th

SARAH J. MCCABE NOTARY PUBLIC STATE OF COLORADO My Commission Expires 1/31/09

Notary Public in and for the State of <u>Colorado</u>

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ENTERPRISE GAS PROCESSING, LLC

By: Name:\_\_ Title:

STATE OF COLORADO ş COUNTY OF DENUCA

The foregoing instrument was acknowledged before me by  $\underline{GIL \ AADTKE}$ , the <u>SENIOP VICE PRESENT</u> of Enterprise Gas Processing, LLC, a Delaware limited liability company, on behalf of said limited liability company, this  $\underline{1943}$  day of  $\underline{Na}$ , 2008.

My Commission Expires 03/28/2010

wannana, frene Colden Notary Public in and for the State of Cic . بري: Q and an and a second

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# EXHIBIT A

# **DEDICATED AREA**

The following lands located in Garfield County, Colorado:

T. 7 S., R. 97 W., 6th P.M. Section 5: Resurvey Tract 38 Section 8: Resurvey Tract 39, Resurvey Tract 40, Resurvey Tract 41 Sections 8 & 9: Resurvey Tract 42 Containing 518.73 acres, more or less T. 7 S., R. 97 W., 6th P.M. Resurvey Tracts 48 and 49 formerly described as: Section 17: E2NW, N2SW Section 18: SESE Section 19: E2NE, NESE Containing 320 acres, more or less

EXHIBIT A – Page 1

|   |   | 411  |
|---|---|--|
|   |   |  |
|   | Con. \$3500. Rev. Stamp. \$3.50. Conveys<br>Sec. 29 all in Tp.6 S.R.87 W.6th P.M.   | White, Notary Public, Garfield County, Colo.<br>the N <sup>+</sup> <sub>2</sub> NE <sup>+</sup> <sub>4</sub> ; NE <sup>+</sup> <sub>4</sub> SE <sup>+</sup> <sub>4</sub> Sec. 20 and NW <sup>+</sup> <sub>2</sub> NE <sup>+</sup> <sub>4</sub><br>at 2:20 o'clock P.M. in Book 108 at page 127 |
| * | Richards, Charles E. Flynn, L.D.Crandall,<br>Crandell. Date of Location July 11, 1917.<br>by right of discovery and location the Pal<br>Sec. 30 at SWASEA and SEASWA Sec. 14 Tp.6<br>Sec. 30; SWASEA; SEASWA Sec. 19 Tp.6 S.R.9 | Date of Certificate July 14, 1917. Claims<br>isade No. 1 p.m.c. being the NW4SE4; N44SW4<br>S.R.98. Amended to read: NW4NE4; NE5NW4  |
|   | 19 and WHNEH of Sec. 30 Tp.7 S.R.97 W.6th   | ta J. Conwell. Conveys the $SW_4^1SE_4^1$ of Sec.<br>P.M., containing 120 acres.<br>at 1:00 o'clock P.M. in Book 112 at page 488<br>* determine<br>ch, Canal · Act of $4/24/1820$ .  |
|   | $\frac{60718}{NW_{4}^{1}NW_{4}^{1}}$ Sec. 25 in Tp.7 S.R.88 W.6th P.M.,   | S. James. Conveys the $SW_4^1SW_4^1$ Sec. 24 and containing 80 acres.  |
|   | 60719 Release Deed of Trust. 2-16-18. P<br>so acknowledged 2-16-18 before A.L.Beardsl<br>Releases the trust deed recorded in Book 9   | ublic Trusteetto Frank Holder signed same and ey, Notary Public, Garfield County, Colorado   |

No. Doc.#185106

SHEET 1 of 4 sheets INDEX MAP OF THE PACIFIC OIL CO. PIFE LINE AND PUMPING PLAT No. 1 Mesa County andGarfield Co.Colo Water District No. 42 Irrigation Division No. 4 and Water District No. 70 Irrigation Disix Division No. 5 Courses referred to true mer. Scale - 1 62,500

19645

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, Pacific Oil Company, a California Corporation, claimant, whose postoffice address is 225 Exx Bush Street, San Francisco, California, has casued to be located the Pacific Oil Co. Pipe Line and Pumping Plat as hereinafter mentioned, has made these serveral statements relative thereto, and filed the karxigan same in compliance with the laws of the State of Colorado. The accompanying maps show the location of said Pipe line and Pumping Plant and form a part of this filing.

FIRST: The headgate is located at a point on the right bank of the Colorado River from which it derives its supply of water, whence the N. E. corner of Sac. 25, T. S S., R. 97 W., 6th P. M., bears N. 06°47°58" E. 4038.99 feet Second: The diameter, total head and length of said

Pipe line is as shown in adjacent tabilation

| PIPELINE                                    | DIAMETER | HEAD     | LENGTH         |
|---|----------|----------|----------------|
| De Beque to Conn Cr.<br>Conn Cr. to Bowdish | 3 feet   | 300 feet | 37,090.02 feet |
| Nx Gulch<br>Conn Cr. to Deer Park           | 2 feet   | 350 feet | 17,072.50 feet |
| Gulch                                       | 2 feet   | 550 feet | 53,407.55 feet |

THIRD: The carrying capacity of said cipe line is 57.25 cubic feet per second of time by pumping for which claim is hereby made for industrial ourposes and domestic use. FOURTH: The estimated cost is ###x@@@@xx \$8,000,000 ÊİXX FIF TH: Work was commenced by survey on the 9th day of June, 1953

Attest:

XXXXEXX SIXTH: Claimant Pacific Oil Company.

BY. K. H. Crandall President G. M. Foster, Secreaty (Company seal)

UCO 1/16/54

STATE OF COLORACO

Filed for record 2/23/54 at 9:02 ofclock A.M..

CITY AND COUNTY OF DENMER) S5. Harold J. Welch, being duly sworn on his oath, deposes and says that he is the engineer who made the survey of the Pipe Line and Pumping Plat; that the survey of the same and the maps there of were made by him and that such survey is accurately represented upon these mans; that he has read the statements thereon, and that the same are true of his own knowledge.

Harold J.Welch ache gen 12 - 19 and Engineer Subscribed and sworn to before me this 16th day of January, A.D. 1954. My commission expires November 14, 1956 Bicyaro C.Runyan Notary Public

Accepted for filing in the office of the State Engineer of Colo. on the 18th day of January, 1954.

State Engineer by Deputy

#185106 WMAP = PACIFIC OIL CO. Pipe Live + PUMPING PLANT. No. 1 "SHAPE 197,570.07 FT. LENGTH = EST. COST =# 8,000,000 STARTS NEAR DE BEQUE - GOES THRU PART MESA Co. 8-97 117= 535W, NWSW W18 = EZNE, NESE V7 = E35E, 5 WE, NUNE V 6= WISE, NESW, EINOU 7-97 x - 31= 1025W 7-98 - 36 = MESE, SENE, NºNE X V25 = W35E, NESE, SENE, NEDSW, ETNU. V 24 = 525W, NWSW, SWNW Y23 =NENE (- 14 - E'SE, NWSE, SWNE, E'WW, NWNW. ~ 11= SWSW · 10= ESE, STNE, NUNE, NENW - 3= \$E3W, NUSW, WWW MH=1 EWE. 7-97= - 30 = WENW, NENW, 19= SESW, STE, NESE, NWSE NOO = WINW. 17 = 53W, NWSW, SENW, WWE \_ 6.48 = ~ 34 = W3W, NESW, WINES ~27 = WZE2 NOZ = WENNENW 15 = E'SW, SWW, NEW V 10= 525W.

Recorded Apr 4, 1958 at 10:30 A. M. P. Reception No. 201125 Chas. S. Keegan, Recorder

Book 307 Page 479

oc.#201128

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PROVENT-

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#### WARRANTY DEED

XNOW ALL MEN BY THESE PRESENTS, that ROSS LATHAM, who is one and the same person as T. R. LATHAM and LEROY LATHAM, who is one and the same person as LEROY B. LATHAM and LEROY D. LATHAM of the County of Garfield, and State of Colorado, for the consideration of Ten Dollars and Other Valuable Consideration, in hand paid, hereby sell and convey to JOHN W. SAVAGE and JOAN L. SAVAGE of the County of Garfield, and State of Colorado, the following real property, situate in the County of Garfield and State of Colorado, to wit:

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PARCEL 1:

The  $E_2^1NW_1^1$  and Lot numbered 2 of Section 30, and the SE $_2^1$  SW $_1^1$  of Section 19, Township 7 South, Range 97 West of the 6th P.M., containing 157.34 acres.

Lot 1 of Section 30, in Township 7 South, Range 97 West of the 6th P.M., containing 37,19 acres.

All that portion of the E2 NEL of Section 25, Township 7 South, Range 98 West of the 6th P.M., lying East of the County road running through said land, being 18 acres, more or less.

The SEL SEL of Section 25, Township 7 South, Range 98 West and the EL SWL and Lot 4 of Section 30, Township 7 South, Range 97 West of the 6th P.M., containing 157.63 acres.

Beginning at a point which is 961.7 feet East of the West quarter corner of Section 30, Township 7 South, Range 97 West of the 6th P.M., (and on North line of Lot 3 in said Section 30); thence East 358.8 feet; thence South 1320 feet; thence West 1116.7 feet; thence North 47°32' East 380.2 feet; thence North 40° East 310.6 feet; thence North 36°35' East 186.9 feet; thence North 18°25' East 471.3 feet; thence North 4 43' East 229.8 feet to place of beginning, containing 18.32 acres, all lying in Lot 3, Section 30, Township 7 South, Range 97 West of the 6th P.M.

The old Right of way of County Road, commencing at a point on East line of Saction 25, Township 7 South, Range 98 West of the 6th P.M., which is 1209 feet North of East quarter cornar of said Saction 25, thance running in a Northwesterly direction to North line of Northeast quarter of Northeast quarter of Section 25, Township 7 South, Range 98 West of the 6 P.M., containing about 2.2 acres.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

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PARCEL 2

The El NWL, No SW1 of Section 17, the SEL SEL of Section 18, E2 NEL and NEL SEL of Section 19, Township 7 South, Range 97 West of the 5th P.M.

EXCEPT one-half of all oil, gas and mineral rights previously reserved and subject to a reservation of an undivided one-fourth interest of all such rights as hereinafter set forth.

PARCEL 3

All of the West 20 acres of Tract 39, Section 8, Township 7 South, Range 97 West of the 6th P.M. according to the resurvey of said Township, being the same land described in the original survey of said Township as the W. 20 acres of the NEL NWL, Sec. 8, said Township and Range, except: Beginning at the NW corner of NEL NWL Section 8, Township 7 South, Range 97 West, thence S. 442.9 feet to a point, thence N.  $67^{\circ}32^{\dagger}$  E. 89.33 feet to a point, thence N. 18°26' E. 418.4 feet to a point, thence W. 179.75 feet to the place of beginning, containing 1.26 acres, more or less, and being the same land conveyed as Parcel B, to the American Shale Refining Co., in Warranty Deed, recorded in Book 142, Page 66 at the public records of Garfield County Colorado.

Tract 40 of Sec. 8, Township 7 South, Range 97 West according to the resurvey of said Township, being the same land described in the resurvey of said Township, being the same land described in the original survey of said Township as the Et SWt, SEt NWt and the NWL SEL of Section 8, said Township and Range.

Tract 41 of Section 8, Township 7 South, Range 97 West, 6th P.M., according to the resurvey of said Township being the same land described in the original survey of said Township as the SWH NEL of Section 8, said Township and Range.

Tract 42 of Sections 8 and 9, Township 7 South, Range 97 West, oth P.M., according to the resurvey of said Township being the same land described in the original survey of said Township as the E NEt of Section 8, and the NWINWI of Section 9, said Township and Range, except, road rights of way.

EXCEPT all oil, gas and mineral rights previously reserved. PARCEL 4 - 25 PU BIRCH ST

Lot 4, SW1 NW1 and the West Half of the SW1 of Section 5, Township 7 South, Range 97 West of the 5th P.M.

EXCEPT all oil, gas and mineral rights previously reserved. ್ರಗಳ ಸಿಗ್ದ ಪ್ರಶೇಶ ವರ್ಷಕರ್ಷ

PARCEL 5 . 35 TOPS APPEND

The NEt SEL of Section 25, Township ? South, Range 98 West, 6th P.M. and Lot 3 of Section 30 in Township 7 South, Range 97 West, 5th P.M., excepting 18.321 acres of Lot 3 in Section 30, Township 7 South, Range 97 West, 6th P.M. heretofore conveyed out by Document No. 41911, Garfield County Records.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

- 2 -

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PARCEL 6

The E1 NEL; SW1 NEL and the NW1 SE1 of Section 25, Township 7 South, Range 98 West, 6th P.M., except a small tract of land containing two acres of the old dedicated County Road as Document No. 50462, Garfield County Records, and also except all that portion of the E2 NET of said Section 25, lying East of the Old County Road and running through said land, being 18 acres, more or less, as described in Document No. 22920, Garfield County Records.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

PARCEL 7

The SEL SEL, NWL SEL, SWL NEL, NEL SEL, Section 24, Township 7 South, Range 98 West of the oth P.M. containing 160 acres, more or less.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

PARCEL 8

The SEL NWL and the NEL SWL of Section 24, Township 7 South, Range 98 West, 6th P.M., together with any and all ditch and water rights appentaining thereto or connected therewith and including, out without J mitation, one foot of water in the first enlargement of the Creek and Newman Ditch out of Rean Creek, being ditch number 27 with priority numbers 34-70-129 in Water District 70. Except a 30 foot wide strip on South side of NEL SWL, for road right of way, conveyed out by Document No. 51868, Garfield County Records.

SUBJECT TC a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

PARCEL 9

Tract 52 (formerly described as  $SW_1^1$  SEL of Section 19 and the  $W_2^1$  NEL of Section 30) all in Township 7 South, Range 97 West of the 6th P.M.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

PARCEL 10

All that part of Lot 3, Section 30, Township ? South, Range 9? West, 6th P.M. not included in the above descriptions. The Grantors do not warrant the title to the property conveyed in this parcel, but only quit claims whatever right, title and interest they may have.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

No Oil, gas or mineral rights are conveyed with parcels 3

-3.-

and 4.

Book 307. Page 182

> There is not conveyed, but there is reserved to the Grantor, Ross Latham, his heirs and assigns, an undivided one-half of all oil, gas and other minerals lying in and to parcels numbered 1, 5, 6, 7, 9 and 10, together with the right to prospect for and -meine the same.

There is not conveyed, but there is reserved to the Grantors Ross Latham and LeRoy Latham an undivided one-half interest in all oil, gas and other mineral rights lying in and under parcel No. 8, together with the right to prospect and remove the same.

There is not conveyed, but there is reserved to the Grantor Ross Latham an undivided one-fourth interest in and to all oil, gas and other minerals lying in and under parcel No. 2, together with the right to prospect for and remove the same.

All of the above described real estate is subject to outstanding oil and gas leases of record, except parcels 3 and 4, and this conveyance is made subject thereto. There is hereby assigned to the Grantees an undivided interest in such outstanding oil and gas leases, and the delayed rentals in proportion to Grantees' interest in the oil, gas and mineral rights hereby conveyed.

There is also conveyed all ditches, ditch rights, water and , P., astrones to .... water rights belonging to or appertenant to the above described parcels of real estate, including, but not limited to the following: say shib li liane of Ditch Priority No. Date of Priority Second Fast Convell Ditch, out of Conn Creek, original 4-13-84 2,80 23 lst Enl. 52 2-10-86 1.60 11788 2nd Enl. 4- 1-92 0.10 1573rd Enl. 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 - 1999 -.0.08 5-19-14 Ath Enl. - start and 18122 2-1-21 4.72 Domestic-Conwell Ditch 1 4-13-84 1,00 Cissna No. 146 6426 Autor 4 154688 5- 1-10 0.50 5- 1-10 Cissna Ne. 2 154BB 0,50

·-- 12 --

124023933

Book 307 Page 483

1.30 absolute 1.5 conditional

Ureek & Ne man Ditch, Out of Rolf Greek Original 11-15-88-00 2.00 3.:. ist Fr., 70 1.00 -11-8 and End. 21.20 (part) 181-00 -- 1-24 baker & Bowdish Ditch Cut of Conn Creek Original - Sec. 5. 53 2-11-86 2.00 153AA 5-1--04 lst Enl. 0.24 181PP 2nd Enl. 2- 1-24 ·5.38 Domestic 2-11-84 2 0.25 Baker Creek Canyon Ditch, Baker Gulch, a tributary of Conn Creek 4- 1-09 3150 Williams Ditch, cut of Cons Creek . 94 3- 2-87 2.0. فيتحدث والمسارية Com Creek Ditch; cutters

There is also hereby conveyed as appurtenant to the above described real estate all Public Domain, grazing rights, permits and privileges.

151A

of Conn Creek Strands is

There is hereby conveyed the above described real estate with all its appurtenances, and the Grantors warrant the title to the same, subject to taxes for the year 1958 and thereafter; subject to all existing legal roads and easements; and subject to a reservation of oil and gas and mineral rights as above set forth, and also subject to existing oil and gas leases of record.

Signed and delivered this jot dayof April, A. D. 1958.

- A - B - A - C

(SEAL; Also kno (SEAL)

1- 1-93

(SEAL) Also known as (SEAL) AS Also knówn

(SEAL)

Boox 307 --Page 484

> STATE OF COLORADO) )ss. CCUNTY OF M E S A;

> > 220.

The foregoing instrument was acknowledged before me this 2 ~ day of April, 1958 by Ross Latham, also known as T. R. Latham, and LeRoy Latham, also known as LeRoy B. Latham and LeRoy D.

Novary Public

Witness \_\_ havi and official seal.

5

Filed for record April 4, 1958 at 10:30 A. M., and recorded in book 307 at page 479 thereof.

- 6 -

Recorded at 8:3 Reception No. 253050

March 27, 1972 Book 428 Ella Stephens, Recorder. Page 455

#### SHORT FORM OPTION AGREEMENT

THIS SHORT FORM OPTION AGREEMENT is made this 23rd day of March, 1972, for purposes of recording, by and between JOHN W. SAVAGE and JOAN L. SAVAGE, Optionors, and GETTY OIL COMPANY, a corporation authorized to do business in Colorado, Optionee, WITNESSETH:

Optionors hereby grant to Optionee the right and option to purchase the property, real and personal, hereinafter described, situate in the County of Garfield, State of Colorado, to-wit: A. <u>RESERVOIR SITES</u>:

It is agreed that Reservoir sites to be conveyed hereunder shall be:

Any and all rights of the Optionors in and to the Roan Creek Reservoir site and water right, or rights, incident to said Reservoir, including, but not by way of limitation, any rights to the Long Point Reservoir, and Reservoir site, acquired by contract with, or conveyance from, the Colorado River Water Conservation District, and water rights incident thereto, together with any and all filings and rights (claimed by Optionors) incident thereto made by Optionors or by the Colorado River Water Conservation District in connection with either of the said Reservoirs. Optionors warrant and represent that their rights consist of an undivided one-half interest therein.

B. THE LAND:

It is agreed that the land to be conveyed hereunder, located in Garfield County, Colorado, is described on Exhibit "A" attached hereto, and, by this reference, made a part hereof.

## Book 428 Page 456

# C. WATER RIGHTS:

STATE OF COLORADO

It is agreed that there shall be conveyed hereunder water and water rights, ditch and ditch rights, belonging to, or used upon or in connection with, and appurtenant to, the lands described in Paragraph B above, which are diverted from Roan Creek, including the rights of Optionors in the Hobo Ditch, Clear Creek Ditch, Creek and Newman Ditch, and the Creek and Newman Ditch First and Third Enlargements.

Said Option shall continue, for good and valuable consideration, to the first day of January 1973, all in accordance with the terms and conditions set forth in complete detail in that certain Option Agreement between the parties hereto bearing even date herewith.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

hn h John W. Savage oan L. Savage

OPTIONORS

GETTY OIL COMPANY Attorney-in-fact

OPTIONEE

Notary Public

CULTUR OF MESA ) The foregoing instrument was acknowledged before me this 23rd dayrof March, 1972 by John W. Savage and Joan L. Savage.

Book 428 Page 457

Tract 1: The SANWAR, NWASWA and the WANEASWAR of Section 14, the EANDA of Section 15, all in Township 7 South, Range 98 West, 6th P.M., containing in all 220 acres, more or less, according to the U. S. Government Survey thereof;

LAND

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Tract 2: The WySE's, SE'sSW's and Ey NE'sSW's of Section 14, Township 7 South, Range 98 West, 6th P.M., containing 140 acres;

Tract 3: The WeyNE's of Section 14, Township 7 South, Range 98 West, 6th P.M., containing 80 acres;

Tract 4: The SW4SW4 of Section 13, SE4SE4 of Section 14, NE4NE4 of Section 23 and the M4NW4 of Section 24, all in Township 7 South, Range 98 West, 6th P.M.:

Tract 5: The SW4SW4 of Section 14, and the E4SE4 of Section 15, Township 7 South, Range 98 West of the 6th P.M.;

Tract 6: The SWANEA, NEANWA, SEANEA and the NWANEA of Section 23, the SWANWA and the NWASWA of Section 24, all in Township 7 South, Range 98 West of the 6th P.M.;

<u>Tract 7:</u> The E4NW4 and Lot numbered 2 of Section 30, and the SE4SW4 of Section 19, Township 7 South, Range 97 West of the 6th P.M., containing 157.34 acres.

Lot 1 of Section 30, in Township 7 South, Range 97 West of the 6th P.M., containing 37.19 acres.

All that portion of the BANE's of Section 25, Township 7 South, Range 98 West of the 6th P.M., lying East of the County Road running through said land, being 18 acres, more or less.

The SEXSEX of Section 25, Township 7 South, Range 98 West and the  $E_X^{SW}$  and Lot 4 of Section 30, Township 7 South, Range 97 West of the 6th P.M., containing 157.63 acres.

Beginning at a point which is 961.7 feet East of the West Quarter corner of Section 30, Township 7 South, Range 97 West of the 6th P.M., (and on North line of Lot 3 in said Section 30); thence East 358.8 feet; thence South 1320 feet; thence West 1116.7 feet; thence North 47032' East 380.2 feet; thence North 400 East 310.6 feet; thence North 36035' East 186.9 feet; thence North 18025' East 471.3 feet; thence North 4043' East 229.8 feet to place of beginning, containing 18.32 acres, all lying in Lot 3, Section 30, Township 7 South, Range 97 West of the 6th P.M.

The old right of way of County Road, commencing at a point on East line of Section 25, Township 7 South, Range 98 West of the 6th P.M., which is 1209 feet North of East Quarter corner of said Section 25, thence running in a Northwesterly direction to North line of Northeast Quarter of Northeast Quarter of Section 25, Township 7 South, Range 98 West of the 6th P.M., containing about 2.2 acres.

Tract 8: The NE4SE4 of Section 25, Township 7 South, Range 98 West, 6th P.M., and Lot 3 of Section 30 in Township 7 South, Range 97 West, 6th P.M., excepting 18.321 acres of Lot 3 in Section 30, Township 7 South, Range 97 West, 6th P.M. heretofore conveyed out by Document No. 41911, Garfield County records.

### Book 428 Page 458

Tract 9: The EinEx; SWANEX and the NWASEX of Section 25, Township 7 South, Range 98 West, 6th P.M., except a small tract of land containing two acres of the old dedicated County Road as Document No. 50462, Garfield County records, and also except all that portion of the EinEx of said Section 25, lying East of the old County Road and running through said land, being 18 acres, more or less, as described in Document No. 22920, Garfield County records.

Tract 10: The SE4SE4, NW4SE4, SW4NE4, NE4SE4, Section 24, Township 7 South, Range 98 West of the 6th P.M., containing 160 acres, more or less.

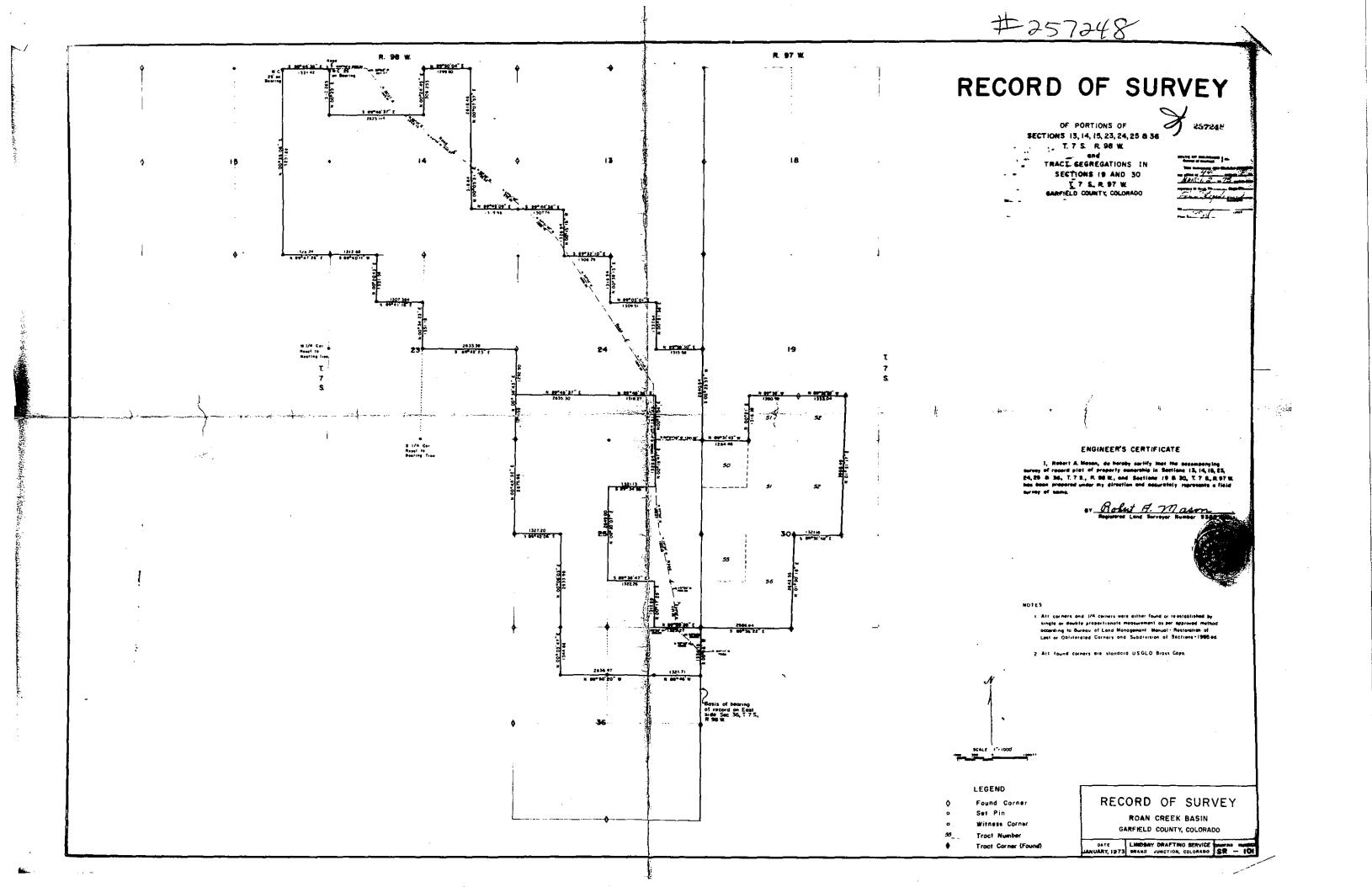
Tract 11: The SEANWA; and the NE4SWA; of Section 24, Township 7 South, Range 98 West, 6th P.M. Except a 30 foot wide strip on South side of NE4SWA; for road right of way, conveyed out by Document No. 51868, Garfield County records.

<u>Tract 12:</u> Tract 52 (formerly described as  $SW_2SE_2$  of Section 19 and the  $W_2NE_2$  of Section 30) all in Township 7 South, Range 97 West of the 6th P.M.

Tract 13: All that part of Lot 3, Section 30, Township 7 South, Range 97 West, 6th P.M., not included in the above descriptions. Together with Bureau of Land Management Grazing permit for 40 AUM's in the McCurdy Wash Allotment.

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Book 442 Recorded at 8:10 A.M. Page 38 Reception No. 257435 March 20, 1973 Ella Stephens, Recorder.

Stephens, Recorder.

WARRANTY DEED

MAR 2 0 1973

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JOHN W. SAVAGE and JOAN L. SAVAGE, whose address is Route 1, Box 107, Rifle, Colorado, 81650, for the consideration of Seven Hundred Fifty-Eight Thousand and 00/100 (\$758,000.00) Dollars, in hand paid, hereby sell and convey to GETTY OIL COMPANY, whose address is P. O. Box 54050, Los Angeles, California, 90054, the following described real property in the County of Garfield, State of Colorado, to wit:

Township 7 South, Range 97 West, 6th P.M.

Section 19: SE4SW4 also known as Tract 51, SW4SE4 Section 30: W4, W4NE4

Township 7 South, Range 98 West, 6th P.M.

Section 13: SWASWA Section 14: SANWA, SWA, WANEL, WASEL, SEASEL Section 15: EAR Section 23: NEL, NELEWA Section 24: NWA, NELEWA, SWANEL, NASEL, SEASEL Section 25: EAR, SWAREL, NWASEL

Together with any mineral rights owned by grantors in connection with the above-described lands, and together with any rights under any existing oil and gas leases (which rights are transferred without warranty),

Together with all improvements located on the abovedescribed real property, including, without limitation, all buildings and other structures, lawn, fences, trees, and landscaping, if any, in their present condition, ordinary wear and tear excepted;

Excepting therefrom the following:

(1) Roadways and road rights-of-way;

(2) Oil and gas leases;

- Reservations, rights-of-way, easements and covenants of record or visible on the premises, if any;
- (4) Water assessments, toll fees, and maintenance charges, and liens created thereby, if any;
- (5) Zoning ordinances and regulations, if any:
- (6) Statutory districts, such as soil and water conservation districts, if any;
- (7) Taxes and special assessments for the calendar year 1973;
- (8) Any lands, title to which may have been lost or acquired by reason of mislocation of fence lines or inaccuracy of governmental, or private, surveys (provided, however, the grantor herein does hereby convey and quitclaim unto the abovenamed grantee, title to any such lands which may have been so lost or acquired, if any);

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er.

Book 442 Page 39

(9) Mineral rights not acquired by granters;

(10) A certain lease dated December 31, 1972, between grantors herein and COM-MOUNTAIN COOPERATIVE CATTLE ASSOCIATION, which lease the grantors herein do hereby transfer and assign to grantee,

with all its appurtenances, and warrant the title to the same (except as herein specified), reserving, however, unto the grantors a road right-of-way for access to the SE4NW4 and the NE4SW4 of Section 27, Township 7 South, Range 98 West of the 6th P.M., over and across those portions of Section 15 herein-above conveyed; provided, however, that grantee may require the grantors to change the location of any access road provided that reasonable access is afforded to the grantors, their heirs and assigns.

| Signed t | this 6th day of March, 1973. |   |
|----------|------------------------------|---|
| •        | John W Sarrage               |   |
|          | JOHN W. SAVAGE               | - |
|          | Joan L. Sarrye               |   |
|          | JOAN L. SAVAGE               | - |

STATE OF COLORADO COUNTY OF Mean

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The foregoing instrument was acknowledged before me this 6th day of March, 1973, by JOHN W. SAVAGE and JOAN L. SAVAGE.

Witness my hand and official seal.

My commission expires N w

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Recorded at 1:59 P.M. Reception No. 257755

April 11, 1973 Ella Stephens,Recorder.

Book 443

23

DECREE

Page

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#### IN THE DISTRICT COURT IN AND POR THE

COUNTY OF GARFIELD AND STATE OF COLORADO

#### Civil Action No. 7307

THE JO-JO OIL SHALE COMPANY, a limited Partnership; JOHN W. SAVAGE; and JOAN L. SAVAGE,

#### Plaintiffs,

vs.

MARGARET JOANN AURICH; THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GARFIELD; E. L. BUSBY, LYNN HILL, PETE J. MATTIVI, as County Commissioners of the County of Garfield; DONNA COFFMAN; CALEB H. CONWELL; C. H. CONWELL; EARL CONWELL; KENMETH CONWELL; LOUIS CONWELL; RAY H. CONWELL; ROY H. COMWELL; WADE CONWELL; ROY H. COMWELL; WADE CONWELL; LEE R. JOHNS; LESTER B. JOHNS; WILLIAM H. JOHNS; WITT H. JOHNS; WITT JOHNS; RUTH L. MCQUEARY; MAE E. STOMER; MABEL TREMBLEY; and all unknown persons who claim any interest in the subject matter of this action,

#### Defendants.

THIS CAUSE coming on to be heard,

THE COURT FINDS:

That each defendant herein has been properly served as required by law and rule of Court; that <u>form d</u> <u>forme</u>, attorney at law, has been heretofore appointed and appeared for any and all defendants who are in, or who may be in, or who may have been ordered to report for induction into, the military service as defined by the Soldiers' and Sailors' Civil Relief Act of 1940, as Amended; that this is an action in rem affecting specific real property; that the court has jurisdiction of all parties to this suit and of the subject matter thereof; that the allegations of the complaint are true; that every claim made by said defendants is unlawful and without rights; that no defendant herein has any title or interest in or to the property described herein or any part thereof; except as hereinafter stated; therefore Book 443 Page 24

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IT IS ORDERED, ADJUDGED AND DECREED (1) that Exhibit A, attached hereto, and by this reference made a part hereof. describes the center line of an existing public roadway, known as ROAN CREEK COUNTY ROAD, and the County of Garfield has all interest therein as may be provided by law; (2) that John W. Savage and Joan L. Savage, Plaintiffs, at the time of the commencement of this proceeding, were, and they are now owners of record in fee simple in behalf of The Jo-Jo Oil Shale Company. a Limited Partnership, also a Plaintiff, with right to possession, of the real property situate in the County of Garfield, State of Colorado, described with particularity on Exhibit B, attached hereto, and by reference made a part hereof, subject to the interest of the County of Garfield in an existing roadway, known as the ROAN CREEK COUNTY ROAD, the center line of which is described with particularity on Exhibit A, attached hereto, and by reference made a part hereof, that complete fee simple title in and to said real property be and the same hereby is quieted in and to the above persons; and that each of the defendants has no right, title, or interest in or to the said real property or any part thereof, except as herein provided; and they are forever enjoined from asserting any claim, right, title, or interest in or to the said real property or any part thereof, except as herein provided.

Done in open Court, the <u>//</u> day of April, 1973. BY THE COURT:

JUDGE

GEORGE E. LORR

Approved as to form. Fee received.

LEAR L ACTION

DISTRICT COURT OF GARFIELD COUNTY GLENWOOD SPRINGS OOLDS Certified to be a full, tru original in my custody 4/11 Dated By.

Book ROADHAY The center line of an existing public roadway is described as follows: Commencing at a point on the South line of the SE's SE's of Section 25, T. 7 S., R. 98 W., from which the S.E. corner of said Section 25, bears N. 89° 35' 28" E. 670 ft.; Thence N. 30° 25' N. 56.0'; Thence N. 4° 25' W. 837.0'; Thence N. 18° 45' W. 435.53': Thence N. 10° 30' W. 1568.28'; Thence N. 7° 50' W. 699.67'; Thence N. 1° 14' N. 814.67': to a point on the West line of the N.E.& U. E.& of said Section 25; Together with: Commencing at a point on the South line of the NNA SEX of Section 24, T. 7 S., R. 98 W., from which the S.E. corner of said Section 24, bears N. 81° 5 59" E. 1319.75 ft.: Thence N. 1° 14' W. 306.92'; Thence N. 31° 48' W. 1666.23'; Thence N. 33° 42' W. 2682.78': to a point on the North line of said Section 24; Together with: Commencing at a point on the East line of the SW2 SW2 of Section 13, T. 7 S., R. 98 W., from which the Southwest corner of said Section 13, bears S. 81° 19' 39" N. 1322.44 ft.: Thence N. 33° 42' W. 347.22'; Thence N. 47° 51' 45" W. 1086.72'; to a point on the North line of the S.W.& S.W.& of said Section 13; Together with: Commencing at a point on the East line of the NW: SE's of Section 14, T. 7 S., R. 98 W., from which the East 1/4 corner of said Section 14, bears S. 46° 7' 22" E. 1913.19 ft.; Thence N. 53° 08' W. 519.09'; Thence N. 50° 49' W. 960.87'; Thence N. 55° 10' W. 867.91';

to a point on the North line of the S.E. & N.W. & of said Section 14;

#### EXHIBIT "A" - Page 1

Book 443 Page 26

Together with a public roadway, the center line of which is described as follows:

Commencing at a point on the East line of Section 24, T. 7 S., R. 98 W. from which the S.E. corner of said Section 24, bears S.  $0^{\circ}$  23' 53" W. 30.00";

Thence N. 89° 27' 45" W. 1321.32';

to a point of intersection with the East line of N.S. county road; Together with a public roadway, the center line of which is described as follows:

Commencing at the N.E. corner of Section 15, T. 7 S., R. 98 W.;

Thence N. 89° 44' 35" W. 1321.42 ft.;

to the N.W. corner of the NE% NE% of said Section 15:

All in the County of Garfield, State of Colorado.

Book 443 Page 27

<u>Tract 1:</u> The S4104, NA45A4 and the MANEASA4 of Section 14, the E4124 of Section 15, all in Township 7 South, Range 98 Nest, 6th F.H., containing in all 220 acres, more or less, according to the U. S. Government Survey thereof;

LAD

<u>Proot 2:</u> The MaSE, SE4SE4 and E4 NEASE4 of Section 14, Township 7 South, Range 93 West, 6th P.M., containing 140 acres;

Tract 3: The MANEA of Section 14, Township 7 South, Range 93 West, 5th P.H., containing 80 acres;

Tract 4: The SWASWA of Section 13, SEASEA of Section 14, NEAREA of Section 23 and the Mallar of Section 24, all in Township 7 South, Range 93 West, 6th P.M.;

Tract 5: The SW4584 of Section 14, and the ExSE4 of Section 15, Township 7 South, Range 98 West of the 6th P.M.;

Tract 6: The Swinsk, Neinak, Szinsk and the Builder of Section 23, the Swinsk and the Buildsk of Section 24, all in Township 7 South, Range 98 West of the 6th P.M.;

Tract 7: The Einel and Lot numbered 2 of Section 30, and the SE4SW4 of Section 19, Township 7 South, Range 97 West of the 6th P.M., containing 157.34 acres.

Lot 1 of Section 30, in Township 7 South, Range 97 West of the 6th P.M., containing 37.19 acres.

All that portion of the EANER of Section 25, Township 7 South, Range 93 West of the 6th P.N., lying East of the County Road running through said land, being 18 acros, more or less.

The SE4SE4 of Section 25, Toumship 7 South, Range 98 West and the E4SW4 and Lot 4 of Section 30; Toumship 7 South, Range 97 West of the 6th P.M., containing 157.63 acres.

Beginning at a point which is 961.7 feet East of the West Quarter corner of Section 30, Township 7 South, Range 97 West of the 6th P.M., (and on North line of Lot 3 in said Section 30); thence East 358.9 feet; thence South 1320 feet; thence West 1116.7 feet; thence North 47032' East 280.2 feet; thence North 40° East 310.6 feet; thence North 36035' East 106.9 feet; thence Morth 13025' East 471.3 feet; thence North 4043' East 229.8 feet to place of beginning, containing 18.32 acres, all lying in Lot 3, Section 30, Township 7 South, Ronge 97 West of the 6th P.M.

The old right of way of County Road, commencing at a point on East line of Section 25, Township 7 South, Range 98 West of the 6th P.M., which is 1209 feet North of East Quarter corner of said Section 25, thence running in a Northwesterly direction to North line of Northeast Quarter of Northeast Quarter of Section 25, Township 7 South, Range 98 West of the 6th P.M., containing about 2.2 acres.

Tract 8: The NEWSEW of Section 25, Township 7 South, Range 98 West, 6th P.M., and Lot 3 of Section 30 in Township 7 South, Range 97 West, 6th P.M., excepting 18.321 acres of Lot 3 in Section 30, Township 7 South, Range 97 West, 6th P.M. heretofore conveyed out by Document No. 41911, Garfield County records.

#### EXHIBIT "B" - Page 1



Tract 9: The EANEA; SWANNA and the NWASEA of Section 25, Township 7 South, Range 93 West, 6th P.M., except a small tract of land containing two acres of the old dedicated County Road as Document No. 50462, Garfield County records, and also except all that portion of the EANEA of said Section 25, lying East of the old County Road and running through said land, being 13 acres, more or less, as described in Document No. 22920, Carfield County records.

Tract 10: The SERSER, Maddels, Shidely, Meddeld, Section 24, Township 7 South, Mange 93 Mest of the 6th P.M., containing 160 acres, more or less.

Tract 11: The SEANAY and the NEASAN of Section 24, Township 7 Souch, Nange 90 West, 6th P.M. Except a 20 foot wide strip on South side of NEASAN, for road right of way, conveyed out by Document No. 51368, Garfield County records.

<u>Tract 12:</u> Tract 52 (formerly described as SNASSA of Section 19 and the NANSA of Section 30) all in Township 7 South, Range 97 West of the 6th P.M.

Tract 13: All that part of Lot 3, Section 30, Township 7 South, Range 97 West, 6th P.M., not included in the above descriptions.

EXHIBIT "B" - Page 2

BOOK 1267 HAUL 28

284 -295

800X 552 PAGE 912

## PIPELINE EASEMENT AGREEMENT

JUL 24 1980

, R.O.W.= # 840

RECORDER

ALSDORF,

MILDRED

Reception

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RECORDED AT 161

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THIS EASEMENT AGREEMENT, made this <u>30th</u> day of <u>June</u>, 1980, between GETTY OIL COMPANY, a Delaware corporation, hereinafter referred to as "GRANTOR" and ROCKY MOUNTAIN NATURAL GAS COMPANY, INC., a Colorado corporation, nereinafter referred to as "GRANTEE";

## WITNESSETH:

THAT WHEREAS, GRANTOR is the owner of certain real property in unincorporated areas of Mesa and Garfield Counties, State of Colorado, as more fully described in Exhibit "A" and Exh attached hereto and made a part hereof; and

WHEREAS, GRANTOR desires to grant and GRANTEE desires to acquire certain rights in a portion of the area described in Exhibit "A" and Exhibit "B";

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

#### SECTION ONE

# GRANT OF EASEMENT

GRANTOR hereby grants to GRANTEE, its successors and assigns, subject to the terms and conditions hereof, the following easements:

A. A right-of-way for the purposes, from time to time, either as a common or private carrier, of laying, constructing, operating, inspecting, maintaining, repairing, replacing, substituting, relocating, and removing an 8-5/8 inch O.D. pipeline (with valves, meters, fittings, appliances, and related facilities) for the transportation of natural gas and associated liquids and gases, over and through the following described land, hereinafter referred to as the "Easement Area", in the Counties of Mesa and Garfield, State of Colorado:

# BOOK 1267 FAGE 25

# 800X 552 PAGE 913

- (1) A strip of land fifty (50) feet in width, the center line of which is described by metes and bounds in <u>Exhibit "A"</u> hereof, and
- (2) a strip of land fifty (50) feet in width, described by metes and bounds in <u>Exhibit "B"</u>, the easterly ten (10) feet of which shall be a permanent easement and the westerly forty (40) feet of which shall be used solely for the construction and maintenance of the pipeline or pipelines constructed upon the said ten-foot permanent easement; it is understood that no pipeline or other facilities shall be constructed upon said forty-foot restricted easement unless any applicable federal, state or local government law or regulation requires a wider spacing for the construction of a second line under Paragraph B below, in which case the ten-foot permanent easement shall be extended to the minimum width which will accomodate such second line under said laws and/or regulations;

together with the right to construct, maintain and operate, appurtenances and devices required for the installation, maintenance and use of the pipeline and all such appurtenances and devices, except as above limited, which will hereinafter be referred to as "facilities".

B. GRANTOR also hereby conveys to GRANTEE the right to lay, construct, operate, inspect, maintain, repair, renew, substitute, change the size of and remove one additional line of pipe at any time on, in, over and through the above described land parallel to the first line above mentioned; provided that each such additional line shall be laid subject to the same rights and conditions as apply to the original line; and provided further that all pipelines constructed under this grant shall be confined to the strip of ground ten feet in width shown on Exhibit "B".

C. GRANTEE shall have the right of ingress and egress in, on, over, across and through said above-described land for any and all purposes necessary to the exercise by GRANTEE of the rights and easements granted herein; and

D. GRANTOR excepts from the foregoing grant of easement all ores and minerals in, on or under the Easement Area, and reserves the right for itself or its assigness to explore for, mine, and remove the same, subject to the termination provisions of this agreement; and

- 2 -

# BOTK 552 PAGE 914 BOOK 1267 FAGE 286

E. It is recognized that Grantor does not own full interest in the E/2 NE/4 and SE/4 SE/4 of Section 29, T8S, R97W, and it is agreed that Grantee shall use its best efforts in an attempt to secure grants of right-of-way from the owners of the remaining interests therein to construct its pipeline or pipelines in accordance herewith. Upon refusal of any of the remaining interestholders to grant such right-of-way, Grantee shall have the right, and is hereby granted such contingent right, to construct the affected portions of said pipeline in the westernmost fifty (50) feet of the W/2 NW/4 and the NW/4 SW/4 of Section 28, T8S, R97W, with the eastern ten (10) feet thereof being the permanent easement and the western forty (40) feet being the construction easement, such as above described.

F. This easement is made subject to all existing easements, rights-of-way, licenses, leases and other agreements affecting the surface or subsurface of the Easement Area; and

G. GRANTOR makes no warranties or representations concerning the title to said Easement Area.

#### SECTION TWO

# COVENANT THAT OPERATION OF EASEMENT

## NOT INTERFERE WITH SERVIENT TENEMENT

A. GRANTEE agrees to maintain and operate the easement herein granted in such a manner that the operation thereof will in no way hinder or prevent the proper and reasonable use and enjoyment, including ranching and/or cultivation of the adjoining property owned by GRANTOR at the date of this conveyance.

B. GRANTEE shall have no right to locate any permanent surface installation on any part of the easement without the approval of the GRANTOR.

C. GRANTEE agrees to use its best efforts to remove top-soil from the easement separately from other material removed by GRANTEE in the construction of any pipeline or other permitted structure, and to replace such topsoil in the easement on completion of any such construction. GRANTEE further agrees to use its best efforts to insure that the easement shall be left free of any large stones,

- 3 -

BOOK 1267 FAGE 287 BOOK 552 PAGE 915

holes, or piles of dirt which would interfere with farming and/or other ranching operations thereon.

D. GRANTEE agrees to replace or rebuild to the satisfaction of GRANTOR any and all damaged parts of any drainage or irrigation system that may be damaged by the construction of any pipeline or other permitted structures pursuant to this agreement.

E. GRANTEE shall have the right to cross fences on the adjoining property of GRANTOR whenever such crossing shall be reasonably necessary in the construction, maintenance, or operation of any structures in the easement; however, GRANTEE shall maintain a proper enclosure at all times and restore such fences as promptly as possible to their condition prior to the crossing; provided, however, that GRANTEE shall not be responsible for a lack of proper enclosure or for restoration of fencing if caused by someone other than GRANTEE or its agents, coutractors, or representatives.

F. GRANTOR reserves the right to fence the whole or any part of the boundaries of the easement, and the right to build fences crossing such easement.

G. GRANTEE shall bury its facilities to provide a minimum of thirty-six (36) inches between the top of the facilities and ground level.

#### SECTION THREE

#### TERM OF AGREEMENT

A. This Pipeline Easement Agreement shall be effective for a period beginning with the date hereof and shall continue so long as GRANTEE continues to use and maintain the facilities under the Easement Area, unless terminated or cancelled prior thereto in the manner provided for herein.

#### SECTION FOUR

#### USE OF EASEMENT AREA

A. The construction, maintenance, use, and removal of the facilities, and all of GRANTEE'S operations in and about the Easement Area, shall be performed and conducted in a careful, safe, and workmanlike manner, and in such manner as will not interfere with GRANTOR'S exploration, mining, or other operations on other

- 4 -

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## BODK 1267 FAGE 288

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lands in the vicinity of the Easement Area. Prior to exercising any rights granted hereunder, GRANTEE shall give written notice of construction to all persons holding any rights, licenses or leases to use the surface of the Easement Area and of lands used for access thereto.

B. All such construction, operation, maintenance, and removal of the facilities shall be performed by or under the direction of GRANTEE, and GRANTEE shall not permit, unless otherwise authorized, public easements, public facilities, or public roads over or under the Easement Area.

C. GRANTEE shall keep its facilities in good and safe condition and, after doing any work in connection with the construction, use, maintenance, or removal of any facilities, GRANTEE shall restore the surface of the Easement Area to as good a condition as existed prior to such work.

## SECTION FIVE

## INDEMNIFICATION

A. GRANTEE shall indemnify GRANTOR and save it harmless from and against any and all claims, liability, and causes of action for injury to or death of any persons, or for damage to any property, arising out of or resulting from the construction, use, waintenance, or removal of any of the facilities, or from any operations, activities, or property of GRANTEE on or about the Easement Area. No additional risk or liability shall be assumed or incurred by GRANTOR by reason of the granting of the easement.

#### SECTION SIX

#### TAXES, LIENS AND ENCUMBRANCES

A. GRANTEE agrees to pay promptly and before delinquency all taxes and assessments levied or assessed upon or against the Easement Area during the term hereof, by reason of, or resulting from the construction, maintenance or use of facilities, and to reimburse GRANTOR for any increase in taxes paid by GRANTOR resulting from the value of such facilities, whether or not separately assessed. GRANTEE shall pay all taxes levied or assessed upon or against GRANTEE'S facilities and operations on the Easement Area.

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## SECTION SEVEN

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## TERMINATION

A. GRANTEE may terminate this agreement at any time by written notice to GRANTOR. Upon such termination, all rights of GRANTEE in, upon and under the Easement Area shall cease, subject to the provisions below concerning removal of GRANTEE'S facilities from the Easement Area.

B. In the event of any default by GRANTEE in its obligations hereunder, GRANTOR may deliver to GRANTEE written notice specifying the default. If the default remains uncorrected for a period of thirty (30) days after delivery of the notice, this agreement shall then terminate.

C. Whenever GRANTOR determines in its sole judgment that the GRANTEE'S facilities or use will interfere with GRANTOR'S existing or proposed operations, GRANTOR may so notify GRANTEE, by written notice describing the portions (or all) of the Easement Area as to which GRANTEE'S continued use will so interfere. Whenever GRANTOR'S exisiting or proposed operations in the GRANTEE's sole judgment, will endanger GRANTEE'S facilities in the Asement Area, GRANTEE may so notify GRANTOR by written notice describing the portions (or all) of the Easement Area in which GRANTEE'S facilities will be endangered. In the event that such notice of interference is given by either party, GRANTEE shall relocate its facilities to prevent such interference to a location of the GRANTOR'S choice, reasonably amenable to conventional construction techniques, upon other lands owned or occupied or controlled by GRANTOR. The expense of such relocation shall be borne solely by GRANTEE. GRANTEE shall have six (6) months from delivery of the notice of interference in which to complete any relocation hereunder. In the event of relocation under other lands of GRANTOR, all of the provisions of this agreement, including this paragraph, shall apply to the relocated Easement Area. Whenever the foregoing notice of interference is given by either party, this agreement shall terminate, as to all of the Easement Area described in the notice, on the date six (6) months after delivery of such notice.

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D. If GRANTEE fails to begin construction of the pipeline under the Easement Area within twelve (12) months after the effective date of this agreement, GRANTOR may terminate this agreement upon written notice to GRANTEE.

E. If, at any time after GRANTEE begins or completes construction of the pipeline, the Easement Area or any part thereof is no longer used for the pipeline or facilities, GRANTOR may terminate this agreement as to all those parts of the Easement Area no longer used as above, by written notice to GRANTEE.

F. Upon any termination of this agreement as to all or any part of the Easement Area, GRANTEE shall have a period of six (6) months from and after the effective date of termination in which to remove all of its facilities from the Easement Area or from the part thereof as to which the termination applies, provided, however, that in the event of any relocation of facilities as provided above, the removal provision of C. above shall apply. Upon such removal, GRANTEE shall place the Easement Area in a neat, safe and orderly condition. After the six (6) month period, . any facilities or property of GRANTEE remaining on or under any portion of the Easement Area as to which this agreement has terminated shall be deemed abandoned by GRANTEE and shall become the property of GRANTOR.

G. Upon termination of the rights herein given, GRANTEE, upon request by GRANTOR, shall execute and deliver to GRANTOR, within thirty (30) days after written demand therefor, a good and sufficient quit claim deed to all interest of GRANTEE so terminated. Should GRANTEE fail or refuse to deliver to GRANTOR such quit claim deed, a written notice by GRANTOR reciting the failure or refusal of GRANTEE to execute and deliver said quit claim deed, as herein provided, shall after ten (10) days from the date of recordation of said notice, be conclusive evidence against GRANTEE and all persons claiming under GRANTEE of the termination of this agreement or a portion thereof and all interest of GRANTEE hereunder as to that portion, subject to GRANTEE'S right to remove its property within six (6) months of such termination.

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## SECTION EIGHT

#### GAS SERVICE

A. GRANTEE shall use its best efforts, subject to approval of such regulatory bodies as may have jurisdiction, at GRANTOR'S request to supply natural gas to any improvements owned by GRANTOR at the rate as of the time of supplying such natural gas which is being charged for the type and use of the improvement to which it is being supplied. Cost of procuring and laying any such service line shall be in accordance with GRANTEE'S tariffs, rules and regulations then on file with the Colorado Public Utilities Commission.

#### SECTION NINE

## TRANSFER OF INTEREST

A. The rights granted to GRANTEE under this agreement shall not be assigned or otherwise transferred without the prior written consent of GPANTOR. Subject to the foregoing, all of the terms, covenants, and conditions of this agreement shall be binding upon the successors and assigns of the parties.

#### SECTION TEN

#### WAIVER CLAUSE

The failure of any party to enforce, at any time, any of the provisions of this agreement, or to exercise any option which is herein provided, or to require at any time, performance by another party of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this agreement or any part thereof, or the right of a party to thereafter enforce each and every such provision.

## SECTION ELEVEN

#### APPLICABLE LAW

This agreement and exhibits hereto shall be governed as to validity, enforcement, construction, effect, and in all other respects, by the law of the State of Colorado, and its courts shall have jurisdiction to enforce this agreement.

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## SECTION TWELVE

BOOK 552 PAGE 920

#### ATTORNEY FEES

In the event of a default by any party in the performance of its duties, the court with the proper jurisdiction to resolve the dispute shall award reasonable attorney fees and costs to the successful party, or in such other manner as the court sees fit.

#### SECTION THIRTEEN

#### SECTION HEADINGS

The headings to all sections in this agreement and all exhibits hereto shall not form a part of this agreement or exhibits, but shall be regarded as having been used for the convenience of reference only.

#### SECTION FOURTEEN

#### NOTICES

Any notice required or permitted under this agreement shall be given in writing. The notice shall be served either (i) personally, (ii) registered or certified mail with return receipt requested, or (iii) telex. Service shall be effective when received. All notices hereunder shall be directed to the addresses set forth below or such substitute address or addresses as provided to the parties to this agreement thirty (30) days in advance of any notice. Present addresses to which notices shall be sent in accordance with the provisions of this section are:

GRANTOR:

GETTY OIL COMPANY Minerals Division, 1901 3810 Wilshire Boulevard Los Angeles, California 90010 Attention: Division Manager

GRANTEE: ROCKY MOUNTAIN NATURAL GAS COMPANY, INC. 1600 Sherman Street Denver, Colorado 80203

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BOOK 1267 HAUL 293 BOCK 552 PAGE 921 N WITNESS WHEREOF, the above parties have executed this agreement as of the day and year first written above. GETTY OIL COMPANY ATTEST: By DOM. ATTORNEY-IN-FACT ROCKY MOUNTAIN NATURAL GAS COMPANY, INC. Orville M. Shockley President Parsons, Secretary 61 2019 "mannas County of LOS ANGELES State of CALIFORNIA ss. The foregoing instrument was acknowledged before me DON A. NICHOLS as ATTORNEY-IN-FACT of by of GETTY OIL COMPANY on this 1980. day of ()44 Witness my hand and official seal. Notary Public My Commission Expires OFFICIAL SEAL DOMNA FAYE DAVIS TARY FUDUE - CALIFORNIA PRINCIPAL OFFICE IN LOS ANGELES COUNTY County of Denver My Commission Expires June 6, 1982 State of Colorado SS. The foregoing instrument was acknowledged before me by Orville M. Shockley as President of ROCKY MOUNTAIN NATURAL GAS COMPANY, INC. on this 30th day of June , 1980. Witness my hand and official seal. Notary Public y Commission Expires 11/22/83 - 10 -

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## "EXHIBIT A"

A fifty (50) foot wide right-of-way and easement located in Sections 3, 10, 15, 22 and 34, T5S, R37W, and Sections 19 and 30, T7S, R97W, 6th PM, Garfield County, Colorado, with the Easement Area being described as follows:

> Beginning at a point in the  $W/\frac{1}{2}$  W/ $\frac{1}{2}$  of Section 3, T5S, R97W, and continuing through the NW/ $\frac{1}{2}$  NW/ $\frac{1}{2}$  of Section 4, T5S, R97W, 6th PM, then continuing along an area with a centerline described as follows:

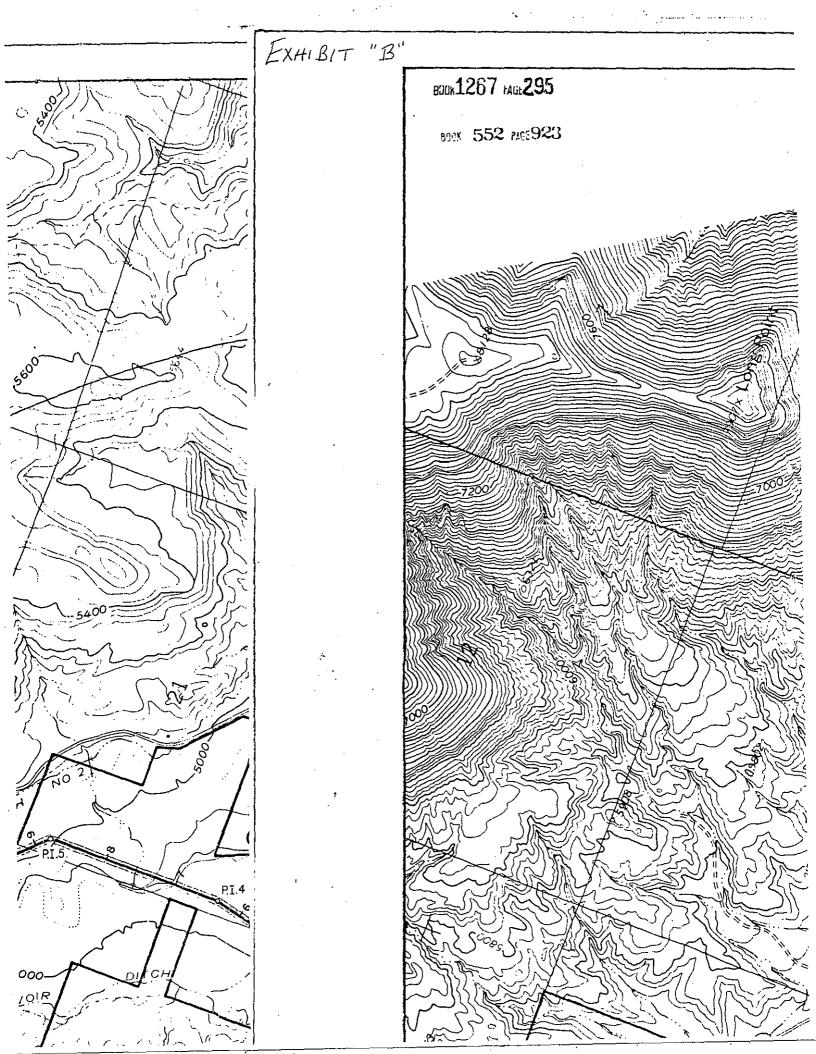
S 13° 18' E, 9.005.2 feet; thence S 36° 02' E, 3,611.7 feet; thence S 10° 40' W, 739.6 feet; thence S 9° 14' E, 332.6 feet to a point on the South line of the Northeast 1/4, Section 22, T5S, R97W, 6th P:1, said point bearing N 89° 56' W, 1,016.5 feet from the East 1/4 corner, said Section 22.

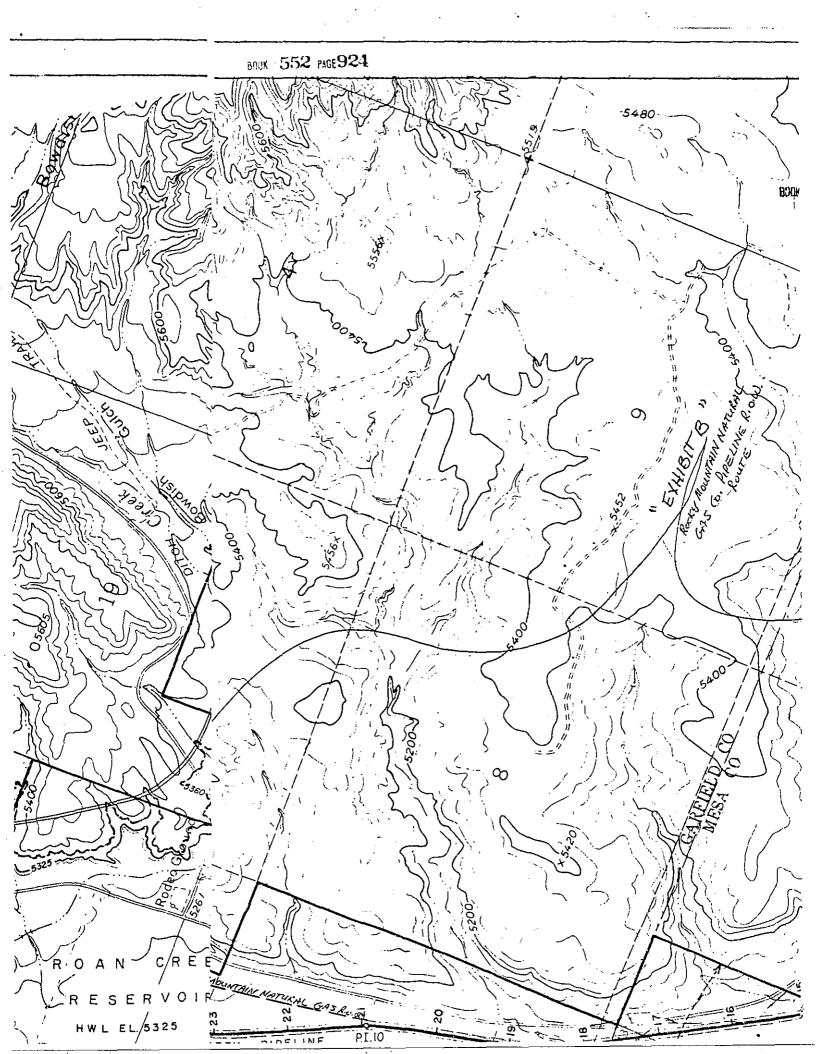
Description continues beginning at a point on the North line of Section 34, T5S, R97W, 6th PM which bears N 89° 58' W, 841.8 feet from the Northeast corner of said Section 34;

thence S 4° 10' E, 250.8 feet; thence S 13° 16' W, 1,845.1 feet; thence S 36° 25' W, 523.7 feet; thence S 9° 07' E, 2.909.5 feet to a point on the South line of Section 34, T5S, R97W, 6th PM, said point bearing S89° 44' W, 1.117.5 feet from the Southeast corner of soid Section 34 Southeast corner of said Section 34.

Description continues beginning at a point on the North line of the SW NEz, (also known as Tract 52 according to Re-survey), Section 19, T7S, R97W, 6th PM which bears N  $37^{\circ}$  26' W, 1.708.7 feet from the Southeast corner of said Section 19;

thence S 26° 38' W, 2.858.3 feet; thence S 3° 46' W, 434.6 feet; thence S 57° 01' E, 290.7 feet; thence S 16° 36' E, 882.0 feet to a point on the South line of the SW NE& (Tract 52), Section 30, T7S, R97W, 6th PM said point bearing S 86° 37' 23" E, 525.1 feet from the Southwest corner of the SW NE& (Tract 52) of said Section 30.





| between Opal C. Latham, a widow 719 Minter Ave. DeBeque, CO B1630  Huntington T. Walker of P.O. Box 2409, Denver, CO 80201  Huntington T. Walker of P.O. Box 2409, Denver, CO 80201  I. That lessor, for and in consideration of the sum of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | n., Okla, & Colo. 1957                   | <u> </u>                                                 | 00K 1732 PAGE-82                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------|
| hereinster alled hurtington T. Walker of P.O. Box 2409, Denver, CO 80201 hereinster called lesse, does with the first feator, for and in consideration of the sum of <u>TEM AND MORE</u> Dollars in hand paid and of the covenants and stress thereinstates constained to be performed by the feater, has this day stantice lessed, and lei and by the set hereinstates the set of the lands covered thereinster estimates provided, for the purpose of carrying all of the solid gas lesses and be in the set of the lands covered thereinster sported of, for the purpose of carrying all of the solid gas lesses as the respective constilued to vapor, and for constructing reads, laying pipe lines, studing subled gas, estimpted gasoline and the lines and other structures thereon necessary or convenient for the economical operation of solid gard land alone or conjointly with neighboring line of housing and boarding employees, said land alone or conjointly with neighboring trans-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | THIS AGREEMENT, Entered into this the    | e 20th day of January                                    |                                                                       |
| Huntington T. Walker of P.O. Box 2409, Denver, CO 80201 hereinafisr called lesses, does will<br>hereinafisr consideration of the sum of <u>TEN AND MORE</u> Dollars in hand paid and of the covenants and agrees<br>hereinafisr consideration of the sum of <u>TEN AND MORE</u> Dollars in hand paid and of the covenants and agrees<br>avely unto the lesses the hereinafter described land, and with the right to unitize this lesse or any part thereof with other oil and gas lesses and bet<br>any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory wo<br>cluding core dulling, and the drilling, minies, and operating for, producing, and swing all of the oil, gas, casinghead gas, casin | Upai C. Latham, a wid                    |                                                          | 1509961 09:41 AH 03.<br>E.SANYER, CLKAREC HESA COU                    |
| 1. That lessor, for and in consideration of the sum of <u>TEN AND MORE</u> Dollars in hand paid and of the covenants and agree has this day granted, lessed, and let and by these presents does hereby grant, lesse, and let will be lessee the hereinafter described land, and with the right to unitize this less or any part in thereof with other oil and gas lesses as to unitize this less of an event therein with other oil and gas lesses as to be performed by the described land, and with the right to unitize this less or any part in thereof with other oil and gas lesses as to obtain any part of the isnots covered thereby as hereinafter provided, for the purpose of carying on geological, groupbysical and other exploratory woolduding core dilling, and with operating for, producing, and saving all of the oil, gas, casinghead               | Huntington T. Walker                     | of P.O. Box 2409, Denver, CO 80                          | hereinafter called laure<br>201hereinafter called leave, does witness |
| rights therein being situated in the County of Garfield & Mesa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1 That leaves for and is consideration ( | lessee, has this day granted, leased, and let and by the | the Dresents Goes hereby grant, leave, and let excl                   |

MAR 2.2 1921 , <u>26</u> o clock \_\_\_\_M. Recorded at. Reception No. 399962 MILDRED ALCOURF, RECORDER GARFIELD COU..TY, COLORADO

> and containing 2,765.21 - acres, more or less.

seven (7)

2. It is agreed that this issue shall remain in full force for a term of <u>BEVEN (7)</u> years from blic date, and as long threas first so all or gas, or either of them, is produced from said that (or from lands with which said tand is consolidated) or the premises are being developed or operated.
3. In consideration of the primites the said least covenants and agrees, more or less.
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5. If operations for the drilling of a well for oll or gas are not commenced on said land on or before the 20th day of January

the Palisade National \_\_\_\_\_\_ Bank at Palisade, CO 82526 \_\_\_\_\_\_, or its successors, which Bank and its auccessors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in

Which were not all is a great that the two monitor shall resume the partment of trenkle, in shore amount and in the same manner as hereinher our provided. And it is a great thereot, then the trong lies and the effect thereot thall coalinue in force just as though there had been no interruption in the tental partment.
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| BOOK 750 PAGE 960                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| Primed by PAM Printing (303) 423-4691 BOOK 1732 PAGE 828                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| STATE OFColorado       Okiahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota, South Dakota, ACKNOWLEDGMENT-INDIVIDUAL         COUNTY OFMesa       Mesa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this <u>20th</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| day of January, 19.89, personally appeared Opal C. Latham, a widow                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| the wight and foregoing instrument of writing and acknowledged to me that <u>she</u> duly executed the same as <u>her</u> free                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| the wightin and foregoing instrument of writing and acknowledged to me that <u>abe</u> duly executed the same as <u>her</u> free<br>and voluntary fait and for the uses and purposes therein set forth.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| IN WITHIN WHERE F. I have bereinto set my hand and affixed my notarial seal the day and year last above written                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| IN WITTNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Address: 1801 Broadway, Suite 400<br>Denver, CO 80202                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| STATE OF Oklaboma, Kansas, New Mexico, Wyomiag, Montana, Colorado, Utah,<br>COUNTY OF sr. Netraska, North Dakota, South Dakota<br>ACKNOWLEDGMENT-INDVIDUAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| COUNTY OF ACKNOWLEDGMENT-INDIVIDUAL<br>BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| day of, 19, personally appeared                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| , to me known to be the identical person, described in and who executed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| the within and foregoing instrument of writing and acknowledged to me thatduly executed the same asfree and voluntary act and deed for the uses and purposes therein set forth.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| IN WITNESS WHEREOF. I have hereunto set my hand and affixed my notarial seal the day and year last above written.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| My Commission Expires                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Address:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| STATE OFACKNOWLEDGMENT (For use by Corporation)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| On this day of, A.D. 19, before me personally                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| appeared, to me personally known, who, being by                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| me duly sworn, did say that he is theof                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Witness my hand and seal thisday ofday of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| (SEAL) Address:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| My Commission expires                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| O Depended                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| D Depended                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| No.     No.       FROM     FROM       FROM     TO       Dated     19       No. Acres     County.       No. Acres     County.       Tem     0 clock       M. and duly recorded       Volume     0 clock       Mon     Page       Volume     Of the records of this office.       By     Of the records of this office.       Mhen records of this office.     Depury.       IB01     BROBWAY, SUITE 400       DENVER, ODIAVAS, SUITE 400       DENVER, OULOA, SUITE 7       (303) 292-5252                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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## BOOK 750 PAGE 961 BOOK 1732 PAGE 829

#### EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated January 20, 1989 from Opal C. Latham, a widow as Leasor, to Huntington T. Walker.

DESCRIPTION OF LANDS:

TRACT I:

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TOWNSHIP 8 SOUTH, RANGE 96 WEST, 6TH P.M. Section 3: N/2 SW/4 Section 4: Lot 5 (21.95), SW/4 NW/4, N/2 SE/4, SE/4 SE/4, SW/4 Section 5: Lots 6 (8.39), 7 (39.44), 8 (31.37), 9 (2.46), 10 (23.25), N/2 SE/4, SE/4 SE/4 Section 8: E/2 NF/4 Section 8: E/2 NE/4 - Section 9: N/2 NW/4 Section 18: N/2 NE/4, SW/4 NE/4, NW/4 SE/4

containing 1125.89 acres, more or less

TRACT II:

TOWNSHIP 8 SOUTH, RANGE 95 WEST, 6TH Section 5: Lot 14 (39.78), SW/4 SE/4 Section 8: NE/4 NW/4, NW/4 NE/4 6TH P.M.

containing 159.78 acres, more or less

TRACT III:

TOWNSHIP 7 SOUTH, RANGE 97 WEST, 6TH P.N. Resurvey Tracts 48 and 49

Containing 320 acres, more or less

TRACT IV:

TOWNSHIP 7 SOUTH, RANGE 97 WEST, 6TH P.M. Resurvey tracts 50, 51, 52, 55 and 56

TOWNSHIP 7 SOUTH, RANGE 98 WEST, 6TH P.M. Section 24: SW/4 NE/4, NW/4 SE/4, E/2 SE/4 Section 25: E/2 E/2, SW/4 NE/4, NW/4 SE/4

Containing 869.54 acres, more or less

TRACT V:

TOWNSHIP 7 SOUTH, RANGE 98 WEST, 6TH P.N. Section 24: SE/4 NW/4, NE/4 SW/4

Containing 80.00 acres, more or less

TRACT VI:

TOWNSHIP 9 SOUTH, RANGE 97 WEST, 6TH P.M., 6th P.M. SECTION 17: NW/4SW/4, S/2NW/4, NE/4NW/4, NW/4NE/4 SECTION 18: E/2SE/4 GL LESS AND EXCEPT that part of the NW/4SW/4, S/2NW/4, NE/4NW/4 and the NW/4NE/4 of Section 17 and the E/2SE of Section 18 which lies east of U.S Higway 6 and 24, sa it is described in Book 891, Page 912 of the Mesa County Records. . 1

Containing 210.00 acres, more or less

All of the above described tracts of land total 2765.21 acres, more or less, and include any meander lands, lands derived by accretion rights, or otherwise contiguous to the above described lands as the same may be owned or claimed by lessor, whether or not specifically described above.

SIGNED FOR IDENTIFICATION:

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#### **RIGHT-OF-WAY GRANT**

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STATE OF COLORADO

COUNTY OF GARFIELD AND MESA

THIS RIGHT OF WAY GRANT, made this  $2L^{4}$  day of <u>March</u>, 1998, between **GETTY OIL EXPLORATION COMPANY**, a Delaware corporation, whose address is P. O. Box 2100, Denver, Colorado 80201-2100, hereinafter referred to as "GRANTOR", and **TRANSCOLORADO GAS TRANSMISSION COMPANY**, a Colorado general partnership, whose address is 370 Van Gordon, Lakewood, Colorado 80228, hereinafter referred to as "GRANTEE":

## WITNESSETH:

THAT WHEREAS, GRANTOR is the owner of certain real property in Garfield and Mesa Counties, State of Colorado, as more fully described in Exhibits "A-1" through "A-7", attached hereto and made a part hereof; and

WHEREAS, GRANTEE desires to acquire a right of way and easement; collectively referred to as the "easement", along a route, the location and of which has been agreed to by GRANTOR and GRANTEE, more specifically described in Exhibits "A-1" through "A-7";

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, in hand paid, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## GRANT OF RIGHT OF WAY

1.

GRANTOR does hereby grant, bargain, sell and convey to GRANTEE, its successors and assigns, subject to the terms and conditions hereof, the following easement:

A. A right of way for the purposes, from time to time, either as a common carrier or private carrier, of laying, constructing, maintaining, operating, repairing, altering, replacing, relocating and removing a twenty-two inch (22.0") O.D. pipeline (with above-and below-ground valves, meters, fittings, wireleads, cathodic protection equipment and markers, and appurtenant facilities), collectively referred to as the "facilities", for the transportation of natural gas and associated liquids and gases, across, under and through the following described land, hereinafter referred to as the "Easement Area", in the Counties of Garfield and Mesa, State of Colorado:

#### STRIP 1

A strip of land situated in Sections 3 and 10, of Township 5 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the South quarter corner of Section 34, Township 4 South, Range 97 west, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass BLM monument.



THENCE: N 88-00-58 W a distance of 1739.09 feet to a point on a gas pipeline rightof-way to serve as TransColorado Gas transmission Company's mainline, being a point on the North line of the Northwest Quarter of the Northwest Quarter of Section 3 and the Northerly line of Getty Oil Exploration Company lands; S 09-31-17 W a distance of 374.25 feet; THENCE: THENCE: S 30-56-46 W a distance of 660.89 feet; THENCE: S 02-24-05 E a distance of 281.79 feet; THENCE: S 04-38-16 E a distance of 178.80 feet; THENCE: S 04-33-40 E a distance of 1543.36 feet; THENCE: S 29-28-27 W a distance of 4443.54 feet; THENCE: S 32-35-54 W a distance of 833.70 feet; THENCE. S 14-28-45 W a distance of 239.03 feet; THENCE: S 00-17-32 E a distance of 280.16 feet; THENCE: S 18-21-41 E a distance of 410.31 feet; S 07-46-27 W a distance of 342.65 feet to a point on the South line of THENCE: Section 3, Township 5 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, which point is N 88-13-58 W a distance of 2455.69 feet from the South quarter Corner of Said Section 3; Continuing S 07-46-27 W a distance of 75.25 feet; THENCE: S 04-59-10 W a distance of 246.61 feet; THENCE: S 02-28-18 E a distance of 183.86 feet; THENCE: S 11-31-24 E a distance of 2947.61 feet; THENCE:

THENCE: S 11-31-24 E a distance of 1967.72 feet;

To a point on the South line of the Southwest Quarter of Section 10 and on the Southerly line of Getty Oil Exploration Company lands S 88-06-58 E a distance of 1293.60 feet from the Southwest Corner of Section 10, Township 5 South, Range 97 West, 6th Principal Meridian, Garfield county, Colorado, being a found standard brass monument.

The total length of gas pipeline right-of-way across the above referenced strip, as described above, is 11,009.52 feet, 667.24 rods, or 2.09 miles more or less.

#### STRIP 2

A strip of land situated in Sections 15 and 22, of Township 5 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northwest corner of Section 15, Township 5 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

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To a point on the South line of Northeast Quarter of Section 22, Township 5 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, and on the Southerly line of Getty Oil Exploration Company lands S 56-18-53 E a distance of 4986.60 feet from the Northwest corner of Said Section 22, Township 5 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped U.S. GLO 1923.

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The total length of the gas pipeline right-of-way across the above referenced strip of land, as described above is 8690.07 feet or 526.67 rods or 1.65 miles more or less.

## **STRIP 3**

A strip of land situated in Section 34, of Township 5 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northeast corner of Said Section 34. Township 5 South, Range 97 West, 6th principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped U.S. GLO 1923.

THENCE: N 88-11-07 W a distance of 706.83 feet to a point on a gas pipeline rightof-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the North line of the Northeast Quarter of the Northeast Quarter of Said Section 34 and the Northerly line of Getty Oil Exploration Company lands;

| THENCE: | S 02-15-51 E a distance of 273.36 feet;  |
|---------|------------------------------------------|
| THENCE: | S 16-09-38 W a distance of 828.22 feet;  |
| THENCE: | S 13-41-03 W a distance of 927.74 feet;  |
| THENCE: | S 34-52-23 W a distance of 605.75 feet;  |
| THENCE: | S 07-07-18 E a distance of 2886.25 feet; |

To a point on the South line of the Southeast Quarter of the Southeast Quarter of Said Section 34 and on the Southerly line of the above referenced strip of lands, lands described above is 5521.32 feet or 334.63 rods or 1.05 miles more or less.

#### STRIP 4

A strip of land situated in Section 30, of Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northeast corner of Section 25, Township 7 Sough, Range 98 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped U.S. GLO 1923.

| THENCE: | S 76-35-58 E a distance of 4041.39 feet to a point on a gas pipeline right-<br>of-way to serve as TransColorado Gas Transmission Company's mainline,<br>being a point on the East line of Texaco Exploration & Production, Inc. |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                                                                                                                                                                                                                 |
|         | Property as described in Book: 734, Page: 117 Garfield County Records;                                                                                                                                                          |
| THENCE: | S 52-20-54 W a distance of 390.65 feet;                                                                                                                                                                                         |
| THENCE: | S 41-57-07 W a distance of 500.68 feet;                                                                                                                                                                                         |
| THENCE: | S 38-34-53 W a distance of 436.48 feet;                                                                                                                                                                                         |
| THENCE: | S 10-51-51 W a distance of 540.26 feet;                                                                                                                                                                                         |
| THENCE: | S 15-07-58 E a distance of 378.81 feet;                                                                                                                                                                                         |
|         |                                                                                                                                                                                                                                 |

To a point on the South line of Getty Oil Exploration Company property as described in Book: 734, Page: 117 Garfield County Records S 47-14-38 E a distance of 4102.44 feet from the Northeast Corner of Said Section 25, Township 7 South, Range 98 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped U.S. GLO 1923.

The total length of the gas pipeline right-of-way across above referenced strip of lands as described above is 2246.88 feet or 136.17 rods or 0.43 miles more or less.



#### <u>STRIP 5</u>

A strip of land located in Sections 7, 17, 18, Township 8 South, Range 97 West of the Sixth Principal Meridian, Mesa and Garfield Counties, Colorado, being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 7, whence the West 1/4 Corner of said Section 7, bears north 02° 46' 04" East, 6337.77 feet to a point (having a Colorado Coordinate System, Central Zone Position of North 573,789.20 - East 1,222,416.25).

And also Commencing at a point (having a Colorado Coordinate System, Central Zone Position of North 572,532.66 - East 1,222,352.19), whence the Southeast Corner of said Section 7 bears South 02° 55' 05" West, 2164.47 feet;

THENCE, South 37° 12' 02" West, 646.72 feet; THENCE, South 65° 13' 14" West, 1109.65 feet; THENCE, South 36° 04' 44" West, 626.93 feet; THENCE, South 07° 21' 27" West, 986.65 feet; THENCE, South 32° 38' 51" East, 966.14 feet; THENCE, South 32° 42' 41" East, 3332.92 feet; THENCE, South 34° 59' 52" East, 1274.07 feet; THENCE, South 34° 59' 52" East, 1274.07 feet; THENCE, South 24° 58' 30" East, 336.03 feet more or less, to a point (having a Colorado Coordinate System, Central Zone Position of North 565,101.13 - East 1,223,653.11), whence the South 1/4 Corner of said Section 17 bears South 88° 42'36" East, 1027.15 feet.

The total length of gas pipeline easement across the above referenced strip of lands, as described above, is 10,398.70 feet or 630.22 rods or 1.97 miles, more or less

#### STRIP 6

A strip of land located in Sections 20, 21, 28, and 29, Township 8 South, Range 97 West of the Sixth Principal Meridian, Mesa County, Colorado, being more particularly described as follows:

COMMENCING at the Northwest Corner of said Section 20, whence the North  $\frac{1}{4}$  Corner of said Section 20, bears South 88°42'36" East, 2620.66 feet, this being the Basis of Bearing; THENCE, South 56°00'12" East, 3087.76 feet to a point (having a Colorado coordinate System, Central Zone Position of North 563,410.50 – 1,224,619.97 East) being the POINT OF BEGINNING:

THENCE, South 34°25'54'' East, 114.42 feet; THENCE, South 39°16'15'' East, 655.45 feet; THENCE, South 09°30'49'' East, 251.46 feet; THENCE, South 03°02'43'' East, 109.59 feet more or less, to a point (having a Colorado Coordinate System, Central Zone Position of North 562,451.27 – East 1,225,146.94).

And also Commencing at a point (having a Colorado Coordinate System, Central Zone Position of North 561,831.37 – East 1,225,885.54), whence said Northwest Corner of Section 20 bears North 49°10'12" West, 5055.88 feet.

THENCE, South 61°26'08" East, 1741.73 feet; THENCE, South 16°41'34" West, 769.49 feet; THENCE, South 01°41'14" West, 3176.08 feet;

THENCE, South 00°24'26" West, 1373.17 feet;

THENCE, South 24°35'46" West, 680.58 feet;

THENCE, South 17°44'11" West, 653.62 feet more or less, to a point (having a Colorado Coordinate System, Central Zone Position of North 554,472.29 -- East 1,226,608.59), whence the Southeast Corner of said Section 29 bears South 88°53'29" East, 406.47 feet.



The total length of the gas pipeline easement across said Getty lands, as described above, is 9525.59 feet or 577.31 rods or 1.80 miles, more or less.

## STRIP'7

A strip of land, located in Section 32, Township 8 South, Range 97 West of the Sixth Principal Meridian, Mesa County, Colorado, with the following described centerline:

COMMENCING at the Northeast Corner of said Section 32 whence the North 1/4 Corner of said Section 32, bears North 88° 53' 29" West, 2576.85 feet, this being the Basis of Bearing; THENCE, South 45° 38' 20" West, 1822.28 feet to a point (having a Colorado Coordinate System, Central Zone Position of North 553,190.33 - East 1,225,712.14) being the POINT OF BEGINNING:

THENCE, South 45° 39' 36" West, 1284.27 feet;

THENCE, South 30° 37' 47" West, 374.35 feet;

THENCE, South 23° 31' 14" East, 101.67 feet more or less, to a point (having a Colorado coordinate System, Central Zone Position of North 551,877.38 - East 1,224,643.50); whence the North 1/4 Corner of said Section 32 bears North 04° 26' 25" West, 2644.87 feet.

The total length of gas pipeline easement across said strip of lands, as described above, is 1760.49 feet for 106.70 rods or 0.33 miles, more or less.

The total length of gas pipeline easement across said Getty Oil Exploration Company lands, as described above is 49,152.57 feet, or 2978.94 rods, or 9.32 miles, more or less.

- B. The permanent easement herein granted shall be fifty feet (50.0') in width, the same being twenty-five feet (25.0') on each side of the centerline hereinafter described in Exhibits "A-1" through "A-7", and in addition, GRANTEE shall have the right to use i) an additional temporary work space during initial construction of the facilities, which shall be an additional width of twenty-five feet (25.0') along the permanent easement, and ii) the right to use an additional work space of one hundred feet by one hundred fifty feet (100' x 150') along the Easement Area at the crossing of roads, railroads, streams, terraces and uneven terrain.
- C. GRANTEE shall bury all pipe to provide a cover of forty-two inches (42"), EXCEPT at the points where the easement granted hereunder crosses and intersects GRANTOR'S GCC and Kobe pipeline corridor(s). At said intersections, GRANTEE shall have the option to lay and bury all pipe in accordance with Section III herein. GRANTEE agrees to pay for any physical damage to growing crops, livestock and timber, and to repair to GRANTOR's satisfaction, damage to fences or other structural improvements located outside the Easement Area which are caused by the construction, maintenance, operation, repair, alteration replacement or removal of the facilities. Furthermore, GRANTEE shall compensate GRANTOR for damages to growing crops, livestock and timber, and to repair to GRANTOR's satisfaction damage to fences that may occur upon the Easement Area as a result of GRANTEE'S negligence during the maintenance of the facilities after construction is completed. GRANTOR has a right to fully use and enjoy the surface except as such use may interfere with the purposes herein granted to GRANTEE.
- D. GRANTEE shall have all the rights and benefits necessary or convenient for the full enjoyment or use of the rights herein granted, including, but without limiting such rights; the right of ingress and egress over and across GRANTOR'S adjacent lands to and from the Easement Area, the right to use all roads over and across GRANTOR'S adjacent lands, and the right, with GRANTOR's approval, from time to time to cut all trees and undergrowth and remove other obstructions that may injure, endanger or interfere with the use of the facilities.
- E. GRANTOR shall not place any obstruction within the Easement Area, which could interfere with the normal operation and maintenance of the facilities. GRANTOR shall not build or construct, nor permit to be built or constructed, any building or

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other improvement over or across the right of way, nor change the contour thereof, without the prior written consent of GRANTEE.

- F. GRANTOR excepts from the foregoing grant of easement all ores and minerals in, on or under the easement area, and reserves the right for itself or its assigns to explore for, mine, and remove the same.
- G. This easement is granted subject to all existing easements, rights of way, licenses, leases and other agreements affecting the surface or subsurface of the Easement Area.
- H. GRANTOR makes no warranties or representations concerning title to said Easement Area.

#### II.

#### COVENANT THAT OPERATION OF EASEMENT NOT INTERFERE WITH ADJOINING PROPERTY OF GRANTOR

- A. GRANTEE agrees to maintain and operate the casement herein granted in such a manner that the operation thereof will in no way hinder or prevent the proper and reasonable use and enjoyment, including ranching and/or cultivation of the adjoining property owned by GRANTOR at the date of this conveyance. GRANTEE acknowledges that the easement granted hereunder is subject to the needs and desires of GRANTOR and the GCC and Kobe Joint Venture parties concerning placement and operation of water pipelines in GRANTOR'S GCC and Kobe pipeline corridors. GRANTEE further agrees and covenants not to hinder or interfere with GRANTOR'S and/or the GCC and Kobe parties' use of the pipeline corridors for construction and operation of the GCC and Kobe water pipelines and other oil shale development and operations of related facilities.
- B. GRANTEE agrees to use its best efforts to remove topsoil from the easement separately from other material removed by GRANTEE in the construction of any pipeline or other permitted structure, and to replace such topsoil in the easement on completion of any such construction. GRANTEE agrees to compact the soil in those portions of the easement that crosses irrigated fields so as to not interfere with normal irrigation pattern. GRANTEE further agrees to use its best efforts to insure that the Easement Area shall be left free of any large stones, holes, or piles of dirt which would interfere with farming and/or other ranching operations thereon.
- C. GRANTEE agrees to replace or rebuild to the satisfaction of GRANTOR any and all parts of any drainage or irrigation system that are damaged by the construction of any pipeline or other structures installed pursuant to this agreement.
- D. GRANTEE agrees not to construct the pipeline in the easement as herein granted during the irrigation and crop-growing season where such easement crosses irrigation ditches or systems and irrigated lands, unless GRANTEE constructs temporary diversion flumes in the irrigation ditches and prepays Tenant for value of growing crops that may be destroyed.
- E. GRANTEE shall have the right to cross fences on the adjoining property of GRANTOR whenever such crossing shall be reasonably necessary in the construction, maintenance, or operation of any structures in the Easement Area; however, GRANTEE shall maintain a proper closure at all times and restore such fences as promptly as possible to their condition prior to the crossing; provided, however, that GRANTEE shall not be responsible for a lack of proper closure or for restoration of fencing if caused by someone other than GRANTEE or its agents, contractors, or representatives.
- F. GRANTOR reserves the right to fence the whole or any part of the boundaries of the easement, and the right to build fences crossing the Easement Area, provided GRANTEE is afforded ingress and egress to the Easement Area through gates or other measures.

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#### 111.

## REQUIREMENTS FOR CRUSSING GRANTOR'S GCC AND KOBE PIPELINE CORRIDORS

- A. GRANTEE has the option, when crossing GRANTOR'S GCC or Kobe pipeline corridors, to either (1.) construct the pipeline as detailed in 1.C. above, or (2.) to construct the pipeline in the manner hereinafter detailed. If GRANTEE chooses option (1.) above, GRANTEE agrees that, upon written notice given by GRANTOR at least one (1) year in advance, GRANTEE, at its sole cost and expense, will remove and re-install the pipeline in the affected corridors in accordance with the requirement listed below:
- B. Upon notice from GRANTOR, GRANTEE shall remove the existing pipeline in the affected corridor(s) and re-install the pipeline by excavating and encasing the pipeline in concrete, with the top of the encasement a minimum of 17 feet below existing grade, with proper backfilling, following acceptable engineering practices. Prior to beginning the re-installation, GRANTEE shall obtain GRANTOR'S specifications and approval of the construction procedure to be followed.
- C. Upon completion of the pipeline crossing, GRANTEE shall remove from GRANTOR'S pipeline corridor all construction tools, machinery, equipment, all rubbish and other waste materials. The pipeline corridor(s) shall be left free and clear from all obstructions, hindrances and safety hazards.

## IV.

## TERM OF AGREEMENT

This Right of Way Grant shall be effective for a period beginning on the date hereof and shall continue so long as GRANTEE continues to use and maintain the facilities in the Easement Area, unless terminated or cancelled prior thereto in the manner provided for herein.

## V.

## **INDEMNIFICATION**

GRANTEE shall defend, indemnify, and hold GRANTOR harmless from and against any and all damages, claims, liability, and causes of action for injury to or death of any persons, or for damage to any property, arising out of or resulting from the construction, use, maintenance, or removal of any of the facilities, or from any operations, activities, or property of GRANTEE on or about the Easement Area. In addition, GRANTEE shall defend, indemnify and hold GRANTOR harmless from and against all loss, cost, expense and claim for damages of every kind and character to persons or property arising out of or in connection with GRANTEE's operations upon any of the Easement Area, including claims based on acts or omissions of GRANTEE's contractors, sub-contractors, heirs, successors and assigns. No additional risk or liability shall be assumed or incurred by GRANTOR by reason of the granting of this easement.

#### VI.

## TAXES, LIENS AND ENCUMBRANCES

GRANTEE agrees to pay promptly and before delinquency all taxes and assessments levied or assessed upon or against the Easement Area during the term hereof, by reason of, or resulting from the construction, maintenance or use of the facilities and to reimburse GRANTOR for any increase in taxes assessed against or paid by GRANTOR resulting from the value such facilities, whether or not separately assessed.



VII.

## **TERMINATION**

- A. GRANTEE may terminate this agreement at any time by written notice to GRANTOR. Upon such termination, all rights of GRANTEE in, upon and under the Easement Area shall cease, subject to the provisions below concerning removal of GRANTEE's facilities from the Easement Area.
- B. In the event of any default by GRANTEE in its obligations hereunder, GRANTOR may deliver to GRANTEE written notice specifying the default. If the default remains uncorrected for a period of thirty (30) days after receipt of the notice, GRANTOR may terminate this agreement upon written notice to GRANTEE.
- C. GRANTEE acknowledges that a portion of the Easement Area, and adjacent premises belonging to GRANTOR, may be covered by a dam and water storage reservoir. GRANTEE agrees to maintain and operate the easement herein granted in such a manner that the operation thereof will in no way hinder or prevent the proper and reasonable use and enjoyment of the adjoining property by GRANTOR. Whenever GRANTOR determines in its sole judgement that the GRANTEE's facilities or use of a portion of the Easement Area will interfere with GRANTOR's and/or the GCC's existing or proposed operations, GRANTOR may so notify GRANTEE, by written notice describing the portions of the Easement Area as to which GRANTEE's continued use will so interfere. Upon receipt of such notice, GRANTEE shall relocate its facilities to prevent such interference to a location of GRANTOR's choice, reasonably amenable to conventional construction techniques, upon other land owned or occupied or controlled by GRANTOR and/or the GCC. The expense of such relocation shall be borne solely by GRANTEE. GRANTEE shall have one (1) year from receipt of the notice of interference in which to complete any relocation hereunder. In the event of relocation to other lands of GRANTOR and/or the GCC, all of the provisions of this agreement, including this paragraph, shall apply to the relocated Easement Area. Whenever the foregoing notice of interference is given to GRANTEE, this agreement shall terminate, as to all of the Easement Area described in the notice, on the date one (1) year after receipt of such notice unless relocated as set forth above.
- D. If GRANTEE fails to begin construction of the pipeline under the Easement Area within twelve (12) months after the effective date of this agreement, GRANTOR may terminate this agreement upon written notice to GRANTEE, unless said construction is delayed by federal regulations, and then not to exceed a maximum of twenty-four (24) months.
- E. Upon any termination of this agreement as to all or any part of the Easement Area, GRANTEE shall have a period of six (6) months from and after the effective date of termination in which to remove all of its facilities from the Easement Area or from the part thereof as to which the termination applies, provided, however, that in the event of any relocation of facilities as provided above, the removal provision shall apply. Additionally, GRANTOR may designate certain portions of the Easement Area that may interfere with GRANTOR's or the GCC's future planned facilities, and request that GRANTEE remove all facilities from the designated Easement Area. Upon such removal, GRANTEE shall place the Easement Area in a neat, safe and orderly condition. After the six (6) month period, any facilities or property of GRANTEE remaining on or under any portion of the Easement Area as to which this agreement has terminated, shall be deemed abandoned by GRANTEE and shall become the property of GRANTOR.
- F. Upon termination of the rights herein given, GRANTEE, upon request by GRANTOR, shall execute and deliver to GRANTOR, within thirty (30) days after written demand therefor, a good and sufficient quit claim deed to all interest of GRANTEE so terminated. Should GRANTEE fail or refuse to deliver to GRANTOR such quit claim deed, a written notice by GRANTOR reciting the failure or refusal of GRANTEE to execute and deliver said quit claim deed, as herein provided, shall after ten (10) days from the date of recordation of said notice, be conclusive evidence against GRANTEE and all persons claiming under GRANTEE of the termination of

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the interest granted hereunder or a portion thereof, subject to GRANTEE's right to remove its property within six (6) months of such termination.

#### VIII.

#### TRANSFER OF INTEREST

The rights granted to GRANTEE under this agreement shall not be assigned or otherwise transferred without the prior written consent of GRANTOR, which consent shall not be unreasonably withheld. Subject to the foregoing, all of the terms, covenants, and conditions of this agreement shall be binding upon the successors and assigns of the parties.

#### IX.

### APPLICABLE LAW

This agreement and exhibits hereto shall be governed as to validity, enforcement, construction, effect, and in all other respect, by the law of the State of Colorado, and its courts shall have jurisdiction to enforce this agreement.

#### Х.

## NOTICES

Any notice required or permitted under this agreement shall be given in writing. The notice shall be served either by certified mail or FAX, directed to the addresses set forth below or such substitute address or addresses as provided to the parties to this agreement thirty (30) days in advance of any notice. Present addresses to which notices shall be sent in accordance with the provisions of this section are:

| GRANTOR: | GETTY OIL EXPLORATION COMPANY<br>C/O Texaco Exploration and Production Inc.<br>Rockies Business Unit<br>P. O. Box 2100<br>Denver, Colorado 80201-2100 |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRANTEE: | TRANSCOLORADO GAS TRANSMISSION COMPANY<br>370 Van Gordon<br>Lakewood, Colorado 80228                                                                  |

IT is agreed that this grant covers all the agreement between GRANTOR and GRANTEE and that no representation or statements, verbal or written, have been made modifying, adding to or changing the terms of this Agreement:

IN WITNESS WHEREOF, the above parties have executed this agreement as of the day and year first above written.

GRANTOR:

OIL EXPLORATION COMPANY ttorney in Fact

Tax ID: 95-2813020

GRANTEE:

TRANSCOLORADO GAS TRANSMISSION COMPANY

anand: By: G.W. DeBernardi, Vice President

Technical Support Questar/TransColorado, Inc., A General Partner

Page 9



#### TENANTS CONSENT

The undersigned tenant and/or holders of a surface lease on the above described lands hereby grants his consent and approval to the above described easement, and the full use of exercise thereof, subject to the condition that any and all damages sustained to his crops and other property on said premises, as a result of the negligence of GRANTEE, shall be paid to him by GRANTEE.

| EXECUTED this |    | day of 4 | , 1998 |
|---------------|----|----------|--------|
| Charles Za    |    |          |        |
| Lathon Roma   | la |          |        |

## TENANTS CONSENT

The undersigned tenant and/or holders of a surface lease on the above described lands hereby grants his consent and approval to the above described easement, and the full use of exercise thereof, subject to the condition that any and all damages sustained to his crops and other property on said premises, as a result of the negligence of GRANTEE, shall be paid to him by GRANTEE.

| EXECUTED this                          | day of, 1998. |
|----------------------------------------|---------------|
| •                                      | 0             |
| Lusan Lunch                            |               |
| ζ.                                     |               |
| ······································ |               |

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612<sup>·</sup>23 day of \_\_\_\_ EXECUTED this \_// , 1998.



#### ACKNOWLEDGMENTS

STATE OF COLORADO CITY AND ) ss. COUNTY OF DENVER } The foregoing instrument was acknowledged before me this  $\frac{2}{2}$  day of  $\frac{1}{2}$  day of \frac{1}{2} day OIL EXPLORATION COMPANY, a Delaware corporation. itness my hand and official seal. inderticas Notary Public OLOF My Commission Expires March 25, 1999 2965 S. Hudson St., Denver, CO 60222 My commission expires: STATE OF COLORADO ) ss. COUNTY OF SALT LAKE The foregoing instrument was acknowledged before me this 1474 day of April, 1998, by G. W. DeBernardi, as Vice President of Questar/TransColorado, Inc., General Partner of TRANSCOLORADO GAS TRANSMISSION COMPANY. NOTARY PUBLIC Timothy R. Blackham 79 South State Bat Lake Chy, Ulan 64111 My Commission Expires October 1, 1998 STATE:OF:UTAH: Witness my hand and official seal. R Blue Notary Public My commission expires: 10-1-98 STATE OF CO/0----

COUNTY OF Masic §

The foregoing instrument was acknowledged before me this  $\frac{4}{2}$  day of 1998 by charles Latharm

term D. Notary Public

My Commission Expires Sume 28 2000

Page 11

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## TENANTS CONSENT

The undersigned tenant and/or holders of a surface lease on the above described lands hereby grants his consent and approval to the above described easement, and the full use of exercise thereof, subject to the condition that any and all damages sustained to his crops and other property on said premises, as a result of the negligence of GRANTEE, shall be paid to him.

| EXECUTED this day of |
|----------------------|
|----------------------|

Oldland Brothers By Reuben S. "Jerry" Ordland

## TENANTS CONSENT

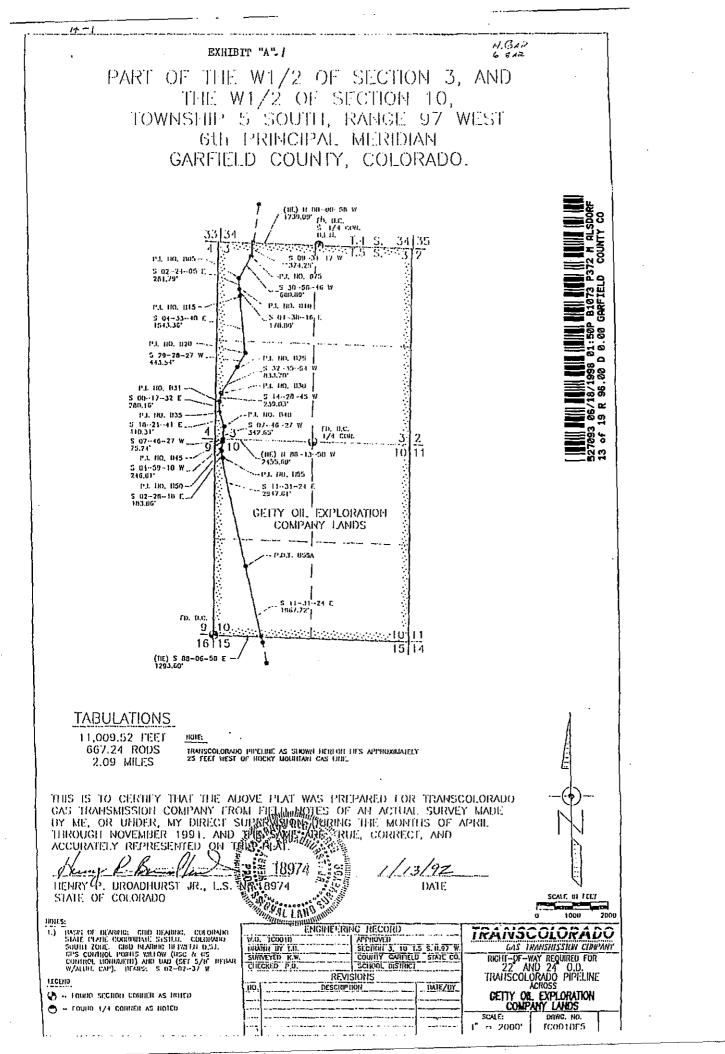
The undersigned tenant and/or holders of a surface lease on the above described lands hereby grants his consent and approval to the above described easement, and the full use of exercise thereof, subject to the condition that any and all damages sustained to his crops and other property on said premises, as a result of the negligence of GRANTEE, shall be paid to him.

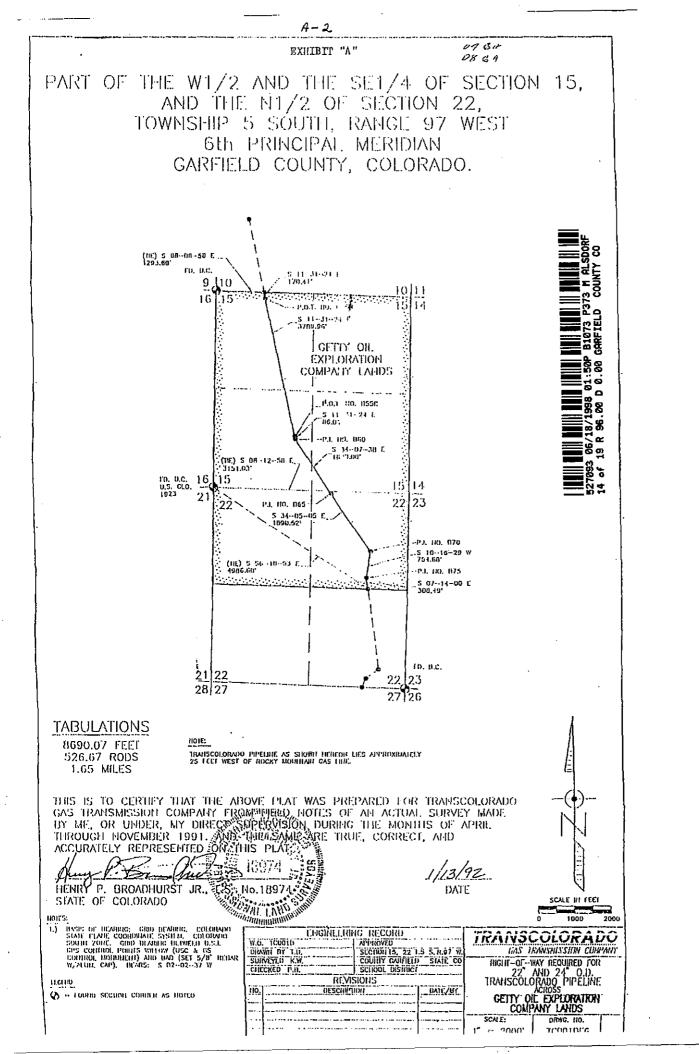
EXECUTED this \_\_\_\_\_\_ day of \_\_\_\_\_\_, 1998.

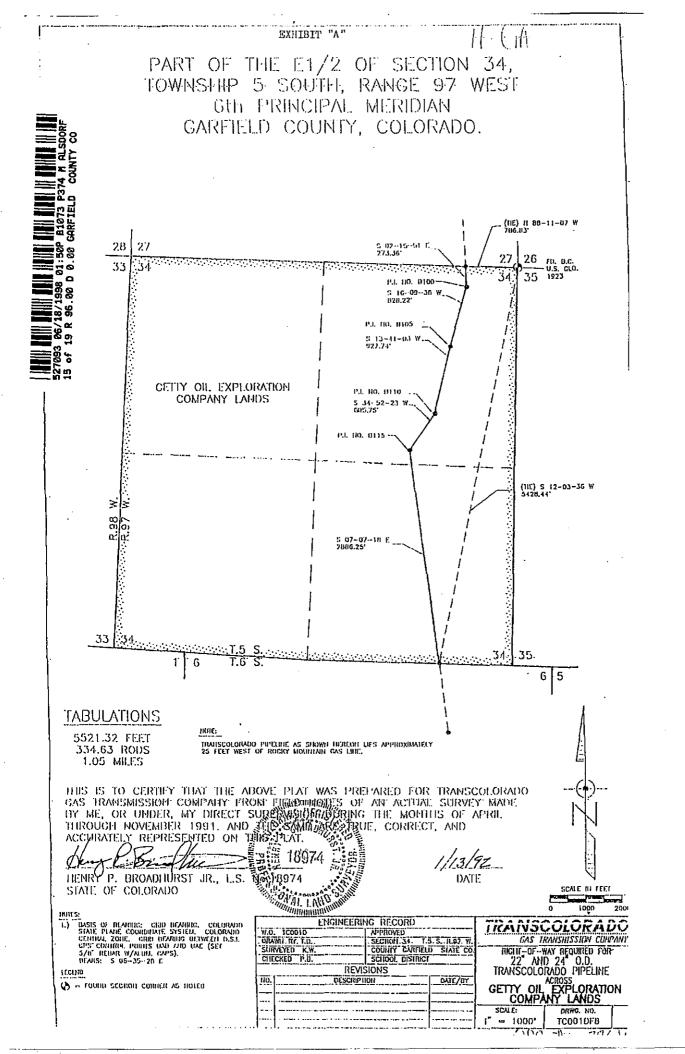
## TENANTS CONSENT

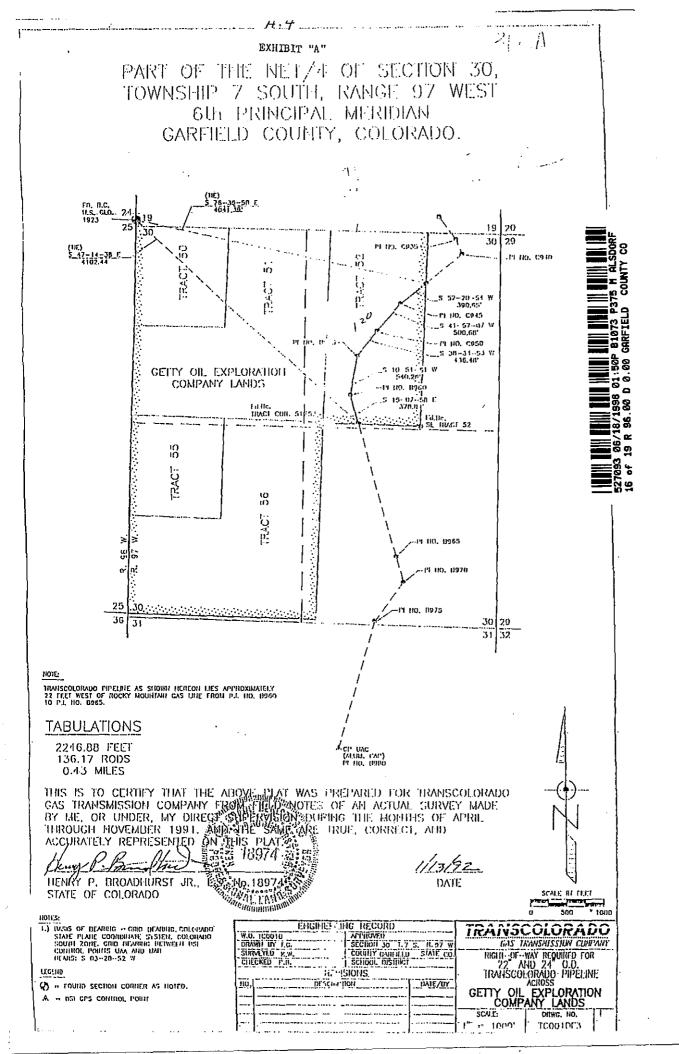
The undersigned tenant and/or holders of a surface lease on the above described lands hereby grants his consent and approval to the above described easement, and the full use of exercise thereof, subject to the condition that any and all damages sustained to his crops and other property on said premises, as a result of the negligence of GRANTEE, shall be paid to him.

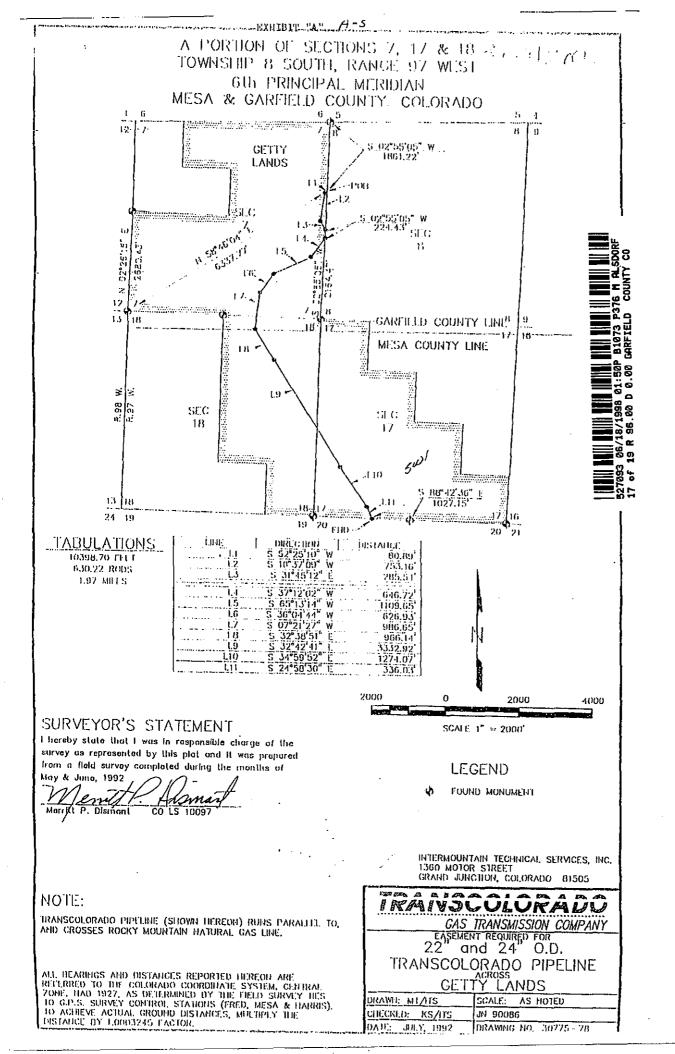
EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 1998.

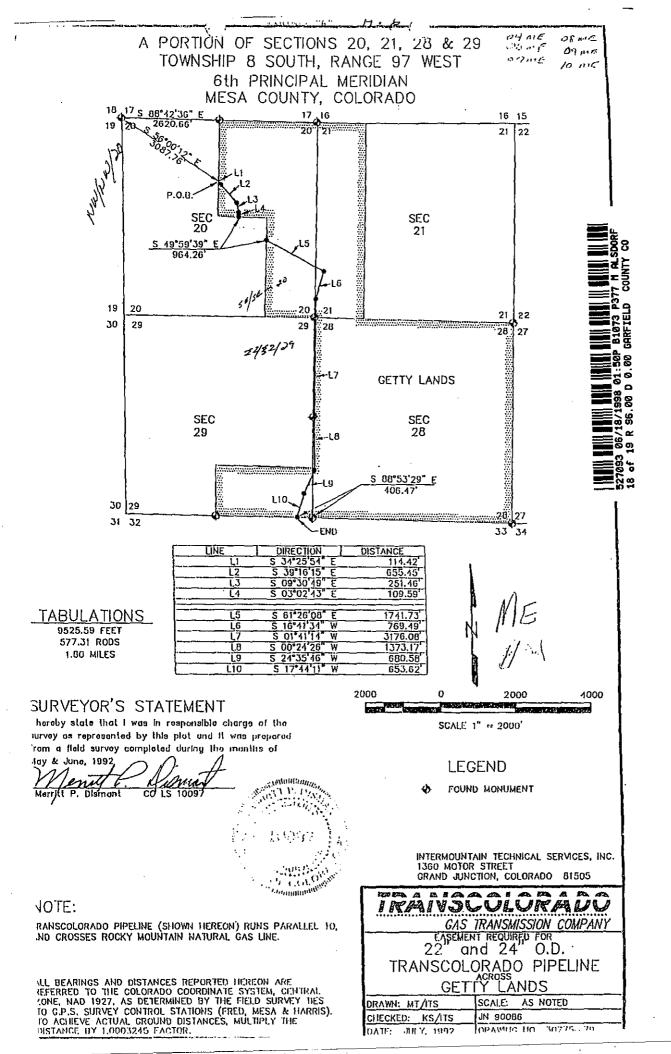


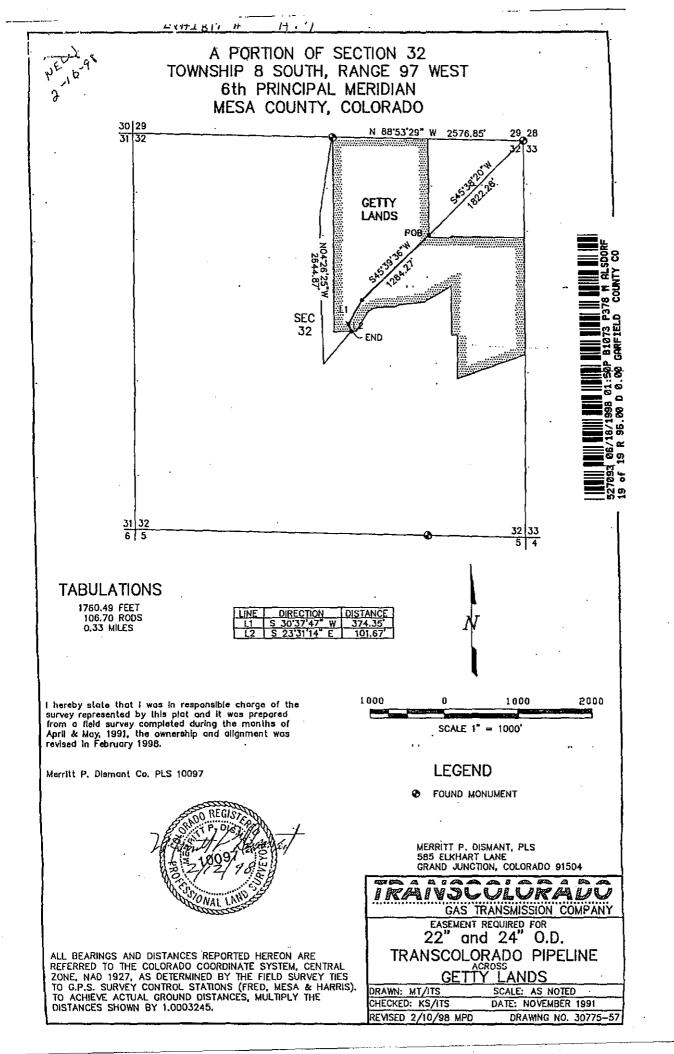














1 of 13 R 66.00 D 0.00 GARFIELD COUNTY CO

## **RIGHT OF WAY AND EASEMENT**

JOAN L. SAVAGE, SAVAGE LIMITED PARTNERSHIP I, DANIEL W STROOCK and SUE ERPF VAN DE BOVENKAMP, referred to as "GRANTORS," for and in consideration of one dollar in hand paid and other good and valuable consideration the sufficiency of which is hereby acknowledged, do hereby convey and grant to TRANSCOLORADO GAS TRANSMISSION COMPANY, a Colorado partnership, referred to as "GRANTEE," a right of way 50 feet in width and a temporary construction easement 75 feet in width for the purpose of constructing, maintaining, operating, inspecting, using, repairing and removing one 22-inch pipeline authorized by FERC Order issued June 3, 1994, 67 FERC ¶ 61,301 (1994), and appurtenances incidental thereto, referred to collectively as the "Facilities," for the transportation of natural gas and associated liquids and gases on, over, under, across and through the following described real property situated in the County of Garfield, State of Colorado, together with an easement for impression of ogreeo to-wit

Being in Sections 5, 17, and 19, Township 7 South, Range 97 West, 6th P.M., the pros

See "EXHIBIT A" attached hereto and made a part hereof.

TO HAVE AND TO HOLD for so long as used by GRANTEE for the purposes of this grant and for two years thereafter, subject to the following additional terms and conditions:

- 1. GRANTEE shall have right of ingress and egress along the right of way for the purposes above set forth, provided that if any part of the right of way or any area adjacent thereto should be, or become, a part of GRANTOR'S oil shale operations of whatsoever nature, GRANTEE may, except in cases of emergency. enter said premises only after giving notice to GRANTOR of its intent to do so.
- 2. GRANTOR hereby reserves unto itself the right to use and enjoy the surface, so long as such use does not unreasonably interfere with Grantee's use, such permissible use by Grantor to include, the right to erect or construct on or across this right of way above-ground, grade-level or underground pipelines, power lines, telephone lines, road crossing or any other facilities necessary for GRANTOR's operations; provided, however, such lines shall be installed not closer than three feet from Grantor's pipelines in a parallel direction nor closer than one foot in a crossing direction and, provided, further, that prior to any excavation of the right of way, GRANTOR shall comply with the notice provisions of Colorado law with respect to excavations on or near underground utility facilities.
- 3. GRANTEE agrees that the pipeline shall be buried with a minimum covering of 36 inches or such depth permitted by the federal Pipeline Safety Act and regulations thereunder. The above-ground pipe and support structures shall blend in with the landscape. GRANTEE also agrees to pay any and all damages to fences, timber, land, and other improvements which may be suffered from the construction, operation, maintenance or removal of the pipeline. The pipeline and all other equipment and facilities constructed within GRANTOR'S property shall conform to all applicable government and industry standards for natural gas pipeline transmission. GRANTEE shall repair or replace all fences and ditches to as good or better condition as existed prior to GRANTEE'S activities on the property. GRANTEE shall reclaim and revegetate all disturbed areas to at least the minimum standards imposed by Bureau of Land Management for comparable habitats, except that irrigated hay fields are to be revegetated with species comparable and compatible with existing vegetation in non-disturbed areas. GRANTEE shall also be responsible for all weed control in disturbed areas until fully revegetated.
- 4. GRANTEE agrees to set and maintain visible monuments of a durable nature where the pipeline enters and leaves GRANTOR'S land, and also at any point where there is a material change in direction followed by the pipeline.

Return to: TransColorado 1832 S. Townsend Ave. Montrose, CO 81401

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- 5. In the event the bushess or operation of GRANTOR should make it necessary or desirable for GRANTOR to use the property which is subject to this Right of Way and Easement, in a manner which would make it necessary or advisable, in GRANTOR'S opinion, to relocate any of the facilities constructed or located hereunder, GRANTEE, at GRANTOR'S expense, shall accomplish such relocation within six months after It is notified so to do by GRANTOR. GRANTOR must provide an alternate route on GRANTOR'S property and execute a grant therefor. GRANTEE agrees, in the event of request by GRANTOR, that in accomplishing any relocation it will leave the property which is subject to this Right of Way and Easement in substantially the same condition as when entered upon by GRANTEE, or GRANTEE may abandon in place its existing Facilities.
- 6. All operations of GRANTEE or GRANTOR hereunder shall be in conformance with all governmental laws and regulations. GRANTEE agrees to indemnify and hold GRANTOR harmless from any and all claims, demands, liability and suits, collectively referred to as "Liability," for any and all damages to property and persons, including personal injuries or death to any and all persons arising from GRANTEE'S negligence or willful misconduct excluding any Liability caused by GRANTOR'S negligence or willful misconduct. GRANTEE shall, within 60 days of termination of this grant, prepare and file of record a release of this Right of Way and Easement and shall provide GRANTOR with a copy of such release with recording data stamped thereon.
- 7. The terms and conditions and provisions of this grant shall extend to and be binding upon the parties hereto, their successors, administrators or assigns. The prevailing party in any litigation arising out of this grant or the activities of Grantee on the property, shall be awarded its costs, expenses and attorney's fees.

In WITNESS WHEREOF, the parties hereto have executed this Right of Way and Easement this \_\_\_\_ day of July, 1998.

JOAN L. SAVAGE

SAVAGE LIMITED PARTNERSHIP I

Savage

DANIEL W. STROOCK ÉR#FXAN DE BOVENKAMP SUE

By Savage Attorney in Fact

RID

TRANSCOLORADO GAS *TRANSMISSION* COMPANY by QUESTAR

TRANSCOLORADO, INC., partner Βv

ATTEST:

Connie C. Holbrook Secretary

Ø.W. DeBemard

Vice President - Technical Support

2

By



) ss.

STATE OF COLORADO

COUNTY OF GARFIELD

On this <u>31</u> day of July, 1998, personally appeared before me Joan L. Savage known to me to signer of the foregoing Right of Way and Easement, and acknowledged to me that she exclusion is a document.

NILA I. 1. Kas PARRINGTON COLO

My commission expires:

10/19 12000

On this <u>31</u> tay of July, 1998, personally appeared before me Joan L. Savage, general partner of Savage Limited Partnership I, known to me to be the signer of the foregoing Right of Way and Easeman acknowledged to me that she executed this document.

MLAI. ARRINGTON Notary Public

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CO

My commission expires:

10/19/2000

On this **M**<sup>2</sup>day of July, 1998, personally appeared before me for Sue Erpf Van de Bovenkamp and Daniel W. Stroock, John W. Savage, Attorney in Fact, known to me to be the signer of the foregoing Right of Way and Easement; and acknowledged to me that he executed this document.

ARY NILA I. lotary Public RRINGTON

Katenust 1.

My commission expires:

10/19/2000

On this <u>11</u> day of July, 1998, personally appeared before me G. W. DeBernardi, Vice President Technical Support, for Questar TransColorado, Inc., a partner of TransColorado Gas Transmission Company, a Colorado partnership, known to me to be the signer of the foregoing Right of Way and Easement, and acknowledged to me that he executed this document on behalf of said partnership.

Notary Public



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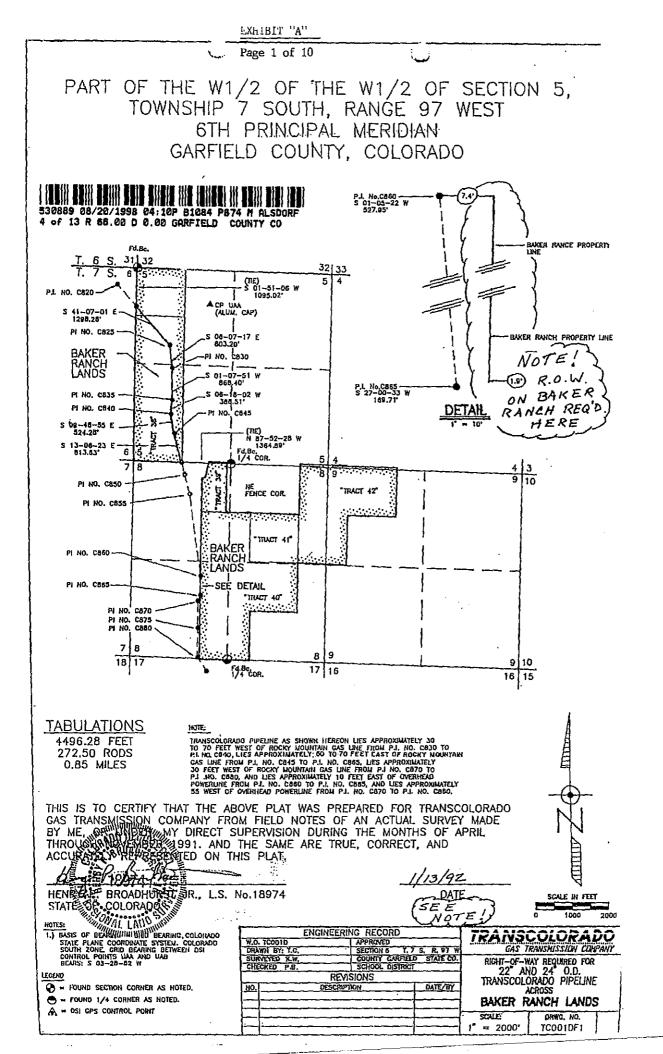


EXHIBIT "A" Page 2 of 10





Daggett Surveying, Inc.

R. HOWARD DAGGETT Registered Land Surveyor New Mexico License No. 9679 CORPORATE OFFICE: P.O. Box 2789 Farmington, New Mexico 87499-2789 Phone: 505-326-1772 Fax: 505-326-6019

LEGAL DESCRIPTION OF A GAS PIPELINE RIGHT-OF-WAY ACROSS BAKER RANCH LANDS FOR TRANSCOLORADO GAS TRANSMISSION COMPANY LAKEWOOD, COLORADO JANUARY 1992

A strip of land situated in Section 5, of Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northwest corner of Said Section 5, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

THENCE: S 01-51-06 W a distance of 1095.02 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the West line of the Northwest Quarter of the Northwest Quarter of Said Section 5 and the Westerly line of Baker Ranch lands; THENCE: S 41-07-01 E a distance of 1298.26 feet; THENCE: S 06-07-17 E a distance of 603.20 feet; S 01-07-51 W a distance of THENCE: 868.40 feet; THENCE: S 06-18-02 W a distance of 388.51 feet; S 09-46-55 E a distance of THENCE: 524.28 feet; THENCE: S 13-06-23 E a distance of 813.63 feet;

To a point on the South line of the Southwest Quarter of the Southwest Quarter of Said Section 5 and on the Southerly line of Baker Ranch lands N 87-52-28 W a distance of 1364.89 feet from the South Quarter corner of Said Section 5, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

The total length of the gas pipeline right-of-way across Baker Ranch lands as described above is 4496.28 feet or 272.50 rods or 0.85 miles more or less.

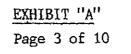
The above described strip of land shall be shortened or extended to commence on the Westerly line and to terminate on the Southerly line of Baker Ranch lands.

•

HENRY P. BROADHURST, JR. Registered Land Surveyor Colorado License No. 18974 ROCKY MOUNTAIN OFFICE: 2487 Industrial Blod. Grand Junction, Colorado 81505 303-242-0201

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peines 
Well Locations 
Boundary Surveys 
Topographic Surveys

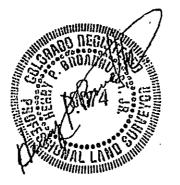




The above description was prepared under the supervision of Henry P. Broadhurst, Jr., Colorado Professional Land Surveyor No. 18974 from the results of an actual field survey and plat, as prepared for TransColorado Gas Transmission Company, Drawing No. <u>AC#28626</u>, Dated January, 1992.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System Colorado Central zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

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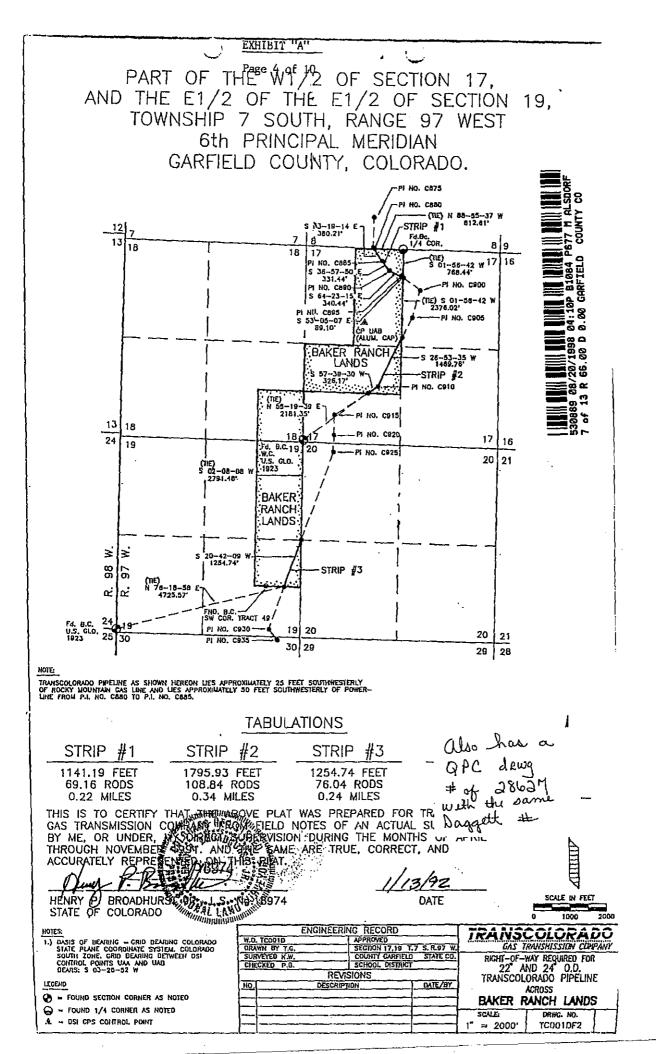




EXHIBIT "A" Page 5 of 10

A

R. HOWARD DAGGETT Registered Lund Surveyor New Mexico License No. 9679

CORPORATE OFFICE: P.O. Box 2789 Farmington, New Mexico 87499-2789 Phone: 605-526-1772 Fax: 505-326-6019

LEGAL DESCRIPTION OF A GAS PIPELINE RIGHT-OF-WAY ACROSS BAKER RANCH LANDS FOR TRANSCOLORADO GAS TRANSMISSION COMPANY LAKEWOOD, COLORADO JANUARY 1992 STRIP 1

Daggett Surveying, Inc.

A strip of land situated in Section 17, of Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the North Quarter corner of Said Section 17, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

THENCE: N 88-55-37 W a distance of 812.61 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the North line of the Northeast Quarter of the Northwest Quarter of Said Section 17 and the Northerly line of Baker Ranch lands; THENCE: S 33-19-14 E a distance of 380.21 feet; THENCE: S 36-57-50 E a distance of 331.44 feet; S 64-23-15 E a distance of 340.44 feet; THENCE: THENCE: S 53-05-07 E a distance of 89.10 feet;

To a point on the East line of the Northeast Quarter of the Northwest Quarter of Said Section 17 and on the Easterly line of Baker Ranch lands S 01-56-42 W a distance of 768.44 feet from the North Quarter Corner of Said Section 17, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

The total length of the gas pipeline right-of-way across Baker Ranch lands as described above is 1141.19 feet or 69.16 rods or 0.22 miles more or less.

The above described strip of land shall be shortened or extended to commence on the Northerly line and to terminate on the Easterly line of Baker Ranch lands.

HENRY P. BROADHURST, JR. **Registered Land Surveyor** Colorado License No. 18974

**ROCKY MOUNTAIN OFFICE:** 2487 Industrial Blod. tion. Colorado 81505 303-242-0201

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Pipelines • Well Locations • Boundary Surveys • Topographic Surveys



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EXHIBIT "A" Page 6 of 10

The above description was prepared under the supervision of Henry P. Broadhurst, Jr., Colorado Professional Land Surveyor No. 18974 from the results of an actual field survey and plat, as prepared for TransColorado Gas Transmission Company, Drawing No. <u>AC#28664</u>, Dated January, 1992.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System Colorado Central zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

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EXHIBIT "A" Page 7 of 10



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Daggett Surveying, Inc.

R. HOWARD DAGGETT Registered Lond Surveyor New Mexico License No. 9679

LEGAL DESCRIPTION OF A GAS PIPELINE RIGHT-OF-WAY ACROSS BAKER RANCH LANDS FOR TRANSCOLORADO GAS TRANSMISSION COMPANY LAKEWOOD, COLORADO JANUARY 1992 STRIP 2

Fax: 505-326-6019

Farmington, New Mexico 87499-2789

CORPORATE OFFICE:

P.O. Box 2789

Phone: 505-326-1772

A strip of land situated in Section 17, of Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the center line of said strip of land being described as follows:

COMMENCING at the North Quarter corner of Said Section 17, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

THENCE: S 01-56-42 W a distance of 2376.02 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the East line of the Southeast Quarter of the Northwest Quarter of Said Section 17 and the Easterly line of Baker Ranch lands;
THENCE: S 26-53-35 W a distance of 1469.76 feet;
THENCE: S 57-39-30 W a distance of 326.17 feet;

To a point on the South line of the North half of the Southwest Quarter of Said Section 17 and on the Southerly line of Baker Ranch lands N 55-19-39 E a distance of 2181.35 feet from the Southwest corner of Said Section 17, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped W.C. U.S. GLO 1923.

The total length of the gas pipeline right-of-way across Baker Ranch lands as described above is 1795.93 feet or 108.84 rods or 0.34 miles more or less.

The above described strip of land shall be shortened or extended to commence on the Easterly line and to terminate on the Southerly line of Baker Ranch lands.

The above description was prepared under the supervision of Henry P. Broadhurst, Jr., Colorado Professional Land Surveyor No. 18974 from the results of an actual field survey and plat, as prepared for TransColorado Gas Transmission Company, Drawing No. <u>OC#28669</u>, Dated January, 1992.

HENRY P. BROADHURST, JR. Registered Land Surveyor Colorada License No. 18974 ROCKY MOUNTAIN OFFICE: 2487 Industrial Blvd. Grand Junction, Colorado 81505 303-242-0201

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Pipelines • Well Locations • Boundary Surveys • Topographic Surveys

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System Colorado Central zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

EXHIBIT "A" Page 8 of 10

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Daggett Surveying, Inc.

R, HOWARD DAGGETT **Registered Land Surveyor** New Maxico License No. 9679

LEGAL DESCRIPTION OF A GAS PIPELINE RIGHT-OF-WAY ACROSS BAKER RANCH LANDS FOR TRANSCOLORADO GAS TRANSMISSION COMPANY LAKEWOOD, COLORADO JANUARY 1992 STRIP 3

A strip of land situated in Section 19, of Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northeast corner of Said Section 19, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped W.C. U.S. GLO 1923.

THENCE:

S 02-08-08 W a distance of 2791.48 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the East line of Southeast Quarter of the Northeast Quarter of Said Section 19 and the Easterly line of Baker Ranch lands; S 20-42-09 W a distance of 1254.74 feet; THENCE:

To a point on the South line of the Northeast Quarter of the Southeast Quarter of Said Section 19 and on the Southerly line of Baker Ranch lands N 76-18-58 E a distance of 4725.57 feet from the Southeast Corner of Section 24, Township 7 South, Range 98 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped U.S. GLO 1923.

The total length of the gas pipeline right-of-way across Baker Ranch lands as described above is 1254.74 feet or 76.04 rods or 0.24 miles more or less.

The above described strip of land shall be shortened or extended to commence on the Easterly line and to terminate on the Southerly line of Baker Ranch lands.

HENRY P. BROADHURST, JR. Redutered Land Surveyor Colorado License No. 18974

**ROCKY MOUNTAIN OFFICE:** 2487 Industrial Bled. Grand Junction, Colorado 81505 303-242-0201

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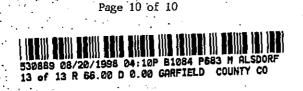
CORPORATE OFFICE

Farmington, New Maxico 87499-2789

P.O. Box 2789

Phone: 505-326-1772 Fax: 505-326-6019

Pipelines • Well Locations • Doundary Surveys • Topographic Surveys



EXHIBIT

The above description was prepared under the supervision of Henry P. Broadhurst, Jr., Colorado Professional Land Surveyor No. 18974 from the results of an actual field survey and plat, as prepared for TransColorado Gas Transmission Company, Drawing No. <u>AC#28664</u>, Dated January, 1992.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System Colorado Central zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

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9-16-05 Notice of Escrow. 9-15-05. Egd James & Galloway, Edward R. 2'50 m. Minus Menritta Minnes. There is handed you herewith as 5'/ 461 decrow holder a U. D. from James & Galloway to Edward O. M. Derroitta R. Kumes, for Lote 1. 2. End 3 Block 29 in S. C. ine granton's note for \$ 300, ink @ 100% from payle 3/15/26 you will deliver ad deed to sa "Sume, but in case of 31059 Jo Cashier First National Bank, of Blenwood Shings Cola 31057 N. M. Heigdon to Id. R. Kamm & Leo. leh Mig. 9/15/05 Lgd 9-16-05 Ullitneses gall. Denman, guetice of the Clean. No acknow Whom payment to you for granter \$ 350 = in monthly instatments of \$15 = each or sooner bayments degrining 31058 Minited States to David Baker, Patent "1/20/91 degreed by date on \$170= " of The loon lack falling dire, until paid "default in making payments afed within the time" weth 116/05 tog. with int at sofe pur an from this 915 a.m. ledment. Montgages : My entire cropped hay now upon On file The lo Hourst land breing The 2000 Hourses 34 mathe 1130 a.m. Catento: Erdurt NWY 264 264 MW4 dec. 8 Durg 9-16-05 The President and General Land Office Leal afficed menus man handage 2/30 31056 Amuric Contrach Vanit a the

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United States of America

# UNITED STATES PATENT

to

William G. Williams

Dated July 30, 1891 Signed by the President and the General Land Office Seal Affixed Patent No. 301

Grants: The  $SE_{4}^{1}SE_{4}^{1}$  of Section 18 and the  $E_{2}^{1}NE_{4}^{1}$  and the  $NE_{4}^{1}SE_{4}^{1}$  of Section 19 in Tp. 7 S., R. 97 W., 6th P.M., in Colorado, containing one hundred and acres.

Subject to any vested and accured water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws, and decisions of courts, and also subject to the right of the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted, as provided by law. And there is reserved from the lands hereby granted, a. right-of-way thereon for ditches or canals constructed by the authority of the United States.

United States Department of the Interior Bureau of Land Management Washington 25, D. C. March 12, 1957

I hereby certify that this photograph is a true copy of the patent record, which is in my custody in this office.

# Oscar E. Collins, Certifying Officer

Filed for record May 13, 1957 at 8:15 o'clock A.M., and recorded in book 300 at page 445 thereof.

oc.#197724

interest payable annually. 29.931 Wm Cardnell to the Board of County Commissioners TO-11-04 Jar. Co. Colo. P. C. D. 10/3/04 Sqa Maack 10/11/04 before 8 20 a.m. S. C. Causdale, Dep Co. Cek, Gar. Co. Colo. Con. \$1 32 0. valid C. 62/59 Conveys: a strip of land bo ft wide bounded and described as follows: Beg at a pt. on the line to Secs 17 and 18 J. 7 S. R. 97 W., whence the Corner to Secs 17. 18, 19 ma 20 in sd. In bears & 1555.4 feet. Thence n. 52° 30' & 626 feet to a point; th. n. 49° 12' E. 493 ft to a pt., Th. n. 29° 08' E. 440 ft to a pt. on The E. "nd W. center line of sd Sec. 17, wh. the 1/4 Cor to sd Secs. 17 md 18 bears W. 1081.4 feet. also a strip of land 60 ft. wide bounded and desc. as follows: Beg. at a pt on the n. M. S. center line of the NUV+ of sec. 17 whence The 1/4 Con to sa Secs, 17 and 18 bears &. 62°00' W. 1604 ft. th. N. 13°39' &. 300 ft. to a point, thence n. 7°47' 6. 493 ft. to a pt., the n. 15° 50' & 646 ft. to a pt., thence n. 7° 10' M. 420 ft to a pt., th. n. 1° 30'E. 50 ft. to a pt. on the line To Secs\_8 me 17 in so Jp., wh. The 1/4 Cor to so Secs\_ 8 and 17 bears E. 1190.3 ft. Said described lines are the Center lines of two strike of land, each 60 ft wide, 30 ft on each side of said lines. The land herein conveyed being for public county road purposes " comprises an area of 4 110 acres mpl. 30 020 V 118 00. AR.

30.359 30.360 9 41 am 1000 am -28-05 64 1-28-05 W.D. 10 90 With les lelk Mar. Les leslo Leone & "d o. valid leon David Baker to Bd of Jo leans Hay les lests The Educard Bosco Ditch Statement and map. Lgd 1/18/05, Survey to by Sheadore Rosenberg, Civil Accure Junie Douglas in the Rum of \$ 4000 = dated '2 tengeneer 1/20/05 by Charlie W Pay lor, n. C. gar les Loonveys A strip of land bo feet wide bounded and State Engineer by Porter J. Oriston, Deputy Owner, Edward Boaco, Hel. is sit on SE" HUV Lee 34 J. 7 Conveyed for public county road purposes. the center line of ad 60 ft strip of land which comprises and area of 2 % 100 acres we and is hereby ducribed as follows . Bug at a ph on the line In trust to recure grantaria mate e. d. to Karl I a 8g M. whence The 1/4 lear to Seco, 27 nd 34 leolo teif of Exam. & approval 1/24/05 by & & Carpenter erver revier, Unquet Mahnewald in by no for \$ 1000 - inthe bofo for an. to Seed and 17 D. J. D. R. 97 M. whe The ad Ip bis n. 16011'E 19732 feel Land insighted by bears of 33° 46 6. 2142 feet Id described line is land Second 1-7 bears 6. 1190.3 feet, Th. n. 1778.2. ad datch is Un nE+ nE+ nE+ See. 34 ma UN+ DE+ feet to a point whence the aforesaid 14 corner 13 for Signed na ack 1/20/05 bil. Womb ardnell may no write you and i - Ind no a - but yo 1. گ ا 14 lear to 110/024 1

Ross Latham and Fay Eathel Jerome, Trustees

Eathel Jerome, Trusteas under the Last Will and Testament of Judd Miller, Decessed

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# Lefloy B. Latham

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Dated May 25, 1948 Acknowledged May 25, 1948 before Marjorie L. VanBrunt, Notary Fublic

of Mesa County, Colorado.

TRUSTEE'S DEED

Recites that whereas, Judi Miller departed this life on March 21, 1943, leaving a bast will art Testament which was thereafter and on April 12, 1943, duly admitted to probate and entered of record in the County Court of Mess County, Colorado; that thereafter on March 20, 1945, a decree of final settlement was duly executed and entered in said estate proceedings, and thereupon Ross Latham and Fay Sathel Jerome ware, in accordance with the said Will, duly appointed by said Court as the Trustees of said estate and they qualified in that respect and are now the duly appointed, qualified and acting trustees of said estate; and

Whereas, Said will contains the following provision relating to the real property of Testator, to-wit:

"7. I authorize and empower the said frecutors and frustees whenever in the settlement of my estate and the management of the trust estate they deem it advisable, at their discretion, to mortgage or sell or convey all dr any part of my real estate or personal property for each or upon credit, and to execute and deliver all mortgages, instruments for transfer, trust deeds and other writings necessary to pass a proper title thereto." and

writings necessary to pass a proper title thereto." and MHERMAS, The parties of the first part deem it advisable and for the best interests of the trust estate to sell and convey the hereinafter real estate to the second party.

NOW, HEREFORE, This Indefiture Mitnesseth, that the said parties of the first part pursuant to the power of sale contrined in said will and in consideration of the premises and the further consideration of the sum of 9000.00, to them in hand paid by the second party, the receipt of which is hereby ackno ledged, have sold and conveyed and by these presents do sell and convey unto the laid part of the second part, his helrs and assigns forever, all the right, title and interest which the said Judd Miller had in his lifetize and at the time of his death, and which parties of the first part now have as Trustees aforesaid, in and to the following described real estate, situate, lying and being in the County of Garfield, State of Colorado, to-wit:

Parcel No. 1: All the West 20 acres of Tract 39, Section 8, Tp. 7 5. H. 97 %. Oth P.H., according to the resurvey of said Township, being the same land described in the original survey of said Township as the West 20 acres of the NELNWL of Sec. 8, said Township and Mange, except: Beginning at the NW corner of the NELNWL, Sec. 5, Tp. 7 5. H. 97 W. thence South 442.9 feet to a point, thence N. 67°32' East 89.33 feet to a point, thence North 18°26' E. 418.4 feet to a point, thence West 179.75 feet to the place of beginning, containing 1.26 acres, more of less, and being the same land conveyed as Farcel B, to the American Shale Refining Company in Marranty Deed, recorded in book 142 at page 66 of the public records of Garfield County, Colorado.

I Tract 40, of Sec. 8, Tp. 7 S. R. 97 W. 6th P.M., according to the resurvey of said Township, being the same land described in the original survey of said Township as the E2SW2, SELNW2 and NW2SE2 of Sec. 8, Tp. and mange aforesaid.

(continued)

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Tract 41 of Sec.8, Tp. 7 S. R. 97 W. 6th P.M., according to the resurvey of said Township being the same land described in the original survey of said Township as the SWANE& of Sec. 8, said Township and hange.

Tract 42, of Sections 8 and 9, Tp. 7 5. R. 97 W. 6th P.M., accord ing to the resurvey of said Township being the same land described in the original survey of said Township at the EaNEs of said Section 8 and the NWENWE of Sec. 9, shid Township and Range.

1 The Lot 4: SWLNWL and the W1SW1 of Sec. 5, Tp. 7'S. E. 97 W. 6th P.M. Together with all diver and water rights belonging to Parcel No. 1.

There is not conveyed but there is reserved to the Grantors all oil, gas and mineral rights in and under the above described real estate, together with the right to prospect for and remove the same.

Parcel No. 2: The Denver No. 35 Placer Mining Claim, compris-ing Tract No. 74; The Denver No. 37 Placer Mining Claim, compris-ing Tract No. 75; The Denver No. 38 Placer Mining Claim, compris-ing Tract No. 76; The Denver No. 39 Placer Mining Claim, compris-ing Tract No. 78; The Denver No. 40 Placer Mining Claim, compris-ing Tract No. 78; The Denver No. 40 Placer Mining Claim, compris-ing Tract No. 77; The Denver No. 40 Placer Mining Claim, compris-ing Tract No. 77; The Denver No. 40 Placer Mining Claim, compris-ing Tract No. 77; The Denver No. 40 Placer Mining Claim, compris-ing Tract No. 77; The Subtracts B and C The Denver No. 41 Placer Mining, claim, comprising Tract, No. 79

Subtracts E. F and S.

The Denver No. 42 Placer Mining Claim, comprising Tract No. 89 The Denver No. 43 Placer Mining Claim, comprising Tract No. 82 The Denver No. 44 Placer Mining Claim, comprising Tract No. 81 The Denver No. 53 Placer Mining Claim, comprising Tract No. 92 The Denver No. 45.5 Placer Mining Claim, comprising Tract No. 83 The Denver No. 54 Placer Mining Claim, comprising Tract No. 83 The Denver No. 54 Placer Mining Claim, comprising Tract No. 94

less Subtracts C. M/and E The Lenver No. 55 Flacer Mining Claim, comprising Tract No. 93 The Denver No. 56 Flacer Mining Claim, comprising Tract No. 95 All said tracts being in Sp. 7 S. n. 97 W. 5th P.M., consisting of 1848.93 acres, more or lessy There is not conveyed but there is reserved to the Gruntors all oil, gas and mineral rights including oil shale rights in and under the above described premises, together with the right to prospect for and remove the same.

TO HAVE AND TO HOLD THE SAME, with all appurtenances thereunto belonging or in anywise appertaining, to the proper use, benefit, and behood of the said party of the second part, his heirs and assigns forever; subject however to the reservations of the oil, gas and mineral rights as a fore aid.

IN MITNESS WHEREOF, The said parties of the first part, as Trustees under the Last Will and Testiment of Judd Miller, deceased, have hereunto set their hends and seale the day and year first above written.

Ross Latham 2 2 Filed for record punce - 1948 - 144 Pan 236 83 (Seal)

¥ Doc.#169498 €

John Etcheverry

## SPECIAL WARRANTY DEED

To

Ross Latham

Dated January 8, 1949 Acknowledged Jan. 8, 1949 before Ethel Delaney, N.P.Gar.Co.Colo. Consideration \$10.00 \$3.85

Conveys: The  $E \frac{1}{2}NW_{\pm}^{1}$  and the  $N\frac{1}{2}SW_{\pm}^{1}$  of Sec. 17, Tp. 7 S. R. 97 W. 6th P.M. Also, the SE $\frac{1}{2}SE\frac{1}{2}$  of Sec. 18, and the  $E\frac{1}{2}NE\frac{1}{2}$  and the  $NE\frac{1}{2}SE\frac{1}{2}$  of Sec.19, Tp. 7 S. R. 97 W. 6th P.M., being 320 acres, more or less. Together with all improvements situate thereon and also together with all ditch and water right: connected therewith.

Provided always that the Grantor herein hereby reserves fro himself, his heirs and assigns, an undivided 1/2 interest in and to the oil, gas and mineral rights now owned by him under said land, and the right to go upon said land and explore, drill, mine, produce and market said minerals, incluc ing oil and gas, upon paying the owner of the surface for all damages occasioned by such operations.

Recorded Aug. 15, 1949 at 2:33 o'clock P.M., in book 244 at page 327 the

. Doc.#180255 Warranty Deed Ross Latham and Fay Eathel Marmana Jerome (also known as Faye Miller Jerome).as Trustees under the Will of Judd Miller, deceased. Dated March 10,1952 То Acknowledged March 10,1952 by Delos D.Potter Ross Latham , as one of the Trustees, under the Will of Judd Miller, decease before George W.Heflin , N.P. Mesa County, Colo. Ack. March 18,1952 by Fay Eathel Jerome( also known as Fae Miller Jerome, (long hand (typed) Faye Miller Jerome as one of the Trustees under the Will of Judd Miller, N. Cal deceased, before Juanita L.Brodersen, N.P. Maricopa County, Arizona an gentra 11.12 Consideration\$5,360.75 Rev. 26.05 shale Conveys all of the oil, gas and mineral rights, including oil share rights, together with the right to prospect for and remove the same, in and to the so following real, property situate in arfield Co. Colo. The sources in ease of the Parcel No.1 to all of the second of the state of the second of the state of the second of the state of the second of the se Lie to one Tract 98, all of the West 20 acres of Tract 39, except 1.26 acres in the Northwest corner of said Tract 39, conveyed as Parcel "B" to the the American' Shale Refining Company in that certain deed of record in Book and an 142, at page 66, of the public records of Garfield County Colorado; 28 or Tracts 40,41 and 42; all in Tp. 7 S.R.97W.6th.P.M. containing approximately 498.73 acres. 7538= w www w flats 5 = 7.97. -TN39= NENW-8-42= ELNE-8-NUNE Parcel No.2; Lots 8 and 9 of Section 3, Sub-tracts A and B of Tract 74, Tract 76, Sub-tracts A, D.E. and G of Tract 77. Tract 78, Sub-tracts Axix A,B,C and D of Tract 79; Tract 80m Tract 81, Sub-tracts A and B of Tract 82, Sub-tracts A. and B of Tract 83; all in Tp.7 S.R.97W.6th.P.M. containing approximately 1101 08 across It boing the intertion benefitible approximately 1101.08 acres. It being the intention hereof that Grantors are conveying hereby all of the estate in the lands above described reserved by th under that certain deed dated May 23,1948, wherein they are grantors and LeRoy B.Latham is grantee, Which said deed was recorded on June 1,1948 in Book 236 at page83 of the official recor ds of said County of Garfield. Reserving, however, unto Grantors, as said Traystees, an undivided 5% thereinal for called "Royalty share" of the proceeds received from the sale of the oil and gas which might be produced, saved and marketed from said lands, limited, however, to proceeds received from the sale of oil and gas produced from and only from wells drilled in and upon said lands. The term Wells as used herein meaning bores penetrating below the surface and producing from formation below the surface. Said royalty share shal (1) exclude any part or share of the oil, gas or other substances removed or produced, by any process whatsoever, from oil shale deposits in and on said lands; (2) constitute a royalty interest free of any costs of exploring for, drilling for developing, or operating any wells for the production of, oil or gas in said lland, the royalty share of said substances to be delivered free of cost to Grantors at the well or to the markin credit of Grantors in the pipeline to which Grantee, his heirs , executors, administrators or assigns may connect his wells, (3) not create any obligations whatsoever on the part of Grantee, his heirs, execitors, administrators or assigns, to drill for, produce or save oil or gas, and all such operations, whether before or after ds discovery, shall be solely at the discretion of Grantee, his heirs, executors, administrators or assigns, (4) not entitle Grantors to any bonus money, delay rentals, or money consideration under any lease or other

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| •                                                                                                                                                                                                                                   | 11 - 1 - 1 - 1 - 4 - 4                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | uranan.<br>El ura el comuna                                                                                                                   |                                                  | <u>an an a</u> | County Clerk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| , 80. đ                                                                                                                                                                                                                             |                                                     | 3. 1 3. <b>1</b> 3. 13.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                               |                                                  |                                                 | of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| i <u>ling un re</u>                                                                                                                                                                                                                 |                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                               |                                                  |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| ) entorra                                                                                                                                                                                                                           |                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>6734</u>                                                                                                                                   |                                                  |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| Charliteur                                                                                                                                                                                                                          | totatedo<br>dr.0\$ @                                | License No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                               |                                                  |                                                 | Re-issue application                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| •                                                                                                                                                                                                                                   | ta ing ta latia                                     | die vribe instruction des sales her een die die die die seered<br>Granteegohie heirs, executors; administrators or assigns overd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                               |                                                  |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| mav leas                                                                                                                                                                                                                            | e or contr                                          | act with ot                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | hers with r                                                                                                                                   | espect 4                                         | so⊖oil an                                       | d?or gas development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| - of said                                                                                                                                                                                                                           | lands, nor                                          | <del>shall it b</del>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | e necessraj                                                                                                                                   | <del>/ for Gra</del>                             | <del>intors t</del> e                           | pyalty share of all                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                     | ves on or                                           | measured by                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | the oil an                                                                                                                                    | าด วิตการศาสตร                                   | s.or the                                        | KNOT OCCERDIST OF THE BOOK                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| share as                                                                                                                                                                                                                            | hereinbef                                           | ore provide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                               |                                                  |                                                 | receive the royalty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                               | Recorded A                                          | ug.26,1952                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | at 8:21 A 1                                                                                                                                   | 1 in Boo                                         | ok <u>p</u> e                                   | 129 C. Clatentrout                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                                                                                                                                                                                                                                     | <u>នៃ ដែលស្រី ដ៏</u><br>អូវ៩ ឧប័ននំជាវ <del>។</del> | <del>s A end 6 o</del><br>eot 78, bub                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <del>, Dab-breat</del><br>ract, 77. Tr                                                                                                        | F RE                                             | <del>a 9 af 40</del><br>,D.E. and               | Lyaot 76, Sub-Space Con-<br>Lyaot 76, Sub-Space Con-<br>Lyaot 7<br>Sub-tracts and Bo<br>A synchizately LLM. Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| :                                                                                                                                                                                                                                   | <del>bedî ve fi</del><br>mistret .                  | ene i soner.<br>Sevi ott                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | t <u>61, 61, 6</u> -t<br>1.2 7.q° ai                                                                                                          | ठिकु <b>स्ट</b> ेट<br>उ.उ. २२४                   | <del>;:Lado ;</del><br>Caset (                  | <del>7 dobní ford bas 0,1,4−</del><br>o 8 box stosmi≁duê                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| sno e<br>hoiteite                                                                                                                                                                                                                   | net brit dr<br>bright bed                           | n herven to<br>the second                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ad intertie                                                                                                                                   | t gnied                                          | ecres.it                                        | o fip ofere i noisevero                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 5.:                                                                                                                                                                                                                                 | n stochet<br>Nach                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Derto in ,fi40                                                                                                                                | y 23, 1                                          | i burrb b<br>difi bart                          | under state gestellte                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <u>.</u>                                                                                                                                                                                                                            | a nomin been                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                               | Versia i                                         |                                                 | bolize <b>st</b> radie de la composición de la compo |
| te dan d                                                                                                                                                                                                                            |                                                     | i en el parte de<br>les <u>el parte (b</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ,uno concre<br><u>international</u><br>international                                                                                          | <u>n poura e c</u><br>la gabline                 | 1                                               | dina and a second dine                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| и.<br>                                                                                                                                                                                                                              | •Blatt 16 Di.                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | in Linita<br>j <del>e godina i na</del>                                                                                                       |                                                  | ar <u>en statis</u><br><u>Service Service</u>   | THE DEFENSION STREET                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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|                                                                                                                                                                                                                                     | ປະມີກາວງານ ຈະ<br>ອ້າງ ເປັ <b>ອີ</b> , ເວເ           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | াত তল্টপ্ৰাৰণ<br>বিভাগনিকাৰণ                                                                                                                  | <u>जुनव (                                   </u> | untine Corre<br>Higi in Mil                     | <u>a crievez jece nelaliza</u><br>dobiliza ese no 100, c                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Of Crement                                                                                                                                                                                                                          | Oberstor                                            | <u>xxxx</u> off <del>xi</del><br>Adro xo. 1m                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 10 0 0 mage                                                                                                                                   | <u>ite stor</u>                                  | rojeceq robjice                                 | TAME OF EXAMINER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| , Colo,                                                                                                                                                                                                                             | <u>, , , , , , , , , , , , , , , , </u>             | <u>-600 USL2</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                               | <u></u>                                          |                                                 | Operators and Chauffeurs Division                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| n de la companya de l<br>La companya de la comp | ele , petra                                         | County the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | X.II<br>SNOITA                                                                                                                                | AQ<br>MMAX3                                      | ert ri<br>latviset m                            | Department of Revenue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                                                                     | <u></u>                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | BY OF .                                                                                                                                       | TWININS                                          | inger for<br>Legender<br>Legender               | Contraction of the second       |
| A Star AF 1.46                                                                                                                                                                                                                      |                                                     | nt. a AlaCo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | CTEBK.2                                                                                                                                       | COUNTY                                           | - en gri-                                       | Porm DR-185—5M—4-8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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1 officer's daily lists, examination reports and all applications. Two copies to be made by County Clerk. Duplicate for file in his office; original to be mailed daily to the Department with examining

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Recorded Apr 4, 1958 at 10:30 A. M. Reception No. 201125 Chas. 3. Keegan, Recorder Book 307 - 8 Page 479

o. 19 10c.#201128

### WARRANTY DEED

XNOW ALL MEN BY THESE PRESENTS, that ROSS LATHAM, who is

one and the same person as T. R. LATHAM and LEROY LATHAM, who is one and the same person as LEROY B. LATHAM and LEROY D. LATHAM of the County of Garfield, and State of Colorado, for the consideration of Ten Dollars and Other Valuable Consideration, in hand paid, hereby sell and convey to JOHN W. SAVAGE and JOAN L. SAVAGE of the County of Garfield, and State of Colorado, the following real property, situate in the County of Garfield and State of

Colorado, to wit:

PARCEL 1: 6

The  $E_2^{1}NW_1$  and Lot numbered 2 of Section 30, and the SEL SWL of Section 19, Township 7 South, Range 97 West of the 6th P.M., containing 157.34 acres.

Lot 1 of Section 30, in Township 7 South, Range 97 West of the 6th P.M., containing 37.19 acres.

All that portion of the  $E_2^1$  NEL of Section 25, Township 7 South, Range 98 West of the 6th P.M., lying East of the County road running through said land, being 18 acres, more or less.

The SEt SEt of Section 25, Township 7 South, Range 98 West and the Et SWL and Lot 4 of Section 30, Township 7 South, Range 97 West of the 6th P.M., containing 157.63 acres.

Beginning at a point which is 961.7 feet East of the West quarter corner of Section 30, Township 7 South, Range 97 West of the 6th P.M., (and on North line of Lot 3 in said Section 30); thence East 358.8 feet; thence South 1320 feet; thence West 1116.7 feet; thence North 47°32' East 380.2 feet; thence North 40° East 310.6 feet; thence North 36°35! East 186.9 feet; thence North 18°25' East 471.3 feet; thence North 4°43' East 229.8 feet to place of beginning, containing 18.32° acres, all lying in Lot 3, Section 30, Township 7 South, Range 97 West of the 6th P.M.

The old Right of way of County Road, commencing at a point on East line of Saction 25, Township 7 South, Range 98 West of the 6th P.M., which is 1209 feet North of East quarter corner of said Section 25, thence running in a Northwesterly direction to North line of Northeast quarter of Northeast quarter of Section 25, Township 7 South, Range 98 West of the 6 P.M., containing about 2.2 acres.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

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PARCEL 2

The  $E_2^1$  NWL, NJ SWL of Section 17, the SEL SEL of Section 18, E2 NEL and NEL SEL of Section 19; Township 7 South, Range 97 West of the 5th P.M.

EXCEPT one-half of all oil, gas and mineral rights previously reserved and subject to a reservation of an undivided one-fourth interest of all such rights as hereinafter set forth.

PARCEL 3

All of the West 20 acres of Tract 39, Section 8, Township 7 South, Range 97 West of the 5th P.M. according to the resurvey of said Township, being the same land described in the original survey of said Township as the W. 20 acres of the NEL NWL, Sec. 8, said Township and Range, except: Beginning at the NW corner of NEL NWL Section 8, Township 7 South, Range 97 West, thence S. 442.9 feet to a point, thence N. 67°32' E. 89.33 feet to a point, thence N. 18°25' E. 418.4 feet to a point, thence W. 179.75 feet to the place of beginning, containing 1.26 acres, more or less, and being the same land conveyed as Parcel B, to the American Shale Refining Co., in Warranty Deed, recorded in Book 142, Page 66 at the public records of Carfield County Colorado.

Tract 40 of Sec. 8, Township ? South, Range 97 West according to the resurvey of said Township, being the same land described in the original survey of said Township as the  $E_2^1$  SW<sup>1</sup>, SE<sup>1</sup> NW<sup>1</sup> and the NW<sup>1</sup> SE<sup>1</sup> of Section 8, said Township and Range.

Tract 41 of Section 8, Township 7 South, Range 97 West, 6th P.M., according to the resurvey of said Township being the same land described in the original survey of said Township as the  $SW_{1}^{2}$  NE<sup>1</sup> of Section 8, said Township and Range.

Tract 42 of Sections 8 and 9, Township 7 South, Range 97 West, oth P.M., according to the resurvey of said Township being the same land described in the original survey of said Township as the  $E_2^1$ NEt of Section 8, and the NWtNWt of Section 9, said Township and Range, except road rights of way.

EXCEPT all oil, gas and mineral rights previously reserved.

PARCEL 4

Lot 4, SW2 NW2 and the West Half of the SW1 of Section 5, Township 7 South, Range 97 West of the 5th P.M.

EXCEPT all oil, gas and mineral rights previously reserved.

PARCEL 5

The NE<sub>2</sub> SE<sub>2</sub> of Section 25, Township 7 South, Range 98 West, 6th P.M. and Lot. 3, of Section 30 in Township 7 South, Range 97 West, 6th P.M., excepting 18.321 acres of Lot 3 in Section 30, Township 7 South, Range 97 West, 6th P.M. heretofore conveyed out by Document No. 41911, Garfield County Records.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

## PARCEL 6

The E2 NEL; SW: NEL and the NWL SEL of Section 25, Township 7 South, Range 95 West, 5th P.M., except a small tract of land containing two acres of the old dedicated County Road as Document No. 50462, Garfield County Records, and also except all that portion of the E2 NEL of said Section 25, lying East of the Old County Road and running through said land, being 18 acres, more or less, as described in Document No. 22920, Garfield County Records.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

PARCEL 7

The SEL SEL, NWE SEL, SWL NEL, NEL SEL, Section 24, Township 7 South, Range 98 West of the oth P.M. containing 160 acres, more or less.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

PARCEL 8

The SEL NWL and the NEL SWL of Section 24, Township 7 South, Range 98 West, 6th P.M., together with any and all ditch and water rights appertaining thereto or connected therewith and including, out without limitation, one foot of water in the first enlargement of the Creek and Newman Ditch out of Rean Creek, being ditch number 27 with priority numbers 34-70-129 in Water District 70. Except a 30 foot wide strip on South side of NEL SWL, for road right of way, conveyed out by Document No. 51868, Garfield County Records.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

Y PARCEL 9

Tract 52 (formerly described as  $SW_1^1$  SEL of Section 19 and the  $W_2^1$  MEL of Section 30) all in Township 7 South, Range 97 West of the 6th P.M.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

PARCEL 10

All that part of Lot 3, Section 30, Township ? South, Range 97 West, 6th P.M. not included in the above descriptions. The Grantors do not warrant the title to the property conveyed in this parcel, but only quit claims whatever right, title and interest they may have.

SUBJECT TO a reservation of one-half of all oil, gas and mineral rights as hereinafter set forth.

No Oil, gas or mineral rights are conveyed with parcels 3 and 4.

> There is not conveyed, but there is reserved to the Grantor, Ross Latham, his heirs and assigns, an undivided one-half of all oil, gas and other minerals lying in and to parcels numbered i, 5, 6, 7, 9 and 10, together with the right to prospect for and mine the same.

There is not conveyed, but there is reserved to the Grantors Ross Latham and LeRoy Latham an undivided one-half interest in all cil, gas and other mineral rights lying in and under parcel No. 8, together with the right to prospect and remove the same.

There is not conveyed, but there is reserved to the Grantor Ross Latham an undivided one-fourth interest in and to all oil, gas and other minerals lying in and under parcel No. 2, together with the right to prospect for and remove the same.

All of the above described real estate is subject to outstanding oil and gas leases of record, except parcels 3 and 4, and this conveyance is made subject thereto. There is hereby assigned to the Grantees an undivided interest in such outstanding oil and gas leases, and the delayed rentals in proportion to Grantees' interest in the oil, gas and mineral rights hereby conveyed.

There is also conveyed all ditches, ditch rights, water and water rights belonging to or appertenant to the above described parcels of real estate, including, but not limited to the following: Name of Ditch Priority No. Date of Priority Second Feet Convell Ditch, out of 2,80 Conn Creek, original 23 4-13-84 lst Enl. - 52 2-11-86 1,60 2nd Enl. 14733 4- 1-92 0.10 3rd Enl. .0.08 157 5-19-14 181<u>0</u>0 4.72 4th Enla 2- 1-24 Domestic-Conwell Ditch 4-13-84 1 1.00 Cissna No. 1 154888 5- 1-10 0.50 Cissna Nc. 2 154BB 5- 1-10 0,50

--- In

Creek & Ne mar Ditch, Out of Rode Treek Original 11-15-8/00 2.00 -11-8 lst Er . 1.00 20 God End. 181-00 21.2. (part) 2- 1-24 u je te kotok e zako baker & Bowdish Ditchdease and Out of Coan Creek 2-11-85 · · · · 2. (v.): Original -153AA 5-1--04 ist Enl. 0.24 2nd Enl. SC ALL ALE 81PP 2- 1-24 5.38 Domestic 2-11-8c.że 2 Baker Creek Canyor Ditch, . e e e Baker Gulch, a tributary of Conn Creek 154AA L- 1-09 5.60 a santa parte par Williams Ditch, out of Conn Creek 3- 2-87 2.00 Conn Creek Ditch, cutter of Conn Creek 151A 1- 1-93 1.30 absolute 1.5 conditional

There is also hereby conveyed as appurtement to the above described real estate all Public Domain, grazing rights, permits and privileges.

There is hereny conveyed the above described real estate with all its appirtenances, and the Grantors warrant the title to the same, subject to taxes for the year 1958 and thereafter; subject to all existing legal roads and easements; and subject to a reservation of oil and gas and mineral rights as above set forth, and also subject to existing oil and gas leases of record.

Signed and delivered this 1st dayof April, A. D. 1958.

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BOOK BUR ---2age = 484 STATE OF COLORADO) )ss. COUNTY OF M E S A) The foregoing instrument was acknowledged before me this day of April, 1958 by Ross Latham, also known as T. R. Latham, and LeRoy Latham, also known as LeRoy B. Latham and LeRoy D. ecommission expires: July 20, 940 Mitness ... have not official seal. Nowary Public 100 Filed for record April 4, 1958 at 10:30 A. M., and recorded in book 307 at page 479 thereof. a da kata da da  $u(t_{1}) = u(k_{1})$ S. 4. 2 5 

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Recorded at

### EASEMENT AND RIGHT OF WAY

STATE OF COLORADO COUNTY OF GARFIELD

#### KNOW ALL MEN BY THESE PRESENTS: THAT

THIS AGREEMENT, made and entered into this 18th day of 1980, by and between JOHN W. and JOAN L. SAVAGE, hereus T inafiter referred to as "GRANTOR" and ROCKY MOUNTAIN NATURAL GAS COMPANY/ INC., a Colorado corporation, 1600 Sherman Street, Denver, Colorado, 80203, hereinafter referred to as "GRANTEE".

WHEREAS, GRANTOR is the owner of certain real property in Garf Mend County, Colorado. GRANTEE desires to acquire easement right win a portion of this property hereafter described for the purpose of constructing, maintaining, operating, inspecting, using, repairing and removing one or more pipelines and appurtenances incidental thereto for the transportation of Natural Gas and associated liquids and gases together with the rights of ingress and egress on, over, across and through said lands hereinafter described.

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00 and other good and valuable consideration, the receipt of which is hereby acknowledged, the GRANTOR does hereby grant unto the GRANTEE, for its exclusive use, as aforesaid, an easement and right of way over and across the following described real property situated in the County of Garfield, State of Colorado, to-wit:

Being in Sections 5, 17, 18, 19 and 20, Township 7 South, Range 97 West, 6th P.M.

The width of the aforesaid right of way shall not exceed fifty (50) feet. The aforesaid right of way is along strips of land having an approximate centerline more specifically described as follows:

See "EXHIBIT A" attached hereto and made a a part hereof.

All in accordance with the attached plat.

GRANTEE shall have right of ingress and egress along said right of way for the purposes above set forth, provided that if any part of the said right of way or any area adjacent thereto should be, or become, a part of GRANTOR'S oil shale operations of whatsoever nature, GRANTEE may, except in cases of emergency, enter said premises only after giving notice to GRANTOR of its intent to do so.

GRANTOR hereby reserves unto itself the right to use and enjoy the aforesaid premises, except those expressly granted herein, which reserved rights shall include but not be limited to, the right to produce oil shale by surface mining or any other method, the right to erect or construct on or across this easement above ground, grade level or underground pipelines, power lines, telephone lines, road crossing or any other facilities necessary for GRANTOR'S operations. Within thirty (30) days following completion of construction and installation of the pipeline, GRANTEE shall cause the location of the line, as installed, to be surveyed by a registered land surveyor, and shall provide GRANTOR with the "as installed" above ground location description plus copies of all field notes resulting from such survey.

The GRANTEE agrees that the line shall be buried with a minimum covering of thirty-six (36) inches so it will not interfere with GRANTOR'S use of the land to the extent above provided. The above ground pipe and support structures shall blend in with the landscape. Any pipeline constructed uner this agreement shall be constructed under ANSI Sec. B-31.8 and/or part of 192, Title 49 of Federal Rules and Regulations, and shall be cased in keeping with good engineering practices where it intersects surfaced roads. GRANTEE also agrees to pay any and all damages to fences, timber, land, and other improvements which may be suffered from the construction, operation, maintenance or removal of such pipeline. The pipeline and all other equipment and facilities constructed within

-2-

GRANTOR'S property shall conform to all government and industry standards for natural gas pipeline transmission.

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GRANTEE agrees to set and maintain visible monuments of a durable nature where the pipeline enters and leaves GRANTOR'S land, and also at any point where there is a material change in direction followed by the pipeline.

In the event the business or operation of the GRANTOR should make it necessary or desirable for GRANTOR to use the property which is subject to this easement and right of way, in a manner which would make it necessary or advisable, in GRANTOR'S opinion, to relocate any of the facilities constructed or located hereunder, GRANTEE, at its sole corporate expense, shall accomplish such relocation within six (6) months after it is notified so to do by the GRANTOR. The GRANTOR will make every effort to designate an alternate route on GRANTOR"S property. However, the GRANTOR shall not be obligated to furnish an alternate route, and the granting of this easement shall not be construed as the granting of a perpetual easemont on GRANTOR'S land. GRANTEE agrees, in the event of request by GRANTOR, that in accomplishing any relocation it will leave the property which is subject to this easement and right of way in substantially the same condition as when entered upon by GRANTEE. In case the relocation is not completed within six (6) months after notification, the GRANTOR will have the right to move the facilities or have them removed at GRANTEE'S sole expense.

All operations of GRANTEE hereunder shall be in conformance with all governmental laws and regulations. GRANTEE agrees to indemnify and hold GRANTOR harmless from any and all claims, demands, liability and suits for any and all damages to property and persons, including personal injuries or death to any and all persons arising from the GRANTEE'S exercise of this grant. GRANTOR will have liability for itself or its agents during mining, road building, construction, or any other operation, near or over this pipeline, including damage to pipe and loss of product.

-3-

As a further consideration for the grant and conveyance of this easement and right of way, the GRANTEE does hereby agree to furnish gas to the GRANTOR from GRANTEE'S pipeline for use in connection with GRANTOR'S operations in the vicinity at a rate to be negotiated at the time GRANTEE supplies such natural gas to GRANTOR. In such event, the rate shall not exceed the going rate at the time of supplying such natural gas than that which is charged to any other parties for the type and use for which it is being supplied. Cost of procuring and laying any such service line shall be in accordance with GRANTEE'S tariffs, rules and regulations then on file with the Colorado Public Utilities Commission.

TO HAVE AND TO HOLD the same unto the GRANTEE, its successors and assigns, subject to all existing easements on, over and across said lands without any warranties whatsoever, so long as the pipeline installed hereunder shall be used for the purposes aforecaid, and subject to the condition that if GRANTEE should abandon the use and operation of the aforesaid pipeline for a period of six (6) months, the easement herein granted shall immediately terminate and the full possession of the strip of land burdened with said easement and right of way shall revert to GRANTOR, its successors and assigns, without the necessity of any action on the party of the GRANTOR; provided, however after such termination GRANTEE shall at its sole cost remove its pipelines and other facilities from said land upon the request of the GRANTOR. The removal will be accomplished within six (6) months after receiving notification by the GRANTOR. In case the removal is not completed within sig (6) months, the GRANTOR will have the right to remove the facilities or have them removed at GRANTEE'S sole expense. It is further agreed and understood in the event of termination, the GRANTEE shall, within sixty (60) days, prepare and file of record a Release of this

-4-

Easement and Right of Way and shall provide GRANTOR with a copy of such Release with recording data stamped thereon.

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The terms and conditions and provisions of this agreement shall extend to and be binding upon the parties hereto, their successors, administrators or assigns. The rights of this agreement may be assigned in whole or in part by GRANTEE only to a parent, subsidiary or other company affiliated with GRANTEE.

IN WITNESS WHEREOF, the parties hereto have executed this agreement this  $\frac{18}{18}^{24}$  day of <u>august</u>, 1980.

John W. Savage

EXECUTED on behalf of ROCKY MOUNTAIN NATURAL GAS COMPANY, INCORPORATED, represented by <u>Allen L. Rholes, V. P. Perattors</u>, on the <u>29+h</u> day of <u>August</u>, 1980.

ROCKY MOUNTAIN NATURAL GAS CO., INC.

By: Vice President - Operations

STANE OF COLORADO SS. COUNTY OF GARFIELD On this 18th day of August, 1980, before me personally appeared John W. Savage and Joan L. Savage to me known to be the

they executed the same as their free act and deed.

anuñssion ezpires March 26, 1983

Mulliene Notary Public 29.1984 My commission expires May

-5-

### "EXHIBIT A"

A fifty (50) foot wide right-of-way and easement located in Tract 38 of Section 5, Tract 48 of Section 17, and Tract 49 of Sections 17, 19, and 20, T7S, R97W, 6th PM, Garfield County, Colorado with the centerline of said right-of-way and easement being described as follows:

Beginning at a point on the north line of Tract 38, Section 5, T7S, R97W, 6th PM which bears East, 947.0

feet from the Northwest corner of said Section 5; thence S 4<sup>0</sup> 07' E, 1,763.0 feet; thence S 2<sup>0</sup> 15' W, 2,618.6 feet; thence S 16<sup>0</sup> 11' E, 855.6 feet to a point on the south line of Tract 38, Section 5, T7S, R97W, 6th PM which bears East, 1,204.9 feet from the Southwest corner of said Section 5.

Description continues beginning at a point on the west line of Tract 48 of Section 17, T7S, R97W, 6th PM which bears S  $85^{\circ}$  38' W, 796.1 feet from the North ½ corner of said Section 17;

thence N  $89^{\circ}$  35' E, 73.2 feet; thence S  $8^{\circ}$  41' E, 349.3 feet; thence S  $1^{\circ}$  44' W, 796.6 feet;

thence S 15° 49' W 436.2 feet to a point on the west line of Tract 48, Section 17, T7S, R97W, 6th PM which bears S  $44^{\circ}$  32' W, 2,563.5 feet from the Northwest corner of said Section 17.

Description continues beginning on the north line of Tract 48 (and SW4) of Section 17. T7S, R97W, 6th PM which bears S  $25^{0}$  38' E, 3,062.1 feet from the Northwest corner of said Section 17;

thence S 30° 43' W, 1,534.0 feet to a point on the south line of Tract 48, Sectio: 17, T7S, R97W, 6th PM which bears S  $7^0$  34' W, 4,115.2 feet from the Northwest corner of said Section 17.

Description continues beginning at a point on the east line of Tract 49 of Section 17, T7S, R97W, 6th PM which bears N  $19^{\circ}$  37' E, 1,250.2 feet from the Southwest corner of said Section 17; thence S 30<sup>0</sup> 43' W, 265.7 feet; thence S 47<sup>0</sup> 53' E, 177.1 feet to a point on

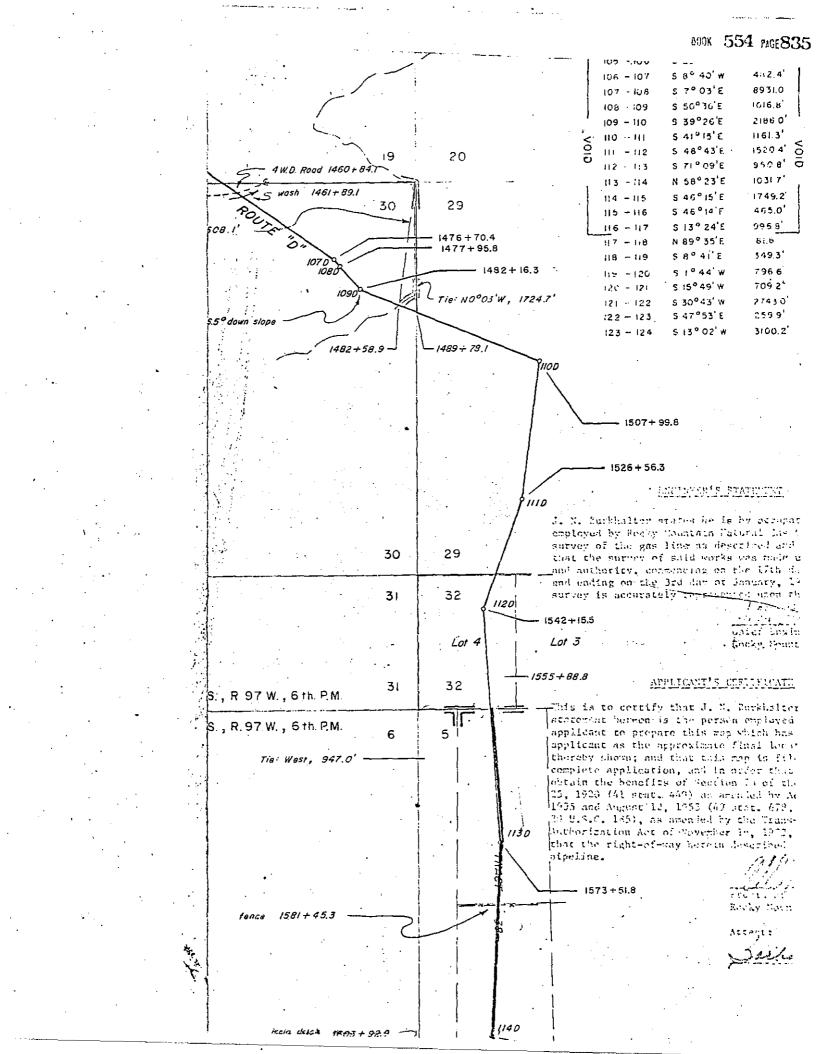
the east line of Tract 49, Section 17, T7S, R97W, 6th PM which bears N  $26^{\circ}$  35' E, 928.6 feet from the Southwest corner of said Section 17.

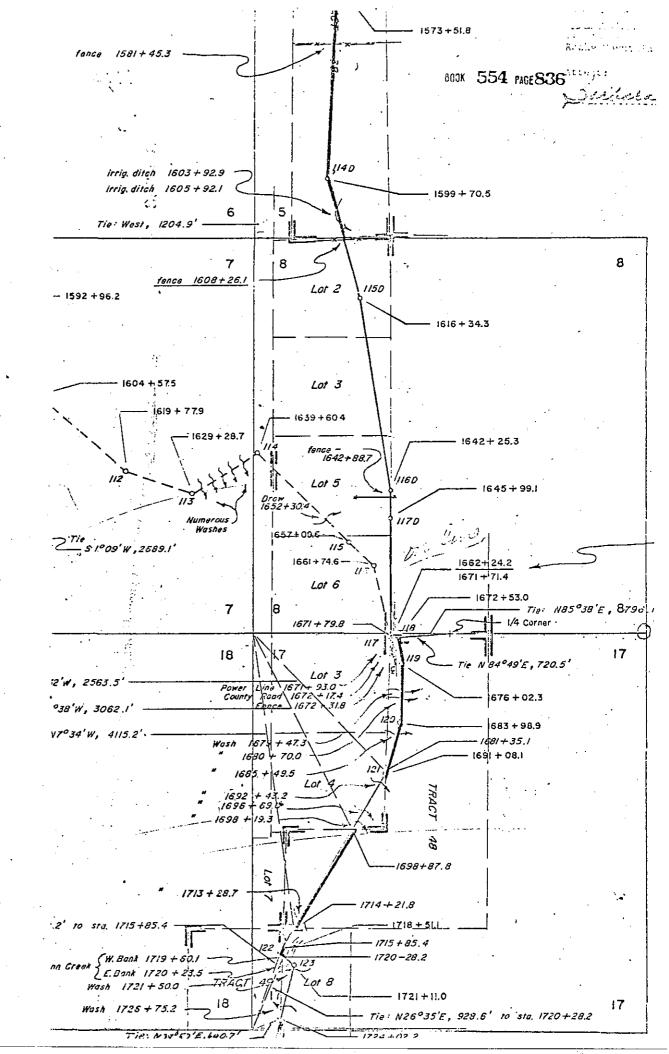
Description continues beginning at a point on the east line of Tract 49 of Section 17, T7S, R97W, 6th PM which bears N 39° 57' E, 640.7 feet from the Southwest corner of said Section 17;

thence S  $13^{\circ}$  02' W, 3,100.2 feet; thence S  $26^{\circ}$  38' W, 1,756.0 feet to a point on the west line of Tract 49 of Section 19, T7S, R97W, 6th PM which bears N  $32^{\circ}$  22' W, 1,792.8 feet from the Southeast corner of said Section 19.

Total described centerline length of right-of-way and easement equals 13,725.5 feet and 832 rods with an area of 15,7547 acres,

If the rights granted herein should at any time interfere with the operations of Grantors, their successors or assigns on the lands involved, Grantee agrees to move and relocate, to other lands of Grantors, any such pipeline and other facilities located on the right of way easement being granted herein, any such move and relocation to be as directed by Grantors, their successors or assigns, with such relocation to be at Grantee's sole cost and expense, and such relocation to be completed within six (6) months of Grantee's receipt of Grantors' notice of that portion of the pipeline in conflict.





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### **RIGHT OF WAY AND EASEMENT**

JOAN L. SAVAGE, SAVAGE LIMITED PARTNERSHIP I, DANIEL W STROOCK and SUE ERPF VAN DE BOVENKAMP, referred to as "GRANTORS," for and in consideration of one dollar in hand paid and other good and valuable consideration the sufficiency of which is hereby acknowledged, do hereby convey and grant to TRANSCOLORADO GAS TRANSMISSION COMPANY, a Colorado partnership, referred to as "GRANTEE," a right of way 50 feet in width and a temporary construction easement 75 feet in width for the purpose of constructing, maintaining, operating, inspecting, using, repairing and removing one 22-inch pipeline authorized by FERC Order issued June 3, 1994, 67 FERC ¶ 61,301 (1994), and appurtenances incidental thereto, referred to collectively as the "Facilities," for the transportation of natural gas and associated liquids and gases on, over, under, across and through the following described real property situated in the County of Garfield, State of Colorado, **Legetherwith an exement for ingrous and organe to**, wijt:

Being In Sections 5, 17, and 19, Township 7 South, Range 97 West, 6th P.M., the here approximate centerline of which is more specifically described as follows:

See "EXHIBIT A" attached hereto and made a part hereof.

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TO HAVE AND TO HOLD for so long as used by GRANTEE for the purposes of this grant and for two years thereafter, subject to the following additional terms and conditions:

- GRANTEE shall have right of ingress and egress along the right of way for the purposes above set forth, provided that if any part of the right of way or any area adjacent thereto should be, or become, a part of GRANTOR'S oil shale operations of whatsoever nature, GRANTEE may, except in cases of emergency, enter said premises only after giving notice to GRANTOR of its intent to do so.
- 2. GRANTOR hereby reserves unto itself the right to use and enjoy the surface, so long as such use does not unreasonably interfere with Grantee's use, such permissible use by Grantor to include, the right to erect or construct on or across this right of way above-ground, grade-level or underground pipelines, power lines, telephone lines, road crossing or any other facilities necessary for GRANTOR's operations; provided, however, such lines shall be installed not closer than three feet from Grantor's pipelines in a parallel direction nor closer than one foot in a crossing direction and, provided, further, that prior to any excavation of the right of way, GRANTOR shall comply with the notice provisions of Colorado law with respect to excavations on or near underground utility facilities.
- 3. GRANTEE agrees that the pipeline shall be buried with a minimum covering of 36 inches or such depth permitted by the federal Pipeline Safety Act and regulations thereunder. The above-ground pipe and support structures shall blend in with the landscape. GRANTEE also agrees to pay any and all damages to fences, timber, land, and other Improvements which may be suffered from the construction, operation, maintenance or removal of the pipeline. The pipeline and all other equipment and facilities constructed within GRANTOR'S property shall conform to all applicable government and industry standards for natural gas pipeline transmission. GRANTEE shall repair or replace all fences and ditches to as good or better condition as existed prior to GRANTEE's activities on the property. GRANTEE shall reclaim and revegetate all disturbed areas to at least the minimum standards imposed by Bureau of Land Management for comparable habitats, except that irrigated hay fields are to be revegetated with species comparable and compatible with existing vegetation in non-disturbed areas. GRANTEE shall also be responsible for all weed control in disturbed areas until fully revegetated.
- 4. GRANTEE agrees to set and maintain visible monuments of a durable nature where the pipeline enters and leaves GRANTOR'S land, and also at any point where there is a material change in direction followed by the pipeline.

Return to: TransColorado 1832 S. Townsend Ave. Montrose, CO 81401

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- 5. In the event the business or operation of GRANTOR should make it necessary or desirable for GRANTOR to use the property which is subject to this Right of Way and Easement, in a manner which would make it necessary or advisable, in GRANTOR'S opinion, to relocate any of the facilities constructed or located hereunder, GRANTEE, at GRANTOR'S expense, shall accomplish such relocation within six months after it is notified so to do by GRANTOR. GRANTOR must provide an alternate route on GRANTOR'S property and execute a grant therefor. GRANTEE agrees, in the event of request by GRANTOR, that in accomplishing any relocation it will leave the property which is subject to this Right of Way and Easement in substantially the same condition as when entered upon by GRANTEE, or GRANTEE may abandon in place its existing Facilities.
- 6. All operations of GRANTEE or GRANTOR hereunder shall be in conformance with all governmental laws and regulations. GRANTEE agrees to Indemnify and hold GRANTOR harmless from any and all claims, demands, liability and suits, collectively referred to as "Liability," for any and all damages to property and persons, including personal injuries or death to any and all persons arising from GRANTEE'S negligence or willful misconduct excluding any Liability caused by GRANTOR'S negligence or willful misconduct. GRANTEE shall, within 60 days of termination of this grant, prepare and file of record a release of this Right of Way and Easement and shall provide GRANTOR with a copy of such release with recording data stamped thereon.
- 7. The terms and conditions and provisions of this grant shall extend to and be binding upon the parties hereto, their successors, administrators or assigns. The prevailing party in any litigation arising out of this grant or the activities of Grantee on the property, shall be awarded its costs, expenses and attorney's fees.

In WITNESS WHEREOF, the parties hereto have executed this Right of Way and Easement this \_\_\_\_ day of July, 1998.

JOAN L. SAVAGE

SAVAGE LIMITED PARTNERSHIP I

Savage

DANIEL W. STROOCK SUE ERFEYAN DE BOVENKAMP

I -By W. Savage Attorney in Fact

TRANSCOLORADO GAS TRANSMISSION

TRANSCOLORADO, INC., partner Bv

ATTEST:

By & W. DeBemardi Ric

Connie C. Holbrook Secretary Vice President - Technical Support



SS.

STATE OF COLORADO

### COUNTY OF GARFIELD

On this  $31^{\circ}$  day of July, 1998, personally appeared before me Joan L. Savage known to me take the signer of the foregoing Right of Way and Easement, and acknowledged to me that she experiment document.

Lile & Var

My commission expires:

10/19/2000

On this <u>31</u><sup>o</sup> day of July, 1998, personally appeared before me Joan L. Savage, general partner of Savage Limited Partnership I, known to me to be the signer of the foregoing Right of Way and Easen acknowledged to me that she executed this document.

MLA I. Notary Public RRINGTON

PARRINGTON

COLO

My commission expires:

10/19/2000

On this Martin de Bovenkamp and Daniel W. Stroock, John W. Savage, Attorney in Fact, known to me to be the signer of the foregoing Right of Way and Easement; and acknowledged to me that he executed this document.

ARY NILA I. otary Public ARRINGTO

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My commission expires:

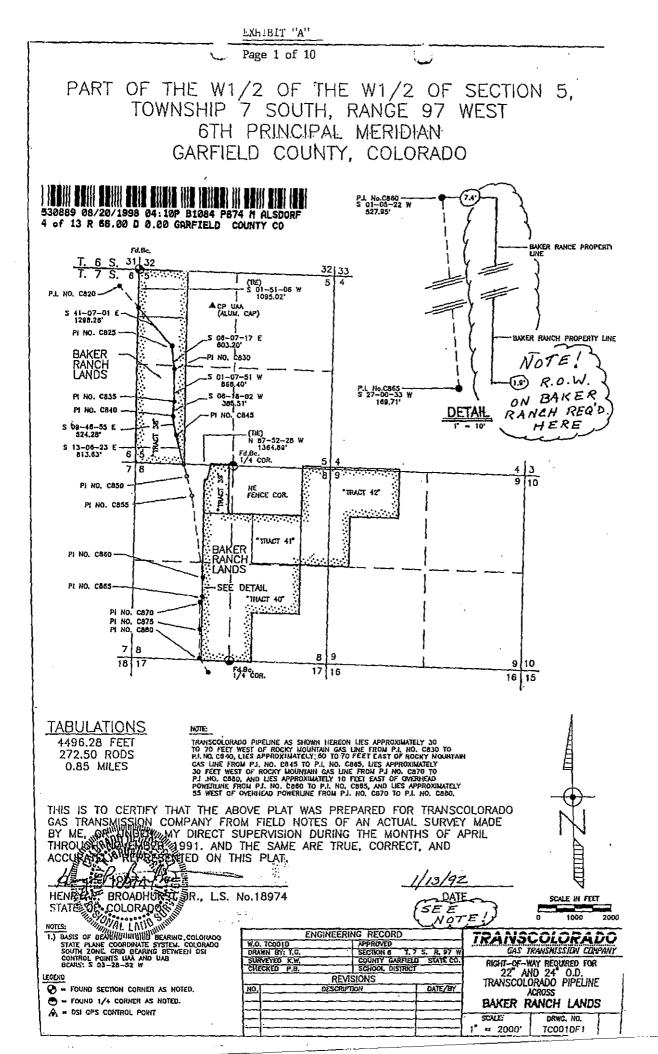
10/19/200

On this  $\cancel{U}_{\rm vir}$  day of  $\cancel{u}_{\rm vir}$  ( $U^{*,14/2}$ ) Technical Support, for Questar TransColorado, Inc., a partner of TransColorado Gas Transmission Company, a Colorado partnership, known to me to be the signer of the foregoing Right of Way and Easement, and acknowledged to me that he executed this document on behalf of said partnership.

Notary Public



R97-036\SAVAGE.ROW



<u>EXHIBIT "A"</u> Page 2 of 10





R. HOWARD DAGGETT Registered Land Sunveyor

New Mexico License No. 9679

Daggett Surveying, Inc.

CORPORATE OFFICE: P.O. Box 2789 Farmington, New Mexico 87499-2789 Phone: 605-326-1772 Fax: 505-326-6019

LEGAL DESCRIPTION OF A GAS PIPELINE RIGHT-OF-WAY ACROSS BAKER RANCH LANDS FOR TRANSCOLORADO GAS TRANSMISSION COMPANY LAKEWOOD, COLORADO JANUARY 1992

A strip of land situated in Section 5, of Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northwest corner of Said Section 5, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

THENCE: S 01-51-06 W a distance of 1095.02 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the West line of the Northwest Quarter of the Northwest Quarter of Said Section 5 and the Westerly line of Baker Ranch lands; THENCE: S 41-07-01 E a distance of 1298.26 feet; S 06-07-17 E a distance of 603.20 feet; THENCE: THENCE: S 01-07-51 W a distance of 868.40 feet; S 06-18-02 W a distance of 388,51 feet; THENCE: S 09-46-55 E a distance of 524.28 feet; THENCE: S 13-06-23 E a distance of 813.63 feet; THENCE:

To a point on the South line of the Southwest Quarter of the Southwest Quarter of Said Section 5 and on the Southerly line of Baker Ranch lands N 87-52-28 W a distance of 1364.89 feet from the South Quarter corner of Said Section 5, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

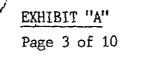
The total length of the gas pipeline right-of-way across Baker Ranch lands as described above is 4496.28 feet or 272.50 rods or 0.85 miles more or less.

The above described strip of land shall be shortened or extended to commence on the Westerly line and to terminate on the Southerly line of Baker Ranch lands.

HENRY P. BROADHURST, JR. Registered Lond Surveyor Colorado License No. 18974 ROCKY MOUNTAIN OFFICE: 2487 Industrial Blod. Grand Junction, Colorado 81505 \$03-242-0201

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Pipeiines • Well Locations • Baundary Surveys • Topographic Surveys





The above description was prepared under the supervision of Henry P. Broadhurst, Jr., Colorado Professional Land Surveyor No. 18974 from the results of an actual field survey and plat, as prepared for TransColorado Gas Transmission Company, Drawing No. <u>AC#28626</u>, Dated January, 1992.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System Colorado Central zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

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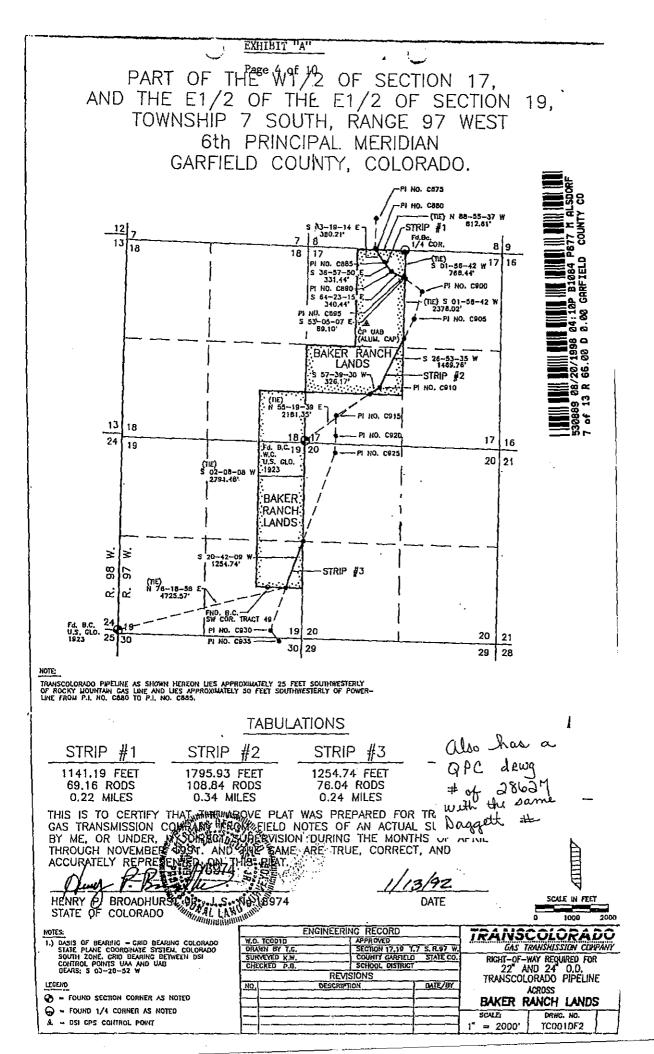




EXHIBIT "A" Page 5 of 10

R. HOWARD DAGGETT Registered Lund Surveyor New Mexico License No, 9679 Daggett Surveying, Inc.

CORPORATE OFFICE: P.O. Box 2789 Farmington, New Mexica 87499-2789 Phone: 505-326-1772 Fax: 505-326-6019

LEGAL DESCRIPTION OF A GAS PIPELINE RIGHT-OF-WAY ACROSS BAKER RANCH LANDS FOR TRANSCOLORADO GAS TRANSMISSION COMPANY LAKEWOOD, COLORADO JANUARY 1992 STRIP 1

A strip of land situated in Section 17, of Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the North Quarter corner of Said Section 17, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

THENCE: N 88-55-37 W a distance of 812.61 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the North line of the Northeast Quarter of the Northwest Quarter of Said Section 17 and the Northerly line of Baker Ranch lands; THENCE: S 33-19-14 E a distance of 380.21 feet; THENCE: S 36-57-50 E a distance of 331.44 feet; THENCE: S 64-23-15 E a distance of 340.44 feet; THENCE: S 53-05-07 E a distance of 89.10 feet;

To a point on the East line of the Northeast Quarter of the Northwest Quarter of Said Section 17 and on the Easterly line of Baker Ranch lands S 01-56-42 W a distance of 768.44 feet from the North Quarter Corner of Said Section 17, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

The total length of the gas pipeline right-of-way across Baker Ranch lands as described above is 1141.19 feet or 69.16 rods or 0.22 miles more or less.

The above described strip of land shall be shortened or extended to commence on the Northerly line and to terminate on the Easterly line of Baker Ranch lands.

HENRY P. BROADHURST, JR. Registered Land Surveyor Colorado License No. 18974 ROCKY MOUNTAIN OFFICE: 2487 Industrial Blod. Grand Junction, Colorado 81505 303-242-0201

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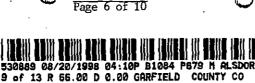


EXHIBIT "A"

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The above description was prepared under the supervision of Henry P. Broadhurst, Jr., Colorado Professional Land Surveyor No. 18974 from the results of an actual field survey and plat, as prepared for TransColorado Gas Transmission Company, Drawing No. <u>MC#28664</u>, Dated January, 1992.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System Colorado Central zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

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A EXHIBIT "A" Page 7 of 10



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Daggett Surveying, Inc.

R. HOWARD DAGGETT Registered Lond Surveyor New Mexico License No. 9679

LEGAL DESCRIPTION OF A GAS PIPELINE RIGHT-OF-WAY ACROSS BAKER RANCH LANDS FOR TRANSCOLORADO GAS TRANSMISSION COMPANY LAKEWOOD, COLORADO JANUARY 1992 STRIP 2

A strip of land situated in Section 17, of Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the center line of said strip of land being described as follows:

COMMENCING at the North Quarter corner of Said Section 17, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument.

THENCE: S 01-56-42 W a distance of 2376.02 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the East line of the Southeast Quarter of the Northwest Quarter of Said Section 17 and the Easterly line of Baker Ranch lands;
THENCE: S 26-53-35 W a distance of 1469.76 feet;
THENCE: S 57-39-30 W a distance of 326.17 feet;

To a point on the South line of the North half of the Southwest Quarter of Said Section 17 and on the Southerly line of Baker Ranch lands N 55-19-39 E a distance of 2181.35 feet from the Southwest corner of Said Section 17, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped W.C. U.S. GLO 1923.

The total length of the gas pipeline right-of-way across Baker Ranch lands as described above is 1795.93 feet or 108.84 rods or 0.34 miles more or less.

The above described strip of land shall be shortened or extended to commence on the Easterly line and to terminate on the Southerly line of Baker Ranch lands.

The above description was prepared under the supervision of Henry P. Broadhurst, Jr., Colorado Professional Land Surveyor No. 18974 from the results of an actual field survey and plat, as prepared for TransColorado Gas Transmission Company, Drawing No. <u>GreatCov</u>, Dated January, 1992.

HENRY P. BROADHURST, JR. Registered Land Surveyor Colorado License No. 18974 ROCKY MOUNTAIN OFFICE: 2487 Industrial Blvd. Grand Junction, Colorado 81505 303-242-0201

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CORPORATE OFFICE:

Farmington, New Mexico 87499-2789

P.O. Box 2789

Phone: 505-326-1772 Fax: 505-326-6019

Pipelines • Well Locations • Boundary Surveys • Topographic Surveys

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System Colorado Central zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

EXHIBIT "A" Page 8 of

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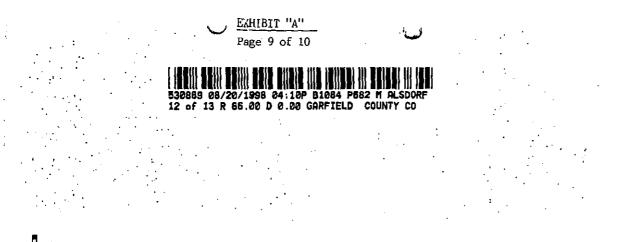
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Daggett Surveying, Inc.

CORPORATE OFFICE. P.O. Box 2189 Farmington, New Mexico 87499-2789 Phone: 605-325-1772 Fax: 505-326-6019

R. HOWARD DAGGETT Registered Land Surveyor New Mexico License No. 9679

LEGAL DESCRIPTION OF A GAS PIPELINE RIGHT-OF-WAY ACROSS BAKER RANCH LANDS FOR TRANSCOLORADO GAS TRANSMISSION COMPANY LAKEWOOD, COLORADO JANUARY 1992 STRIP 3

A strip of land situated in Section 19, of Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northeast corner of Said Section 19, Township 7 South, Range 97 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped W.C. U.S. GLO 1923.

THENCE: S 02-08-08 W a distance of 2791.48 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the East line of Southeast Quarter of the Northeast Quarter of Said Section 19 and the Easterly line of Baker Ranch lands; THENCE: S 20-42-09 W a distance of 1254.74 feet;

To a point on the South line of the Northeast Quarter of the Southeast Quarter of Said Section 19 and on the Southerly line of Baker Ranch lands N 76-18-58 E a distance of 4725.57 feet from the Southeast Corner of Section 24, Township 7 South, Range 98 West, 6th Principal Meridian, Garfield County, Colorado, being a found standard brass monument stamped U.S. GLO 1923.

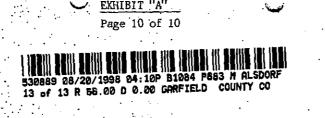
The total length of the gas pipeline right-of-way across Baker Ranch lands as described above is 1254.74 feet or 76.04 rods or 0.24 miles more or less.

The above described strip of land shall be shortened or extended to commence on the Easterly line and to terminate on the Southerly line of Baker Ranch lands.

HENRY P. BROADHURST, JR. Registered Land Surveyor Colorado License No. 18974 ROCKY MOUNTAIN OFFICE: 2487 Industrial Blvd. Grand Junction, Colorado 81505 303-242-0201

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The above description was prepared under the supervision of Henry P. Broadhurst, Jr., Colorado Professional Land Surveyor No. 18974 from the results of an actual field survey and plat, as prepared for TransColorado Gas Transmission Company, Drawing No. GK#28664, Dated January, 1992.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System Colorado Central zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

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PRODUCERS 88-PAID UP Rev. 5-60, No. 2-8pt. Spec. CO

#### OIL AND GAS LEASE

| 3520 S. Glencoe, Denver, CO 80237 |                  | , hereinafter called        | Lessor (whether one or more) and |
|-----------------------------------|------------------|-----------------------------|----------------------------------|
| Contex Energy Company             | whose address is | 1645 Court Place, Suite 212 | Denver, CO 80202                 |

hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE (\$10.00+) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenapis and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, specifically including coelled methane and any and all substances produced in association therewith from coal-bearing formations, with rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Garfield State of Colorado, described as follows, to-wit:

TOWNSHIP 7 SOUTH, RANGE 97 WEST, 6TH P.M.

Section 5: Resurvey Tract 38

Section 8: The West 20 acres of Resurvey Tract 39 less and except a 1.26 acre tract conveyed as Parcel "B" to the American Shale Refining Company in that certain deed of record in Book 142 at Page 66; Resurvey Tracts 40, and 41

Sections 8 & 9: Resurvey Tract 42

together with any reversionary rights therein, and together with all strips or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-terre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 498.73 acres, more or less.

498.73 acres, more or less.

 It is agreed that this lesse shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from soil lessed premises or on acreage pooled therewith, or drilling operations are continued as bereinafter provided. If, at the expiration of the primary term of this lesse shall not innove the new of the second premises or on acreage pooled therewith, or drilling operations are continued as bereinafter provided. If, at the expiration of the primary term of this lesse shall notinue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith, and operations shall be considered to be continuously prosecuted if not more than minety (90) days shall elage between the completion or abandomient of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this less shall not terminate if Lesso commences additional drilling or revorking operations with minety (90) days shall be discovered and produced as a result of such operations with an interty (90) days from date of completion of dry bole. If oil or gas s not being on the sease of permisses or on acreage pooled therewith. In the expiration of the primary term of the lesso thall containes thall containe in force so long as oil or gas is produced from the lessed premises or on acreage pooled therewith. In the expiration of the primary term of a subsequent well. If alter discovere all or gas to produced from the lessed premises or on acreage pooled therewith. In the expiration of the primary term of the lesse thall continue in force so long and i or gas is produced from the lessed premises or on acreage pooled therewith. In the event a well or wells is drilled and completed on the lands, or on the lands pooled therewith, for the purpos

2. This is a PARL-UP LEASE. In consideration of the down cash payment, Lesson argues that Lesson shall be boblighted, except as otherwise provided brevin, so commense or continue any operation draining the private years using the class of the lessons, and the tolerwise of all obligation thereafter exceptions of said land as as any farst or strating by private the said said or or by filing for records a release or elesses, and the relieved of all obligation thereafter elesses. The tolerwise of all obligation thereafter elesses, the original classes of the lessons of the lessons of the lessons of the lesson of the lesson of the lesson of the lesson of the lessons. The lesson of the lessons of the lesson  of the lesson of the lessons. The lesson of lessons, and lesson of lessons of the lesson of lessons o

14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the



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holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein. 15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Gaar I. Potter, Jr., Personal Representative of the Estate of Patricia H. Potter, deceased SS#524-60-8279 **SS#** 16-6531476 M SSTATA STATE of Colorado ACKNOWLEDGEMENT-INDIVIDUAL Denver COUNTY of day of October BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 8 . 200 personally appeared Gaar I. Potter, Jr., Personal Representative of the Estate of Patricia H. Potter, deceased , to me known to be the \_ , described in and who executed the within and foregoing instrument of writing and acknowledged to me that identical person duly executed 🗡 he his free and voluntary act and deed for the uses and purposes therein set forth and in the capacity stated therein. same as IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above w My Commission Expires 04/13/2007 Notary Public **UNIVERSITY HILLS BRANCH** 2740 S. COLORADO BLVD. P.O. BOX 61038 **DENVER, CO 80222** 

After recording return to: 1645 Court Place, Suite 212 Denver, CO 80202





PRODUCERS 88-PAID L Rev. 3-60, No. 2-8pt. Spec. CO

# 1 of 2 R 11.00 D 0.00 GARFIELD COUNTY CO

## **OIL AND GAS LEASE**

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| REEMENT, Made and entered into the                | 15th day of          | September .                 | 200 _5 . by and between          |
|---------------------------------------------------|----------------------|-----------------------------|----------------------------------|
| Patricia P. Coyne, a married woman dealing in his | sole and separate pr | operty                      | <u></u>                          |
|                                                   |                      |                             | whose address is                 |
| 539 Townhouse Lane, Richardson, TX 75081          |                      | , hereinafter called        | Lessor (whether one or more) and |
| Contex Energy Company                             | whose address is     | 1645 Court Place, Suite 212 | Denver, CO 80202                 |
| bereinafter called Lessee:                        |                      |                             |                                  |

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE (\$10.00+) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, with rights of way and casements for roads, laying pipe lines, and exection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Garfield State of Colorado, described as follows, to-wit:

#### TOWNSHIP 7 SOUTH, RANGE 97 WEST, 6TH P.M.

Sect. 5: Resurvey Tract 38

Sect. 8: The West 20 acres of Resurvey Tract 39 less and except a 1.26 acre tract conveyed as Parcel "B" to the American Shale Refining Company in that certain deed of record in Book 142 at Page 66; Resurvey Tracts 40, and 41 Sect. 8 & 9; Resurvey Tract 42

together with any reversionary rights therein, and together with all strips or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 498.73 scres, more or less.

498.72 seres, more or less.

 It is agreed that this lesse shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said lessed premises or on acreage pooled therewith, or drilling operations are continued as thereinafter provided. If, at the expiration of the primary term of his lesse, oil or gas is not being produced on the lessed premises or on acreage pooled therewith, or drilling or neworking operations thereon, then this lesse shall continue in force so long as operations are being continuously proceeded on the lessed premises or on acreage pooled therewith, and operations shall be considered to be continuously proceeded to due to the primary term of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lesse shall on terminate if Lesse otherwise and premises or on acreage pooled therewith. If after discovery of oil or gas on said land or on acreage pooled therewith intert (90) days from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations with minet (90) days from date of completion of the primary term of this lesse, this lesse shall continue in force so long as oil or gas is produced from the lessed premises or on acreage pooled therewith. In the event a well or wells is drilled and completion of one theads, or on the lands poole therewith. In the event a well or wells is drilled and completion of one presence of thereafter as of other substances, even though such operations of one treadit in the producetion of hydroaer or other substances, even though such operations of an error of hydroaerboas in paying quantities, or (2) shutting in or otherwise discontinuing production from said wells to allow for a substances or underground mining affecting the drilline or wellotere.
 This is a PAID-UP LEASE. In consid

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This is a PAD-UP LEASE. In consideration of the down each payment, Lesson my using or after the primary term averander this less as a lat or any period advances or two periods of the primary term and the primary term averander this less as a lat or any period of advances or two periods of the primary term averander this less as a lat or any period of advances or two periods of the primary term averander this less as a lat or any period of advances or two periods of the period of the periods of the

14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgames, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subroasted to the rights of the

| ••                                                                                |                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| treations described herein, in<br>15. Should any o<br>compute it as Leases. The w | nsofar as said right of dower and homestead may in a<br>one or more of the parties hereinabove named as Less | essors and assigns, hereby surrender and release all right of dower and homestead in t<br>any way affect the purposes for which this lease is made, as recited herein.<br>for fail to execute this lease, it shall nevertheless be binding upon all such parties who<br>as or more or all of the parties who execute this lease as Lessor. All the provisions of the |
| DI WITNESS WHE                                                                    | RBOF, this instrument is executed as of the date first                                                       | above written.                                                                                                                                                                                                                                                                                                                                                       |
| Petricia                                                                          | P. Ceyne                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                      |
| Patricia P. Coyne<br>SS# <u>327-14</u>                                            | ,                                                                                                            | SS#                                                                                                                                                                                                                                                                                                                                                                  |
| STATE of Texas                                                                    |                                                                                                              | ACKNOWLEDGEMENT-INDIVIDUAL                                                                                                                                                                                                                                                                                                                                           |
| COUNTY of Dalla                                                                   | 5                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                   | ndersigned, a Notary Public, in and for said County a<br>tricia P. Coyne, a married woman dealing i          | nd State, on this 24 <sup>1</sup> / <sub>2</sub> day of <u>September</u> , 200 <u>3</u> ,<br>n her sole and separate property                                                                                                                                                                                                                                        |
|                                                                                   |                                                                                                              | , to me known to be the                                                                                                                                                                                                                                                                                                                                              |
| •                                                                                 | cribed in and who executed the within and foregoing                                                          |                                                                                                                                                                                                                                                                                                                                                                      |
| seme as his<br>IN WITNESS WHEE                                                    | free and voluntary act and deed for the uses and<br>EOF, I have hereunto set my hand and affixed my n-       | purposes therein set forth and in the capacity stated therein.<br>Marial seal the day and year last above written.                                                                                                                                                                                                                                                   |
| My Commission Expires:                                                            | 5/5/04                                                                                                       | Jonney E.Jerg                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                   |                                                                                                              | Notary Public:                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                   |                                                                                                              | <b>2000000000000000000000000000000000000</b>                                                                                                                                                                                                                                                                                                                         |
|                                                                                   |                                                                                                              | RODNEY E. FERGUSON                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                   |                                                                                                              | STATE OF TEXAS                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                   |                                                                                                              | My Comm. Exp. 05-05-04                                                                                                                                                                                                                                                                                                                                               |
| After recording return to:                                                        | Contex Energy Company<br>1645 Court Piace, Suite 212<br>Denver, CO 80202                                     | 000000000000000000000000000000000000000                                                                                                                                                                                                                                                                                                                              |
|                                                                                   | Poundit on ANT                                                                                               |                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                   |                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                      |
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#### PIPELINE RIGHT OF WAY AGREEMENT

THIS AGREEMENT, made and entered into as of the <u>127</u> day of <u>2004</u>, between Joan L. Savage, Savage Limited Partnership I, Daniel W. Stroock and Sue van de Bovenkamp ("GRANTOR") of P.O. Box 1926, Rifle, CO 81650 and OXY USA WTP, Inc., ("GRANTEE") of P.O. Box 27570, Houston, TX 77227-7570.

#### RECITALS

WHEREAS, Grantor owns the surface of the following described property to be crossed by the pipeline right of way granted herein, as more particularly described on Exhibit A, attached hereto and by reference, incorporated herein:

#### <u>Garfield County, Colorado</u> <u>Township 7 South, Range 97 West of the 6<sup>th</sup> P.M.</u> Section 5: Tract 38

WHEREAS, Grantee desires to install an \_\_\_Eight and one-half\_\_\_\_ inch (\_8.5\_\_\_") natural gas gathering/transmission pipeline across the lands owned by Grantor; and

WHEREAS, Grantee's use of Grantor's lands is not a use by right under any applicable Oil and Gas Lease.

#### AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants herein and other good and valuable consideration, the parties agree to the following:

#### L. GRANT:

A. GRANT: For and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt of which is hereby acknowledged, Grantor hereby grants unto Grantee, its successors and assigns, a non-exclusive easement, right-of-way and right to lay, maintain, inspect, erect, operate, and remove the pipeline described herein, and such drips, valves, fittings, meters, and other equipment and appurtenances, but not including compressors, as may be necessary for the operation, over, through, upon, under and across the lands of Grantor, subject to the representations, agreements and obligations set forth herein.

B. LIABILITY FOR ADDITIONAL INJURIES: Grantee shall be liable, for any injury to persons, property or livestock caused by or incident to the operations of Grantee,

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2 of 13 R 66.00 D 0.00 GARFIELD COUNTY CO

its agents, employees, contractors or contractors on the property, or any extraordinary damages due to spills of hazardous materials, explosions, or any other harmful activity of Grantee.

C. LIMITATIONS: This agreement is for the operations identified in this agreement only. This agreement does not grant Grantee any right to use of the property for any other operations other than those herein specified.

D. GRANTOR RESERVATION: All uses not inconsistent with the rights of Grantee, including the right to grant to third parties successive easements thereon or across said lands, are hereby reserved to Grantor.

E. WATER RIGHTS: This Agreement does not give Grantee any right to use any water or water rights of Grantor.

F. TERMINATION FOR NON-USE: This right of way easement shall terminate and all rights revert to Grantor if the pipeline has not been continuously used for a period of 2 years, except when non-use is caused by acts or circumstances beyond the control of Grantee.

## II. CONSTRUCTION DETAILS:

A. PIPELINE DETAILS:

1. Pipeline to be buried to a minimum depth of 48" below finished grade.

2. Right of way width to be 15.0 feet on either side of the herein described centerline, but with a temporary construction width of 25.0 on either side of centerline. The temporary construction easement shall expire upon completion of initial construction or 180 days from the date hereof, whichever is earlier.

3. No compressors shall be allowed without express written consent of Grantor.

4. The ROW and access roads, if any, shall be kept safe and in good order, and shall at all times be kept free of weeds, litter, and debris.

5. The initial slope of any cut or fill, other than the trench shall be no greater than 3:1.

6. All above ground equipment shall be fenced, to BLM specifications.

7. All above ground permanent structures shall be painted with appropriate colors to blend with the surrounding landscape unless otherwise required by applicable regulation.

8. Grantee shall use existing access roads and rights of way as much as reasonably practicable.

9. "Above ground" pipeline markers shall be installed at all fence, road, and ditch crossings in addition to those required by any applicable state or federal regulation.



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B. ACCESS ROADS: No new roads are anticipated for these operations.

1. Existing roads shall be upgraded to standards as described in "Surface Operating Standards for Oil and Gas Exploration and Development" 3rd Edition, Prepared by BLM/FS Rocky Mountain Regional Coordinating Committee (RMRCC) or of similar utility.

2. Pipeline right of way shall be as described on the Attachment, except that if installed along an existing road, the pipeline shall be installed to one side of the road right of way.

3. Roads shall, at all times, be properly graded, drained, and maintained by Grantee.

4. Culverts, at ditch and drainage crossing, and barrow pits shall be installed where roads cross ditches or drainages.

5. Permanent gates shall be installed at each point where Grantee's access roads intersect perimeter and cross fences. Any fences cut shall be restored to BLM fence specifications. If Grantor or Grantee chooses to lock any gates on access routes, keys will be provided to Grantee or Grantor by the party locking the gate.

6. Any roads used by Grantee, pursuant to this agreement, shall remain passable at all times, if practicable, except during actual construction.

7. Grantor shall have the right to relocate access roads to accommodate its uses of the property provided that such road relocation does not impose undue burden to Grantee. Relocated access roads shall be of similar utility, and all costs associated with such relocation, other than routine maintenance, shall be at Grantor's expense.

8. All road rights of way herein conveyed shall be for the private use of Grantee, its agents, employees, and contractors only, with no right of use by the public or for access to operations on other lands. Grantor reserves the right to use all such roads for any purpose that does not unreasonably interfere with Grantee's operations.

9. Grantee to use best available methods to limit dust from roads, pipeline rights of way, and well sites, not including hard surfacing.

10. Site Specific Conditions:

C. PIPELINES. All pipelines shall be removed upon termination, unless otherwise agreed by Grantor at the time of termination. After removal, pipeline rights of way shall be restored to original grade and the site re-vegetated to match surrounding area.

III. RECLAMATION:

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A. RECLAMATION: Grantee shall restore all disturbed areas to their original grade and vegetation immediately following completion (weather permitting) of the pipeline.

1. The ROW shall be returned to the original topography, to the extent feasible, and vegetation planted and successfully established comparable to that existing prior to construction. Cultivated fields shall be returned to pre-existing vegetation, sagebrush, brush and pinon-juniper areas shall be planted in native grasses and forbs, using BLM recommended seed mixes and horticultural practices, unless otherwise direct by Grantor.

2. All non-traveled portions of roadways and pipelines shall be seeded per BLM specifications.

3. If any subsequent disturbance of surface areas are undertaken at any time, the same reclamation and re-vegetation obligations shall apply.

4. Grantee shall be responsible for maintenance and weed control for all disturbed areas for the duration of this agreement. Any weed control or mediation required by a governmental entity shall be the responsibility of Grantee.

5. Any rocks excavated by Grantee that are too large to be incorporated into fill or reclamation shall be stockpiled at an on-site location designated by Grantor. Any useable timber, fence posts, and firewood shall be cut and stockpiled at an on-site location designated by Grantor. All slash shall be disposed of off-site, unless otherwise agreed by Grantor.

6. No debris, slash, or other materials, shall be burned or buried on the property without the express written consent of Grantor, which consent shall be obtained on a case by case basis only.

B. FINAL RECLAMATION: Upon final termination of operations on any portion of the Property, Grantee shall return roads (except permanent roads), rights of way, and sites, the use of which is to be terminated, to their original grade and vegetation. Unless Grantor requests removal, all materials including culverts and fencing (but in no event any pipeline pipe or surface facility items) installed by Grantee shall remain on the Property and shall thereafter be owned by Grantor.

1. All disturbed areas shall be re-vegetated with seed and plant mixtures, as specified for re-vegetation after initial construction.

2. All reclamation and re-vegetation, as to planting periods and seeding rates of grasses, shall, at a minimum, comply with all requirements and stipulations for similar sites, as adopted or imposed by BLM.

## IV. GENERAL PROVISIONS:

A. SURVEYS AND AS-BUILTS: Grantee agrees to provide Grantor with surveys and plans of the pipeline prior to construction and "as built" surveys after construction. The provision of a full and complete "as-built" survey is a material requirement of this Agreement. Failure to provide an "as-built" survey, within 90 days of completion of the



pipeline shall constitute a material breach of this Agreement and be grounds for termination of the grant, if not provided within 60 days of written notice to Grantee.

B. CONDUCT OF OPERATIONS: Grantee shall take all necessary steps required by state and federal regulations to prevent its operations from (i) polluting the waters of reservoirs, springs, ditches, streams or existing wells located on the Property, (ii) damaging crops, timber, or pastures, and (iii) harming or injuring any wildlife or livestock.

C. PROHIBITED ITEMS: No firearms, pets, alcohol, or illegal drugs shall be allowed on the property at any time.

D. HAZARDOUS MATERIALS INCIDENTS: Copies of all forms, notices, plans, tests or other documentation regarding any hazardous materials spills shall be provided to Grantor at the same time as filing with the COGCC, local government representative, or any other regulatory agency.

E. NOTICES: Notice by either party hereto shall be promptly given orally, and if necessary or possible, confirmed in writing and mailed to:

| GRANTOR:        | At the address specified above                                                                                                                  |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| With a copy to: | John W. Savage, Esq.; Attorney for Grantors<br>P.O. Box 1926, Rifle, CO 81650-1926<br>(970-625-1470, fax: 625-0803876-2757)<br>Savagejw@rof.net |
| GRANTEE:        | OXY USA WTP LP<br>P.O. Box 27570, Houston, TX 77227-7570<br>Ph:713 350-4866<br>Fax:7130350-4873                                                 |
|                 |                                                                                                                                                 |

Email:\_\_\_kent\_woolley@oxy.com\_\_\_\_\_

Grantor shall be provided with a copy of any transfer of ownership of the pipeline or right-of-way. A copy of any notice filed any governmental agency regarding public health and safety or emergency matters shall be delivered to Grantor at the same time.

G. INDEMNIFICATION: Grantee hereby agrees to indemnify, defend and hold Grantor and his heirs, successors and assigns harmless from and against any claims, demands, injuries, losses, damages, or liability of any nature or kind to Grantor arising out of Grantee or its agents, employees, contractors or subcontractors use of the Property in connection with its or their activities, such indemnity and hold harmless to include attorneys' fees and expenses.

H. COMPLIANCE: Grantee agrees to comply with any local, state or federal laws governing Grantee's activities on the Property.

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I. NOISE LEVELS: Noise levels shall be governed by Colorado State Law.

J. ENVIRONMENTAL COMPLIANCE: Grantee shall comply with any and all environmental laws governing such operations and agrees to indemnify and hold Grantor harmless from and against any claims of third parties alleging non-compliance with any such laws pertaining solely to Grantee's activities. Within ninety (90) days of permanent termination of use of the ROW, Grantee shall provide Grantor an environmental survey report documenting that the ROW is in compliance with applicable local, state and federal laws and regulations. Said report shall be prepared by Grantee or its consultants. Any noncompliance issues resulting from Grantee's operations that is identified in such report shall be brought into compliance within ninety (90) days of receipt of written demand by Grantors or within the time specified by any governmental agency with jurisdiction over such compliance.

K. INSURANCE: Grantee shall keep its operations insured, or comply with applicable self-insurance laws and regulations for automobile liability and workmen's compensation insurance.

L. TERMINATION: Upon termination of the rights hereby granted, Grantee shall execute and deliver to Grantor, within thirty days of written demand therefore, an acknowledgment that this agreement has been terminated. Should Grantee fail or refuse to deliver said acknowledgment, a written notice by Grantor reciting any such failure or refusal and that this agreement is terminated, shall, 60 days from the date of recording of said notice, be evidence against Grantee and all person claiming under Grantee of the termination of this agreement.

M. ASSIGNMENT: This Agreement shall inure to the benefit of and be binding on the parties hereto, their heirs, successors and assigns. Assignment by Grantee of some or all of the rights hereunder shall not release Grantee from liability hereunder, unless specifically released by Grantor in writing.

N. WAIVER OF WARRANTY OF TITLE: This agreement is made subject to any and all existing easements, rights of way, liens, agreements, burdens, encumbrances, restrictions and defects in title affecting the lands subject to this agreement. Grantor does not in any way warrant or guarantee its title to the subject lands. To the extent this agreement is deemed to be a conveyance of a real property interest, it is to be considered a grant by quit claim, without warranty.

O. SUBROGATION OF RIGHTS: Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax, or other lien on said land which would jeopardize Grantee's rights under this agreement, and thereupon be subrogated to such lien and rights incident thereto.

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P. SURVIVAL OF OBLIGATIONS: All obligations, indemnifications, duties and liabilities undertaken by Grantee hereunder shall survive for a period of five (5) years beyond the termination of this agreement.

Grante

Q. GRANTEE LIENS: Grantee shall, at its sole expense, keep the lands subject to the easement granted herein free and clear of all liens and encumbrances resulting from Grantee's and its agents' activities on the said lands and shall indemnify and hold harmless Grantor from and against any and all liens, claims, demands, costs, and expenses, including, without limitation, attorney's fees and court costs, in connection with or arising out of any work done, labor performed, or materials furnished to the pipeline.

JURISDICTION AND VENUE: The parties hereto expressly agree and R. consent to the personal jurisdiction of the State of Colorado District Court wherein the subject real property is located. This agreement shall be interpreted under the Laws of the State of Colorado.

S. ARBITRATION: Should any unresolved dispute arise as to this agreement, it shall, at the written request of either party, be arbitrated and determined according the then applicable rules and regulations of the American Arbitration Association.

T. ATTORNEY FEES: The prevailing party in any litigation, or arbitration, if applicable, regarding this agreement or the relationship created hereby shall be awarded its costs, expenses, and attorney's fees.

GRANTOR:

fran J. Savage Date: 04-22-04

STATE OF Colorado, COUNTY OF Garfield ) SS. 22nd The foregoing instrument was acknowledged before this day of APRIL \_,  $20 \, \theta Y$ , by Joan L. Savage. Witness by hand and official seal. My commission expires: SEAL: (Notary Public) 1/1la Savage Limited Partnership I By: for T. Jang ban L. Savage, general partner Date: \_

STATE OF Colorado, COUNTY OF Garfield

) ss.

| before this day of                                          |
|-------------------------------------------------------------|
| ) ss.                                                       |
|                                                             |
| before this day of                                          |
| ary Public                                                  |
| 2:                                                          |
| ) ss.<br>before this day of<br>amp. Witness by hand and<br> |
|                                                             |
| e: <u>4/08/04</u><br>artner of OXY USA WTP LP               |
|                                                             |

| Pipeline Right of Way Agreement; Grantor:                                                   | , Grantee:                                                                                 |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Lands affected:<br>Date; Page 8 of 9                                                        | 651929 05/11/2004 11:26A B1586 P813 M ALSDORF<br>9 of 13 R 66.00 D 0.00 GARFIELD COUNTY CO |
| The foregoing instrument was ac<br>20 , by <b>Joan L. S</b>                                 | knowledged before this day of Savage as general partner of Savage Limited                  |
| Partnership I.<br>Witness by hand and official seal.<br>My commission expires:<br>SEAL:     |                                                                                            |
|                                                                                             | Notary Public                                                                              |
| Daniel W. Stroock                                                                           | Z Date: $\frac{\frac{4}{26}}{2004}$                                                        |
| STATE OF Massachusetts_, COU                                                                | NTY OF Middlesen )ss.                                                                      |
| Witness by band and afficial seal<br>My comprission expires: Harwith 14                     | 2008                                                                                       |
| SEAL<br>Commonwealth of Massachusetts<br>My Commission Expires Mar 14, 2008                 | Notary Public                                                                              |
|                                                                                             | Date:                                                                                      |
| State OF, COU                                                                               | JNTY OF ) ss.                                                                              |
| The foregoing instrument was ac, 20, by Sue Van                                             | knowledged before this day of de Bovenkamp. Witness by hand and                            |
| official seal. My commission expires: SEAL:                                                 | ·                                                                                          |
|                                                                                             | Notary Public                                                                              |
| Grantor:                                                                                    | Date:                                                                                      |
|                                                                                             |                                                                                            |
| GRANTEE:                                                                                    |                                                                                            |
| OXY USA WTP LP                                                                              |                                                                                            |
| By: <u>I I Holk</u><br>As attorney if fact for OXY USA Inc.<br>STATE OF <u>TEXAS</u> , COUN | Date: <u>4/38/09</u><br>as general partner of OXY USA WTP LP<br>TY OF <u>HARRIS</u> )ss.   |
|                                                                                             |                                                                                            |

| ands affected:                                                      | , Grantee:                                                                               |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Date; Page 8 of 9                                                   | 651929 05/11/2004 11:26A B1586 P814 M ALSO<br>10 of 13 R 66.00 D 0.00 GARFIELD COUNTY CO |
|                                                                     | as acknowledged before this day of                                                       |
| , 20, by  Joar<br>Partnership I.                                    | n L. Savage as general partner of Savage Limited                                         |
| Witness by hand and official sea                                    |                                                                                          |
| My commission expires:<br>SEAL:                                     |                                                                                          |
|                                                                     | Notary Public                                                                            |
|                                                                     | Date:                                                                                    |
| Daniel W. Stroock                                                   |                                                                                          |
| STATE OF,                                                           | COUNTY OF ) ss.                                                                          |
| Witness by hand and official sea<br>My commission expires:<br>SEAL: |                                                                                          |
| Fue Van de Bovenhamme                                               | Date: $\frac{5}{3}/04$                                                                   |
| Sue Van de Bovenkamp<br>STATE OF <u>Colonado</u>                    |                                                                                          |
| STATE OF $(\partial/\partial A a \sqrt{\partial})$                  | , COUNTY OF <u>(eqn Fif 10</u> ) ss.<br>as acknowledged before this <u>3</u> day of      |
|                                                                     | Van de Bovenkamp Witness Witness and                                                     |
| official seal. My commission exp                                    | pires: 3/17/2005 00 0000000000000000000000000000000                                      |
| SEAL:                                                               | Notary Public                                                                            |
| Grantor:                                                            | Date: Date: STATE OF                                                                     |
| GRANTEE:                                                            | 40000                                                                                    |
|                                                                     |                                                                                          |
| OXY USA WTP LP                                                      |                                                                                          |

| Pipeline Right of Way Agreement; Grantor:,<br>Lands affected:,<br>Date; Page 9 of 9 | 651929 05/11/2004 11:26A B1586 P815 M ALSDORF<br>11 of 13 R 66.00 D 0.00 GARFIELD COUNTY CO |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| The foregoing instrument was acknow                                                 |                                                                                             |
| Attorney in Fact for OXY USA Inc. as Ger<br>Witness by hand and official seal. My   | neral Partner of OXY USA WTP LP.                                                            |

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Notary Public

SEAL:

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A. BYRON PUGH, III NOTARY PUBLIC, STATE OF TEXAS MY COMMISSION EXPIRES AUG. 30, 2005

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Exhibit A. R.S. 4/23/01 5988 ×802 TIMAN FINDER Кеd 79.30 ¢,₽€ G 令 引 犯 TRĂĊT 8 TRACT 86 TRAC OXY USA 64 590 łł. SAVAGE LIMITED TRACI 50 TRACT TRACTORS TRACT Л 000 Ц ska TINQER ٦. ),::57 X *"*" 7597W 1'= 1000 M CONST. SURVEYS, IN. 651929 05/11/2004 11:26A B1586 P816 M ALSDORF 12 of 13 R 66.00 D 0.00 GARFIELD COUNTY CO



## EXHIBIT "B"

### CONSTRUCTION CONSIDERATIONS / REQUIREMENTS

- 1. Park on the construction easement not on the grass.
- 2. Reseed with pure live seed.
- 3. Pick up all trash whether you dropped it or not.
- 4. Maintain all equipment in the shop, not on the range.
- 5. Operations in mud conditions will cease if 6" deep ruts are created.
- 6. Park any and all unused equipment on the R/W.
- 7. Place construction materials on the easement.
- 8. It will be Grantor's responsibility to monitor noxious weeds and take corrective action where needed.
- 9. Leave gates as they are found.
- 10. Close, fence, or guard all open holes, lines, or ditches if livestock are present.
- 11. Stop when asked.
- 12. Use only landowner pre-approved private roads.
- 13. No guns, dogs, alcohol, or drugs.



# ASSIGNMENT of RIGHT of WAY

KNOW ALL MEN BY THESE PRESENTS:

THAT, OXY USA WTP LP, hereinafter referred to as "ASSIGNOR," for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey, set over and deliver unto TRANSCOLORADO GAS TRANSMISSION COMPANY, P. O. BOX 281304, Lakewood, Colorado 80228-8304, hereinafter referred to as "ASSIGNEE," its successors and assigns, all of Assignor's right, title and interest in and to those certain rights-of-way, easements, licenses, and permits, all as more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

This ASSIGNMENT is being entered into pursuant to that certain Facility Agreement, dated January 19, 2004, between Assignor and Assignee (the "Facility Agreement"). The terms of the Facility Agreement shall not be merged or extinguished by reason of the delivery of this instrument, and shall survive the delivery hereof. To the extent that the terms of this instrument and the terms of the Facility Agreement conflict, the terms of the Facility Agreement shall control.

It is understood and agreed that this assignment of right of way is granted without warranty of title of any kind, either express or implied, and is subject to all existing easements, licenses, leases, grants, exceptions and reservations whether of record or not, affecting said premises. The rightsof-way, easements and privileges herein granted are personal to the Assignee, therefore, the subject rights-of-way, easements and privileges are indivisible and may not be assigned or transferred, in whole or in part, without the prior written consent of Assignor.

Assignor hereby agrees to defend, indemnify, and hold Assignee harmless from and against any and all liability, negligence, claims, demands, liabilities, causes of action, or damages of any kind relating to any harm, personal injury, wrongful death or property damage and all liability for environmental contamination of the properties herein identified and any noncompliance with laws and regulations relating to protection of the environment respecting those certain rights-of-way, easements, licenses, and permits all as more particularly described in Exhibit "A".

The terms and provisions of this Assignment shall extend to and be binding upon the parties hereto, and their respective successors and assigns.



663103 11/08/2004 01:50P B1637 P812 M ALSDORF 2 of 4 R 21.00 D 0.00 GARFIELD COUNTY CO

IN WITNESS WHEREOF, Assignor has executed this Assignment as of and to be effective this \_\_\_\_\_\_ day et \_\_\_\_\_\_, 2004 ("Effective Date").

## **ASSIGNOR**

**OXY USA WTP LP** 

1/00 By: \_\_\_ as

Attorney in Fact for OXY USA Inc. as general partner

**ASSIGNEE** 

TRANSCOLORADO GAS TRANSMISSION COMPANY 142 б¥ W. Mu PLASID Name: JUL VICE Title:

STATE OF Jelas COUNTY OF Hum



On this August 19 2004, before me, a notary public, in and for said county and state, personally came the above-named, Vick, In Hub , who is personally known to me and known to me to be the identical person whose name is affixed to the above instrument as attomey in fact for OXY USA Inc. as general partner forf Oxy USA WTP LP and acknowledged the instrument to be his voluntary act and deed and voluntary act and deed of said entity.

IN WITNESS WHEREOF I have hereto set my hand and affixed my notary seal the day and year last above written.

My Commission Expires

STATE OF COLORADO

C

COUNTY OF JEFFERSON

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Notary Public eerc KOULA P. HANGES NOTARY PUBLIC, STATE OF TEXAS MY COMMISSION EXPIRES AUG. 3, 2005 CARACCERCE CARACTER

before me, a notary public, in and for said county and state, personally came the On this, 2004 HUTYK , who is personally known to me and known to me to be the identical above-named, Julia W. person whose name is affixed to the above instrument as Vice President of TransColorado Gas Transmission Company and acknowledged the instrument to be his voluntary act and deed and voluntary act and deed of said entity.

WITNESS WHEREOF | have hereto set my hand and affixed above written. las Commission Expires Notary Public estimated.

#14872800

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## EXHIBIT C

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Recording Requested By and When Recorded Mail To:

OXY USA WTP LP P. O. Box 27757 Houston, Texas 77227-7757 Attn.: Colorado Landman

#### MEMORANDUM OF SURFACE USE AGREEMENT

| State of Colorado  |                            |
|--------------------|----------------------------|
| County of Garfield |                            |
| Grantors:          | Savage Limited Partnership |
|                    | Joan L. Savage             |
|                    | Daniel W. Stroock          |
|                    | Sue van de Bovenkamp       |

Grantors' Address: 5953 County Road 320 Rifle, Colorado 81650

Grantee: OXY USA WTP LP

Grantee's Address: P.O. Box 277257 Houston, Texas 77046-0506

Effective Date of Agreement:

For adequate consideration, Grantors, named above, have granted Grantee, named above certain rights to use the surface of the below described land located in Garfield County, Colorado for the drilling of oil and gas wells, the laying of pipelines, the building of roads, tanks and other structures associated with Grantee's oil and gas operations in accordance with the terms and conditions of the Surface Use Agreement.

The following lands located in Garfield County, Colorado are subject to the Surface Use Agreement:

| Township 7 South Range 97 West 6th PM                                                            | Acres  |
|--------------------------------------------------------------------------------------------------|--------|
| Tract 38                                                                                         | 159.99 |
| West 20 acres of Tract 39, Except 1.26<br>acres (as described in Deed at Book 144 at<br>Page 66) | 18.74  |
| Tract 40                                                                                         | 160.00 |
| Tract 41                                                                                         | 40.00  |
| Tract 42                                                                                         | 120.00 |
| Tract 48                                                                                         | 160.00 |

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Back

# MIN RAY, MARANARA DEN ANTANA DEN A

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| Tract 49                                   | 160.00 |
|--------------------------------------------|--------|
| Being parts of Sections 5, 8, 9, 17 and 18 | 818.73 |
| Garfield County, Colorado                  |        |

The Surface Use Agreement, with all of its terms and provisions, is referred to and incorporated into this Memorandum for all purposes. This Memorandum is placed of record for the purpose of giving notice of the Surface Use Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth by their signature, but it shall be effective as of the Effective Date.

## SURFACE OWNERS:

**`**....

|                                                              | Date:         |
|--------------------------------------------------------------|---------------|
| SAVAGE LIMITED PARTNERSHIP 1, a Colorado Limited Partnership |               |
|                                                              | Date:         |
| JOAN L. SAVAGE                                               | Date: 5/31/06 |
| DANIEL W. STROOCK                                            | ţ,            |
|                                                              | Date:         |
| SUE VAN DE BOVENKAMP                                         |               |
|                                                              |               |
|                                                              |               |
| OPERATOR:                                                    |               |
|                                                              |               |
|                                                              | Date:         |
|                                                              |               |
| By:<br>ATTORNEY-IN-FACT                                      |               |
| OXY USA WTP LP                                               |               |

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| · · · |                                                          |        |
|-------|----------------------------------------------------------|--------|
|       | 3 of 6 Rec Fee: \$31,00 Doc Fee: 0.00 GARFIELD COUNTY CO | 160.00 |
|       | Being parts of Sections 5, 8, 9, 17 and 18               | 818.73 |
|       | Garfield County, Colorado                                |        |

The Surface Use Agreement, with all of its terms and provisions, is referred to and incorporated into this Memorandum for all purposes. This Memorandum is placed of record for the purpose of giving notice of the Surface Use Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth by their signature, but it shall be effective as of the Effective Date.

SURFACE OWNERS:

SAVAGE LIMITED PARTNERSHIP 1, a Colorado Limited Partnership

JOAN L. SAVAGE

DAMIEL W. STROOCK JUE VAN DE BOVENKAMP Venta

Date: \_\_\_\_\_0-04

Date: 5-30-06

Date: \_\_\_\_

Date: 6-16-06

**OPERATOR:** 

Vat Holl

By: VICE Hollyb ATTORNEY-IN-FACT OXY USA WTP LP

Date: 5/30/06

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| Reception#: 723469<br>05/17/2007 02:03:59 PM B:1927 P:0414 Jean Albericc<br>4 gf 6 Rec Fee:\$31.00 Doc Fee:0.00 GRRFIELD COUNTY CO |                                      |                  |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------|
| ACKNOWLEDGMENTS                                                                                                                    |                                      |                  |
| STATE OF COLORADO                                                                                                                  | )                                    |                  |
| COUNTY OF GARFIELD                                                                                                                 | )§<br>)                              |                  |
| The foregoing instrument was acknowledged before me<br><u>Joan L. Savage</u><br>Partnership1. Witness my hand and official seal.   | as General Partner                   |                  |
| My commission expires: <u>April 1, 200</u> 7                                                                                       | May Ellen Jenon<br>Notary Public     | ALARY PUBLIC     |
| STATE OF COLORADO                                                                                                                  | )<br>) §                             | DIBNOWN 8        |
| COUNTY OF GARFIELD                                                                                                                 | ) 3                                  | PITE OF COLORIS  |
| The foregoing instrument was acknowledged before me<br>Savage. Witness my hand and official seal.                                  | e this <u>31sr</u> day of <u>MAY</u> | 2006, by Joan L. |
| My commission expires: April 1, 2007                                                                                               | Mary Ellen Jene<br>Notary Public     | ARY PUBLIC       |
| STATE OF MASSACHUSETTS                                                                                                             | )<br>) §                             | ELEN SA          |
| COUNTY OF                                                                                                                          | ) 9                                  | TIE OF COLOR     |
| On this day of 2000 hoters                                                                                                         | when the condensity of a start with  |                  |

On this \_\_\_\_\_\_day of \_\_\_\_\_\_2006, before me, the undersigned notary public, personally appeared Daniel W. Stroock, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_\_, to be the person whose name is signed on the preceding or attached document and acknowledged to me that he signed it voluntarily for its stated purpose.

Witness my hand and official seal.

Notary Public

My commission expires: \_\_\_\_\_.

Page 26 of 27 5/30/2006

| Reception#: 723459<br>05/17/2007 02:03:59 PM B:1927 P:0415 Jean Alberico<br>5 of 6 Reo Fee:\$31.00 Doc Fee:0.00 GARFIELD COUNTY CO |                                  |                           |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------|
| ACKNOWLEDGMENTS                                                                                                                    |                                  |                           |
| STATE OF COLORADO                                                                                                                  | )<br>)§                          |                           |
| COUNTY OF GARFIELD                                                                                                                 | )                                |                           |
| The foregoing instrument was acknowledged before me<br>Partnership1. Witness my hand and official seal.                            | thisday of<br>as General Partner |                           |
| My commission expires:                                                                                                             | Notary Public                    | _                         |
| STATE OF COLORADO                                                                                                                  | )                                |                           |
| COUNTY OF GARFIELD                                                                                                                 | )§<br>)                          |                           |
| The foregoing instrument was acknowledged before me Savage. Witness my hand and official seal.                                     | thisday of                       | <u>,</u> 2006, by Joan L. |
| My commission expires:                                                                                                             | Notary Public                    | _                         |
| STATE OF MASSACHUSETTS COLORADO                                                                                                    | )                                |                           |
| COUNTY OF BOUCLEY                                                                                                                  | )§.<br>)                         |                           |

On this <u> $31^{st}$ </u> day of <u>10000</u> 2006, before me, the undersigned notary public, personally appeared Daniel W. Stroock, proved to me through satisfactory evidence of identification, which were <u>MA D. S3301590</u> to be the person whose name is signed on the preceding or attached document and acknowledged to me that he signed it voluntarily for its stated purpose.

Witness my hand and official seal.

My commission expires: 10-24-20091.

2.2 Notary Public My Commission Expires 10-24-2009

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Page 26 of 27 5/24/2006

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| Reception#: 723469<br>05/17/2007 02:03:59 PM B:1927 P:0416 Jean Alberico<br>6 of 6 Rec Fee:\$31.00 Doc Fee:0.00 GARFIELD COUNTY CO |                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| COUNTY OF DEW YORK                                                                                                                 | )<br>)§<br>)                                                                                  |
| On this Leday of 2006, before me came individual described in and who executed the foregoing in the same.                          | Sue Van de Bovenkamp to me known to be the strument, and acknowledged to me that she executed |
| Witness my hand and official seal.                                                                                                 | Bon AL                                                                                        |
| My commission expires: MM 30, 2010                                                                                                 | Bonnie Johnson<br>Notary Public, State of New York<br>No. 01J06146862                         |
| STATE OF TEXAS<br>COUNTY OF HARRIS<br>The foregoing instrument was acknowledged before me to                                       | bis $30^{44}$ day of $MQU$ 2006, by                                                           |
| With the limited partnership.         WTP LP, a Delaware limited partnership.                                                      | as Attorney in Fact on behalf of OXY USA                                                      |
| Witness my hand and official seal.                                                                                                 | Man Domesey                                                                                   |
| My commission expires: Tec. 16,2007                                                                                                |                                                                                               |
|                                                                                                                                    | MARY J. LAMOREAUX<br>MY COMMISSION EXPIRES<br>December 16, 2007                               |
|                                                                                                                                    |                                                                                               |
|                                                                                                                                    |                                                                                               |
|                                                                                                                                    |                                                                                               |

Page 27 of 27 5/30/2006

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EXHIBIT "A TO ASSIGNMENT DATED BETWEEN 10 2004 BETWEEN / OXY USA WTP LP, and Occidental Oil and Gas Corporation AS ASSIGNOR AND TRANSCOLORADO GAS TRANSMISSION COMPANY, AS ASSIGNEE

A pipeline Right of Way across Tract No. 38 Section 5 Township 7 South Range 97 West 6<sup>th</sup> PM as granted in that certain Pipeline Right of Way Agreement from Joan L. Savage Limited Partnership I, Daniel W. Stroock and Sue van de Bovenkamp recorded May 11, 2004 in book 1586 at page 805, Clerk and Recorder, Garfield County, Colorado



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Reception#: 755852 10/06/2008 02:45:29 PM Jean Alberico 1 of 3 Rec Fee:\$16.00 Doc Fee:0.00 GARFIELD COUNTY CO

PRODUCERS 88-PAID UP Rev. No. 1 (CBG)

## **OIL AND GAS LEASE**

This Oil and Gas Lease ("Lease") is made this 4th day of September, 2008, by and between Daniel W. Stroock, whose address is 55

Frost Street, Cambridge, MA ("Lessor") and Orion Energy Partners L.P., whose address is 1675 Broadway, Suite 2000, Denver, CO

80202 ("Lessee").

WITNESSETH, For and in consideration of TEN DOLLARS, the covenants and agreements contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant, demise, lease and let exclusively unto said Lessee, with the exclusive rights for the purposes of, exploring by geophysical and other methods and operating for and producing therefrom oil and all gas of whatsoever nature or kind (including coalbed gas), and laying pipelines, building tanks, , power stations, roadways and structures thereon to produce, save and take care of said products, and the exclusive surface or subsurface rights and privileges related in any manner to any and all such operations, all that certain tract or tracts of land situated in Garfield County, State of Colorado described as follows, to wit:

Township 7 South, Range 97 West, 6th P.M. Resurvey Tract 39: The east 20,36 acres (formerly described as the cast 20 acres of the NE/4NW/4 of Section 8) **Resurvey Tract 48 Resurvey Tract 49** 

Containing 340.36 acres, more or less (the "Premises").

- 1. It is agreed that this Lease shall remain in full force for a term of five (5) years from this date ("Primary Term") and as long thereafter as oil or gas of whatsoever nature or kind is produced in paying quantities from the Premises or on acreage pooled or unitized therewith, or operations are continued as hereinafter provided. If, at the expiration of the Primary Term, oil or gas is not being produced from the Premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling or reworking operations thereon, then this Lease shall continue in force so long as such operations are being continuously prosecuted. Operations shall be considered to be continuously prosecuted if not more than one hundred eighty (180) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on the Premises or on acreage pooled or unitized therewith, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred eighty (180) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the Primary Term, this Lease shall continue in force so long as oil or gas is produced in paying quantities from the Premises or on acreage pooled or unitized therewith. If this lease has not sooner terminated, then effective as of one (1) year after expiration of the primary term, this lease shall terminate as to all leased lands except those lands that are included in a 40.00 acre tract, more or less, on which is legated a well producing or capable of producing oil and or gas in paying quantities. For purposes of this Lease, Resurvey Tract 39 shall be considered to be a 40 acre tract, Resurvey Tract 48 shall be considered to contain four 40.00 acre tracts and Resurvey Tract 49 shall be considered to contain four 40.00 acre tracts. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than 180 days shall elapse between the completion of abandonment of one well and the beginning of operations for the drilling of another well.
- 2. This is a PAID-UP LEASE. In consideration of the payment made herewith, as specified by separate agreement, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the Primary Term surrender this Lease as to all or any portion of the Premises and as to any strata or stratum, by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.
- 3. Lessee covenants and agrees to pay royalty to Lessor as follows:

(a)On oil, to deliver to the credit of Lessor, free of cost on the lease if sold on the Premises or free of cost into the pipeline to which Lessee may connect wells at first point of sale, the equal twenty five per-cent (25%) part of the gross proceeds of all oil produced from the Premises.

> Please return to: Orion Energy Partners L P 1675 Broadway, Suite 2000 Denver, Colorado 80202

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(b)On gas of whatsoever nature or kind, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, twenty-five per-cent (25%) of the gross proceeds realized by Lessee from first point of sale. "Sale" shall be defined, for the purposes of this Lease, as a sale at a marketplace to an entity not affiliated with the Lessee in a transaction in which all obligations and requirements of both parties to the sale are monetized in the price.

(c)On products produced from the Premises Lessee shall pay, as royalty, twenty-five percent (25%) of the gross proceeds realized by Lessee from first point of sale.

(d)Lessee shall have the right to withhold Lessor's actual taxes. Lessor's tax shall be calculated by multiplying Lessor's royalty percentage by the actual tax paid by Lessee. Lessee shall reconcile deductions made from remittances to Lessor with the actual tax paid. Any difference between deductions and actual taxes paid by Lessee shall be refunded to Lessor.

- (e) Lessor may take production in kind, at Lessor's election, such election shall be made by informing Lessee in writing thirty (30) days prior to a change in election, and such change shall be made for a minimum period of six (6) months. If Lessor elects to take-in-kind Lessee shall deliver Lessor's share of production free of all cost compressed into the Enterprise pipeline, or a transmission pipeline of equal utility and location. Lessor's share of production shall be delivered into the Enterprise pipeline in the same condition and state as Lessee's share of production.
- 4. Where gas from a well capable of producing gas is not produced or used after the expiration of the Primary Term, Lessee shall pay or tender as royalty to Lessor at the address set forth above One Dollar (\$100.00) per year per net mineral acre, such payment or tender to be made on or before the anniversary date of this Lease next ensuing after the expiration of ninety (90) days from the date such well is shut in or dewatering operations are commenced and thereafter on or before the anniversary date of this Lease during the period such well is shut in. Shut in shall be limited to two (2) years. If well (s) are shut in for more than two (2) years any drilling units not held by production in paying quantities shall be released.
- 5. If Lessor owns a lesser interest in the Premises than the entire and undivided fee simple estate therein, then the royalties, including any shut-in Gas royalty, herein provided for shall be paid Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
- 6. Lessee shall have the right to use, free of cost, gas, oil and water produced on the Premises for Lessee's operations thereon, except water from the wells, streams, lakes and ponds of Lessor. However, Lessee shall not make volumetric or cost deductions from Lessor's royalty share for compression into the Enterprise pipeline system.
- 7. Refer to Surface Use Agreement
- 8. The rights of the Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of the Premises shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessees' operations may be conducted without regard to any such division. If all or any part of this Lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner. However, all provisions and requirements in this Lease shall become the obligation of the assignee. Lessee shall give Lessor constructive notice of any assignment within 90 days.
- 9. Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, and a unit or units shall not exceed 80 acres each in the event of an oil well, or 640 acres each in the event of a gas well, plus a tolerance of ten percent (10%) to conform to government surveyed sections. Lessee shall execute in writing and record in the records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes, except the payment of royalties on production, from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

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- 10. All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this Lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation. Any delay or interruption caused by storm, flood, act of God or other event of force majeure shall not be counted against Lessee. If, due to the above causes or any cause whatsoever beyond the control of Lessee, Lessee is prevented from conducting operations hereunder, such time shall not be counted against Lessee, and this Lease shall be extended for a period of time equal to the time Lessee was so prevented, anything in this Lease to the contrary notwithstanding.
- 11. Lessor agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.
- 12. The word "Lessor", as used in this Lease, shall mean any one or more or all of the parties who execute this Lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.
- 13. This Agreement may be executed in counterparts, and each counterpart shall be deemed to be an original, but all of which shall be deemed to be one agreement. This Agreement may be executed by fax signatures and distributed to the other Parties. Orion will disburse original signature pages to all parties at its earliest convenience.

14. Audit Rights: Lessee agrees that upon ten (10) business days written notice giving detail of the period and items to be audited, Less<u>eeor</u>, or <u>itsher</u> agent(s), shall transmit to Less<u>or</u>ee's offices or other reasonable location stated in the notice all necessary documents and records, to be specified by Lessor in said notice, to audit all payments due Lessor under this Lease. Lessor agrees that all such information provided by Lessee is confidential in nature and will not be given to any third parties, except consultants, engineers, attorneys, accountants, or other experts employed by Lessor, or as evidence in any court with jurisdiction, without written consent. This provision shall be subject to the statute of limitations set by the State of Colorado.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

By: Daniel W. Stroock

| STATE OF                                                                                     |            |
|----------------------------------------------------------------------------------------------|------------|
| COUNTY OF BOULDON STARY OUT                                                                  |            |
| The foregoing instrument was chrowledged being the this 25 day of Destender 2008 by Daniel W | . Stroock. |
| SUSAN<br>ENNIS                                                                               |            |
| My Commission Expires:                                                                       | <u> </u>   |
| My comm Exp. 7/25/2012                                                                       |            |

#### **OIL AND GAS LEASE**

This Oil and Gas Lease ("Lease") is made this 4th day of September, 2008, by and between JRMD, LLC and Savage Limited

Partnership I, 5953 County Road 320, Rifle, CO 81650 ("Lessor" whether one or more) and Orion Energy Partners L.P., whose

address is 1675 Broadway, Suite 2000, Denver, CO 80202 ("Lessee").

WITNESSETH, For and in consideration of TEN DOLLARS, the covenants and agreements contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant, demise, lease and let exclusively unto said Lessee, with the exclusive rights for the purposes of, exploring by geophysical and other methods and operating for and producing therefrom oil and all gas of whatsoever nature or kind (including coalbed gas), and laying pipelines, , building tanks, , power stations, roadways and structures thereon to produce, save and take care of said products, and the exclusive surface or subsurface rights and privileges related in any manner to any and all such operations, all that certain tract or tracts of land situated in Garfield County, State of Colorado described as follows, to wit:

#### Township 7 South. Range 97 West, 6th P.M.

Resurvey Tract 39: The west 20.36 acres (formerly described as the west 20 acres of the NE/4NW/4 of Section 8) Resurvey Tract 48 Resurvey Tract 49

Containing 340.36 acres, more or less (the "Premises").

- 1. It is agreed that this Lease shall remain in full force for a term of five (5) years from this date ("Primary Term") and as long thereafter as oil or gas of whatsoever nature or kind is produced in paying quantities from the Premises or on acreage pooled or unitized therewith, or operations are continued as hereinafter provided. If, at the expiration of the Primary Term, oil or gas is not being produced from the Premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling or reworking operations thereon, then this Lease shall continue in force so long as such operations are being continuously prosecuted. Operations shall be considered to be continuously prosecuted if not more than one hundred eighty (180) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on the Premises or on acreage pooled or unitized therewith, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred eighty (180) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the Primary Term, this Lease shall continue in force so long as oil or gas is produced in paying quantities from the Premises or on acreage pooled or unitized therewith. If this lease has not sooner terminated, then effective as of one (1) year after expiration of the primary term, this lease shall terminate as to all leased lands except those lands that are included in a 40.00 acre tract, more or less, on which is located a well producing or capable of producing oil and or gas in paying quantities. For purposes of this Lease, Resurvey Tract 39 shall be considered to be a 40 acre tract, Resurvey Tract 48 shall be considered to contain four 40.00 acre tracts and Resurvey Tract 49 shall be considered to contain four 40.00 acre tracts. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than 180 days shall elapse between the completion of abandonment of one well and the beginning of operations for the drilling of another well.
- 2. This is a PAID-UP LEASE. In consideration of the payment made herewith, as specified by separate agreement, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the Primary Term surrender this Lease as to all or any portion of the Premises and as to any strata or stratum, by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.
- 3. Lessee covenants and agrees to pay royalty to Lessor as follows:
  - (a) On oil, to deliver to the credit of Lessor, free of cost on the lease if sold on the Premises or free of cost into the pipeline to which Lessee may connect wells at first point of sale, the equal twenty five per-cent (25%) part of the gross proceeds of all oil produced from the Premises.
  - (b) On gas of whatsoever nature or kind, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, twenty-five per-cent (25%) of the gross proceeds realized by Lessee from first point of sale. "Sale" shall be defined, for the purposes of this Lease, as a sale at a marketplace to an entity not affiliated with the Lessee in a transaction in which all obligations and requirements of both parties to the sale are monetized in the price.
  - (c) On products produced from the Premises Lessee shall pay, as royalty, twenty-five percent (25%) of the gross proceeds realized by Lessee from first point of sale.
  - (d) Lessee shall have the right to withhold Lessor's actual taxes. Lessor's tax shall be calculated by multiplying Lessor's royalty percentage by the actual tax paid by Lessee. Lessee shall reconcile deductions made from remittances to Lessor with the actual tax paid. Any difference between deductions and actual taxes paid by Lessee shall be refunded to Lessor.
  - (c) Lessor may take production in-kind, at Lessor's election, such election shall be made by Lessor informing Lessee in writing thirty (30) days prior to a change in election, and such change shall be made for a minimum period of six (6) months. If Lessor elects to take-in-kind Lessee shall deliver Lessor's share of production free of all cost compressed into the Enterprise pipeline, or a transmission pipeline of equal utility and location. Lessor's share of production shall be delivered into the Enterprise pipeline in the same condition and state as Lessee's share of production.
- 4. Where gas from a well capable of producing gas is not produced or used after the expiration of the Primary Term, Lessee shall pay or tender as royalty to Lessor at the address set forth above One Dollar (\$100.00) per year per net mineral acre, such payment or tender to be made on or before the anniversary date of this Lease next ensuing after the expiration of ninety (90) days from the date such well is shut in or dewatering operations are commenced and thereafter on or before the anniversary date of this Lease during the period such well is shut in. Shut in shall be limited to two (2) years. If well (s) are shut in for more than two (2) years any drilling units not held by production in paying quantities shall be released.

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- 5. If Lessor owns a lesser interest in the Premises than the entire and undivided fee simple estate therein, then the royalties, including any shut-in Gas royalty, herein provided for shall be paid Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
- 6. Lessee shall have the right to use, free of cost, gas, oil and water produced on the Premises for Lessee's operations thereon, except water from the wells, streams, lakes and ponds of Lessor. However, Lessee shall not make volumetric or cost deductions from Lessor's royalty share for compression into the Enterprise pipeline system.

7. Refer to Surface Use Agreement

- 8. The rights of the Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of the Premises shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessees' operations may be conducted without regard to any such division. If all or any part of this Lesse is assigned, no leasehold owner shall be liable for any act or omission of any other lessehold owner. However, all provisions and requirements in this Lease shall become the obligation of the assignee. Lessee shall give Lessor constructive of any assignment within 90 days.
- 9. Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, and a unit or units shall not exceed 80 acress each in the event of an oil well, or 640 acress each in the event of a gas well, plus a tolerance of ten percent (10%) to conform to government surveyed sections. Lessee shall execute in writing and record in the records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes, except the payment of royalties on production, from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere specified, lessor shall receive on production from a unit so pooled only such portion of the royalty situated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.
- 10. All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this Lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation. Any delay or interruption caused by storm, flood, act of God or other event of force majeure shall not be counted against Lessee. If, due to the above causes or any cause whatsoever beyond the control of Lessee, Lessee is prevented from conducting operations hereunder, such time shall not be counted against Lessee, and this Lease shall be extended for a period of time equal to the time Lessee was so prevented, anything in this Lease to the contrary notwithstanding.
- 11. Lessor agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.
- 12. The word "Lessor", as used in this Lease, shall mean any one or more or all of the parties who execute this Lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.
- 13. This Agreement may be executed in counterparts, and each counterpart shall be deemed to be an original, but all of which shall be deemed to be one agreement. This Agreement may be executed by fax signatures and distributed to the other Parties. Orion will disburse original signature pages to all parties at its earliest convenience.

14. Audit Rights: Lessee agrees that upon ten (10) business days written notice giving detail of the period and items to be audited, Lessee, or her agent(s), shall transmit to Lessor's offices or other reasonable location stated in the notice all necessary documents and records, to be specified by Lessor in said notice, to audit all payments due Lessor under this Lease. Lessor agrees that all such information provided by Lessee is confidential in nature and will not be given to any third parties, except consultants, engineers, attorneys, accountants, or other experts employed by Lessor, or as evidence in any court with jurisdiction, without written consent. This provision shall be subject to the statute of limitations set by the State of Colorado.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

JRMD/LLC . Savage, Managing Paymer By

Savage Limited Partnership I

L.

Join L. Savage, as General Partner of Savage Limited Partnership

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STATE OF Colorado

**COUNTY OF Garfield** 

The foregoing instrument was acknowledged before me this 244 day of September, 2008 by John W. Savage as Managing Partner of JRMD, LLC.

MY COMMISSION EXPIRES
My Commission Expires: \_\_\_\_\_08/18/2011

Lie K- Mc alice JILL K. MCALICE

STATE OF Colorado

**COUNTY OF Garfield** 

The foregoing instrument was acknowledged before me this 211 day of September, 2008 by Joan L. Savage as General Partner of Savage Limited Partnership L

MY COMMISSION EXPIRES My Commission Expires: \_\_\_\_\_08/18/2011

Juil K. Mc alice JILL K, **M**<sup>c</sup>ALICE  $\mathbf{\alpha}$ Auros

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#### **RIGHT-OF-WAY AND EASEMENT**

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### STATE OF COLORADO

### COUNTY OF GARFIELD

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, "Savage Limited Partnership I, Joan L. Savage, General Partner" (hereinafter referred to as "Grantor", whether one or more), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration in hand paid to it by Enterprise Gas Processing. LLC., a Delaware Limited Partnership, whose address is c/o Land Department, 2727 North Loop West, Houston, Texas 77008-1044 (hereinafter referred to as "Grantee"), the receipt of which is hereby acknowledged, does hereby grant unto the said Grantee, its successors and assigns, a right-of-way and easement for the purpose of laying, constructing, maintaining, operating, repairing, inspecting, testing, abandoning in place, protecting, altering and/or removing one (1) pipeline including cathodic protection, above-ground and below-ground appurtenances, and any and all other devices, equipment and structures from time to time deemed by Grantee to be necessary or desirable in connection with the use and convenient operation and maintenance of said pipeline for the transportation of oil, gas, water, petroleum products, or any other liquids, gases or substances which can be transported through a pipeline across the following-described lands in Garfield County, Colorado, to-wit:

Tract 40 and Tract 48, T.7S., R.97W., 6th P.M. See attached Exhibit "A", and, Tract 49, T.7S., R.97W., 6th P.M. See attached Exhibit "A"

Grantee's permanent right-of-way and easement shall be thirty feet (30') in width, being fifteen feet (15') on each side of the easement centerline as described in EXHIBIT "A" attached hereto and made a part hereof. Grantee shall also have a Temporary Easement for construction purposes only, being a strip of land fifty feet (50') wide directly adjacent and parallel to one side of the right of way and easement area described in EXHIBIT "A" and shown and depicted on EXHIBIT "A". In addition to the Temporary Easement stated above the Grantee shall utilize for construction purposes only, an additional twenty five feet (25') wide by one hundred fifty feet (150') in length of Additional Temporary Easement and Workspace(s) shall terminate upon the completion of construction of said pipeline and restoration of the lands.

Together with the rights of ingress and egress to the above-described right-of-way and easement herein granted across the adjacent property of Grantor.

TO HAVE AND TO HOLD said pipeline right-of-way and easement unto Grantee, its successors and assigns, for the purposes stated above, subject to the following terms and conditions:

- 1. That in the exercise of its rights hereunder, Grantee shall: (a) bury all pipelines to provide a minimum cover of thirty-six inches (36"), (b) restore the ground surface as nearly as practicable to the original condition which existed prior to the commencement of any work by Grantee; (c) provide suitable ditch cross-overs during construction as are reasonably required by Grantor; (d) properly support each side of a contemplated fence opening by suitable post and braces before a fence is cut, and, where required, to provide a temporary gate; (e) repair in a good and workmanlike manner any and all fences and drainage and irrigation systems which are cut or damaged by Grantee; and (f) pay Grantor for any damages caused by Grantee to Grantor's growing crops, grasses, trees, shrubbery, fences, buildings or livestock as a result of the construction of Grantee's facilities.
- 2. That Grantor reserves the right to use and enjoy the surface of the right-of-way in any manner that will not prevent or interfere with the use of the right-of-way by the Grantee for any of the purposes herein above granted, it being understood that no building, structure, improvement, or obstruction shall be placed within or upon the right-of-way, and that there shall be no alteration of the ground surface or grade of the right-of-way, without the express written consent of the Grantee, and, to the extent that written permission has not been given, Grantee shall have the right to clear and keep cleared from within the right-of-way all trees, brush, undergrowth, buildings, structures, improvements, or other obstructions, after completion of pipeline installation. Grantee shall not be liable for damages caused on the right-of-way by keeping the right-of-way clear of such trees, brush, undergrowth, buildings, structure, improvements, and other obstructions in the exercise of its rights hereunder.
- 3. That Grantee shall have the right, at its option, to install gates in fences crossing said pipeline right-of-way.
- 4. That this instrument may be executed in counterparts, but which together shall constitute one and the same instrument.
- 5. It is understood and agreed that this grant is not a conveyance of the lands described herein or of any interest in the oil, gas and other minerals in, on or under said lands, but is a grant solely of the right-of-way and easement granted herein.
- 6. All fixtures, equipment, and improvements placed on or fixed to the premises by Grantee shall remain the property of Grantee and Grantee shall have the right to remove any or all of its property from the Easement.
- 7. That during maintenance and repair operations of said pipeline or appurtenances, Grantee may utilize such portions of Grantor's property, temporary work space, as may be reasonably necessary. However, after the completion of such operations Grantee shall have no further right to such temporary work space.
- 8. Grantee shall make application for and secure from any and all federal, state and local governmental authorities having jurisdiction (and during the term of this Agreement shall maintain in effect and comply with) all permits, licenses and other authorizations required for this Agreement. Grantee shall pay for all such permits, licenses and other authorizations and for all renewals.

- 9. Grantee agrees to indemnify and hold harmless Grantor from and against any and all loss, costs, damages and expenses incurred in connection with any claims, actions or proceedings arising from or related to Grantee's rights or obligations contained in the Right-of-Way and Easement, except for the negligence and willful misconduct of the Grantor and its successors and assigns.
- 10. It is agreed that this grant covers all the agreements between the parties and no representations or statements, verbal or written, have been made modifying, adding to or changing the terms of this agreement. It is understood and agreed that this easement and all rights, privileges and obligations created herein shall run with the land and shall inure to the benefit of and be binding upon the legal representatives, heirs, executors, administrators, successors, and assigns of the parties hereto.

EXECUTED AND EFFECTIVE this 16 day of \_\_\_\_\_ 200**8**.



it Ma alice Y COMMISSION EXPIRES 08/18/2011

GRANTOR:

By: <u>L. SAF</u>ABE Printed Name: Joan

By: \_\_\_\_\_\_ Printed Name: \_\_\_\_\_\_ ខ

l Jean Alberico Doo Fee:0.00 GARFIELD COUNTY

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GRANTEE:

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ommission Expires 07/02/2011

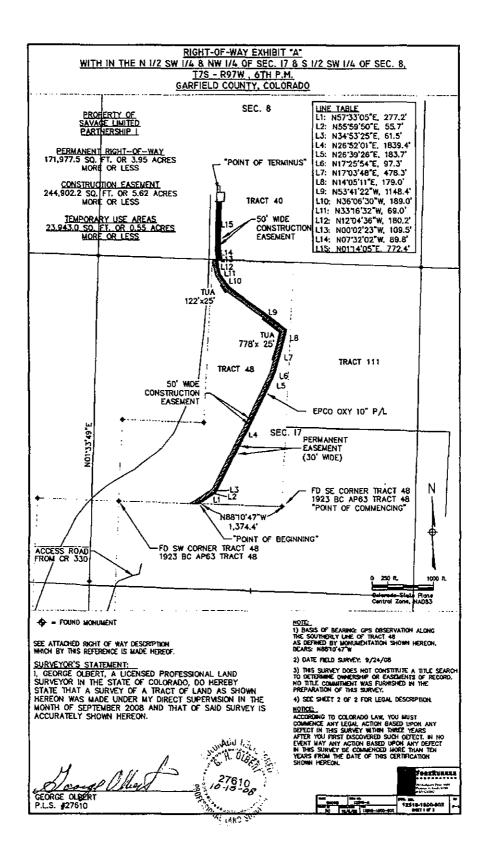
By: Michael A. TOD Printed Name: Michael A. TOD Capacity: Macurt & Attany : N FACT

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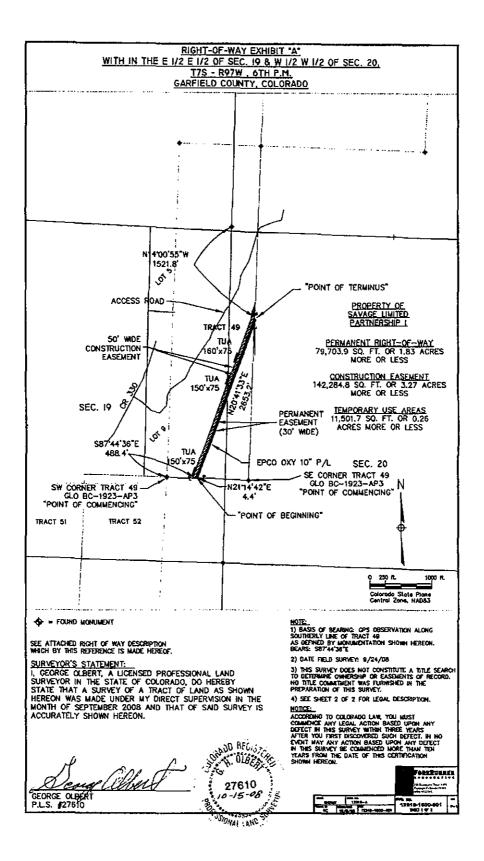
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| •                                                           | PROPERTY OF SAVAGE LIMITED PARTNERSHIP I<br>CENTERLINE DESCRIPTION FOR PROPOSED 30' WIDE RIGHT-OF-WAY AND EASEMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| í                                                           | CENTERLINE DESCRIPTION FOR PROPOSED 30' WIDE RIGHT-OF-WAY AND EASEMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                             | A PARCEL OF LAND FOR A 30' WIDE RIGHT-OF-WAY AND EASEMENT SITUATE IN THE<br>NORTH HALF OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTER<br>OF SECTION 17, TRACT 48 AND SOUTH HALF OF THE SOUTHWEST QUARTER OF<br>SECTION 8, TRACT 40, TOWNSHIP 7 SOUTH, RANGE 97 WEST OF THE<br>SIXTH PRINCIPAL MERIDIAN IN GARFIELD COUNTY, COLORADO; SAID CENTERLINE<br>BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                             | COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT 48; THENCE<br>NORTH 88'10'47" WEST ALONG THE SOUTHERLY LINE OF TRACT 48,<br>FOR A DISTANCE OF 1,374.4 FEET TO THE POINT OF BEGINNING;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                             | THENCE NORTH 57'33'05" EAST FOR A DISTANCE OF 277.2 FEET;<br>THENCE NORTH 55'59'50" EAST FOR A DISTANCE OF 55.7 FEET;<br>THENCE NORTH 34'53'25" EAST FOR A DISTANCE OF 61.5 FEET;<br>THENCE NORTH 26'39'26" EAST FOR A DISTANCE OF 1.839.4 FEET;<br>THENCE NORTH 26'39'26" EAST FOR A DISTANCE OF 183.7 FEET;<br>THENCE NORTH 17'25'54" EAST FOR A DISTANCE OF 97.3 FEET;<br>THENCE NORTH 17'03'48" EAST FOR A DISTANCE OF 478.3 FEET;<br>THENCE NORTH 14'05'11" EAST FOR A DISTANCE OF 179.0 FEET;<br>THENCE NORTH 14'05'11" EAST FOR A DISTANCE OF 1148.4 FEET;<br>THENCE NORTH 33'41'22" WEST FOR A DISTANCE OF 180.0 FEET;<br>THENCE NORTH 33'16'32" WEST FOR A DISTANCE OF 180.0 FEET;<br>THENCE NORTH 33'16'32" WEST FOR A DISTANCE OF 180.2 FEET;<br>THENCE NORTH 10'02'23" WEST FOR A DISTANCE OF 180.2 FEET;<br>THENCE NORTH 00'02'23" WEST FOR A DISTANCE OF 199.5 FEET;<br>THENCE NORTH 00'02'23" WEST FOR A DISTANCE OF 199.8 FEET;<br>THENCE NORTH 01'22'26" EAST FOR A DISTANCE OF 772.4 FEET;<br>TO THE POINT OF TERMINUS. |
|                                                             | THE ABOVE DESCRIBED PARCEL OF LAND CONTAINING 171,977.5 SQUARE<br>FEET OR 3.95 ACRES MORE OR LESS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| I, GEORGE<br>SURVEYOR<br>STATE THA<br>HEREON W/<br>MONTH OF | S STATEMENT:<br>CLEERT, A LICENSED PROFESSIONAL LAND<br>IN THE STATE OF COLORADO, DO HEREBY<br>AT A SURVEY OF A TRACT OF LAND AS SHOWN<br>AS MADE UNDER MY DIRECT SUPERVISION IN THE<br>SEPTEMBER 2008 AND THAT OF SAID SURVEY IS<br>LY SHOWN HEREON.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| GEORGE OF                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |



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| PROPERTY OF SAVAGE LIMITED PA                                                                                                                                                                                                                                     | ARTNERSHIP I                                                           |                                       |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------|----------------|
| CENTERLINE DESCRIPTION FOR PR                                                                                                                                                                                                                                     | OPOSED 30' WIDE RIGHT                                                  | -OF-WAY AND EASEM                     | ENT            |
| A PARCEL OF LAND FOR A 30' W<br>EAST HALF OF THE EAST HALF O<br>OF SECTION 20, TRACT 49, TOWN<br>SIXTH PRINCIPAL MERIDIAN IN GA<br>BEING MORE PARTICULARLY DESC                                                                                                   | OF SECTION 19 AND WES<br>ISHIP 7 SOUTH, RANGE<br>RFIELD COUNTY, COLORA | IT HALF OF THE WEST<br>97 WEST OF THE | HALF           |
| Commencing at the southeast<br>South 87°44'36° east along th<br>For a distance of 488.4 feet                                                                                                                                                                      | HE SOUTHERLY LINE OF                                                   | TRACT 49,                             |                |
| Thence north 21"14'42" East F<br>Thence north 20'41'33" East F<br>To the point of terminus.                                                                                                                                                                       |                                                                        |                                       |                |
| THE ABOVE DESCRIBED PARCEL (<br>FEET OR 1.83 ACRES MORE OR L                                                                                                                                                                                                      |                                                                        | ,703.9 SQUARE                         |                |
|                                                                                                                                                                                                                                                                   |                                                                        |                                       |                |
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|                                                                                                                                                                                                                                                                   |                                                                        |                                       |                |
|                                                                                                                                                                                                                                                                   |                                                                        |                                       |                |
| SURVEYOR'S STATEMENT:<br>I, GEORGE OLBERT, A LICENSED PROFESSIONA<br>SURVEYOR IN THE STATE OF COLORADO, DO<br>STATE THAT A SURVEY OF A TRACT OF LAN<br>HEREON WAS MADE UNDER MY DIRECT SUPER<br>MONTH OF SEPTEMBER 2008 AND THAT OF S<br>ACCURATELY SHOWN HEREON. | HEREBY<br>D AS SHOWN<br>RVISION IN THE<br>SAID SURVEY IS               |                                       |                |
|                                                                                                                                                                                                                                                                   | H. Glore                                                               |                                       |                |
| Henry Ollies 7                                                                                                                                                                                                                                                    | 27610                                                                  |                                       |                |
| GEORGE OLDERT<br>P.L.S. 127610                                                                                                                                                                                                                                    | AL IANG                                                                |                                       | 12015-1800-001 |
|                                                                                                                                                                                                                                                                   |                                                                        |                                       |                |

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#### MEMORANDUM OF SERVICES AGREEMENT

THIS MEMORANDUM OF SERVICES AGREEMENT (this "<u>Memorandum</u>") is made and entered into as of November 19, 2008 (the "<u>Effective Date</u>"), by and between ENTERPRISE GAS PROCESSING, LLC, a Delaware limited liability company ("<u>Gatherer</u>"), with an address of 1100 Louisiana, Houston, Texas 70002, and ORION ENERGY PARTNERS LP, a Delaware limited partnership ("<u>Shipper</u>"), with an address of 1675 Broadway, Suite 2000, Denver, Colorado 80202.

WHEREAS, Shipper and Gatherer entered into that certain Services Agreement dated November 19, 2008 (the "<u>Agreement</u>"), pursuant to which Gatherer will provide to Shipper gathering, treating, dehydration, compression and processing services for the Dedicated Gas (any capitalized term used, but not defined, in this Memorandum shall have the meaning ascribed to such term in the Agreement); and

WHEREAS, the Parties desire to file this Memorandum of record in the real property records of Garfield County, Colorado, to give notice of the existence of the Agreement and certain provisions contained therein;

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. <u>Notice</u>. Notice is hereby given of the existence of the Agreement and all of its terms, covenants and conditions to the same extent as if the Agreement was fully set forth herein. Certain provisions of the Agreement are summarized in Sections 2 through 5 below.
- 2. <u>Term.</u> The term of the Agreement shall commence on November 19, 2008, and unless terminated earlier in accordance with the terms and conditions of the Agreement, shall continue in full force and effect through 9:00 A.M., Central Clock Time, on January 1, 2028, and from year to year thereafter, unless and until terminated by either Party upon not less than ninety (90) days prior written notice, such termination to be effective as of the end of the Initial Term or at 9:00 A.M., Central Clock Time, on any January 1<sup>st</sup> thereafter.
- 3. Dedication. Subject to the terms and conditions of the Agreement, Shipper has dedicated for gathering, treating, dehydration, compression and processing under the Agreement, and has agreed to deliver, or cause to be delivered, to Gatherer, at the Receipt Points, (i) all Gas produced and saved from wells now or hereafter located within the area more particularly described on <u>Exhibit A</u> attached hereto (the "<u>Dedicated Area</u>") or on lands pooled or unitized therewith, to the extent such Gas is attributable to the Interests now owned or hereafter acquired by Shipper and/or its Affiliates and their respective successors and assigns and not (a) subject to a Prior Dedication or (b) delivered or used in lease operations as permitted pursuant to Section 6.4 of the Agreement, and (ii) with respect to such wells in which Shipper and/or any of its Affiliates is the operator, Gas produced from such wells which is attributable to the Interests in such wells owned by other working interest owners and royalty owners which is not taken (a) "in-kind" by

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such working interest owners and royalty owners, (b) subject to a Prior Dedication or (c) delivered or used in lease operations as permitted pursuant to Section 6.4 of the Agreement, and for which Shipper and/or its Affiliates has the obligation to deliver such Gas and only for the period that Shipper and/or its Affiliates has such obligation (collectively, "Dedicated Gas").

- 4. <u>Prior Dedications</u>. The Dedicated Gas does not include any Gas currently dedicated for gathering, treating, dehydration, compression or processing under the Prior Dedications; provided that, upon the termination of such Prior Dedications, any Gas previously subject to such Prior Dedications and described in clauses (i) and (ii) of Section 3 above, shall become Dedicated Gas under the Agreement.
- 5. <u>Covenant Running with the Land</u>. So long as the Agreement is in effect, the Agreement shall (i) be a covenant running with the Interests now owned or hereafter acquired by Shipper and/or its Affiliates within the Dedicated Area and (ii) be binding on and enforceable by Gatherer and its successors and assigns against Shipper, its Affiliates and their respective successors and assigns.
- 6. <u>No Amendment to Agreement</u>. This Memorandum is executed and recorded solely for the purpose of giving notice and shall not amend nor modify the Agreement in any way.

[Signature Pages Follow]

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IN WITNESS WHEREOF, this Memorandum has been signed by or on behalf of each of the Parties as of the day first above written.

#### **ORION ENERGY PARTNERS LP**

By:\_ Name: Daniel G. Blanchard

**Chief Financial Officer** Title:

STATE OF Colorado § § COUNTY OF Denver

The foregoing instrument was acknowledged before me by Daniel G. Blanchard, the Chief Financial Officer of Orion Energy Partners LP, a Delaware limited partnership, on \_\_\_\_ day of <u>November</u>, 2008. behalf of said limited partnership, this 19th

SARAH J. MCCABE NOTARY PUBLIC STATE OF COLORADO My Commission Expires 1/31/09

Notary Public in and for the State of <u>Colorado</u>

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ENTERPRISE GAS PROCESSING, LLC

By: Name:\_\_ Title:

STATE OF COLORADO ş COUNTY OF DENUCA

The foregoing instrument was acknowledged before me by  $\underline{GIL \ AADTKE}$ , the <u>SENIOP VICE PRESENT</u> of Enterprise Gas Processing, LLC, a Delaware limited liability company, on behalf of said limited liability company, this  $\underline{1943}$  day of  $\underline{Na}$ , 2008.

My Commission Expires 03/28/2010

wannana, frene Colden Notary Public in and for the State of Cic . م Q and an and a second

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### EXHIBIT A

#### **DEDICATED AREA**

The following lands located in Garfield County, Colorado:

T. 7 S., R. 97 W., 6th P.M. Section 5: Resurvey Tract 38 Section 8: Resurvey Tract 39, Resurvey Tract 40, Resurvey Tract 41 Sections 8 & 9: Resurvey Tract 42 Containing 518.73 acres, more or less T. 7 S., R. 97 W., 6th P.M. Resurvey Tracts 48 and 49 formerly described as: Section 17: E2NW, N2SW Section 18: SESE Section 19: E2NE, NESE Containing 320 acres, more or less

EXHIBIT A – Page 1

| eception No                                                                                                                                                                                                                                                                                                                                                                                                | ,A.U                                                                                                                                                                                            | , ato'cl                                                                                                                                                   | By                                                                                                                                                    | RECORDER .                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                 | NTY DEED                                                                                                                                                   |                                                                                                                                                       |                                                                               |
| THIS DEED, Made on this day o<br>between WAYNE RUDD                                                                                                                                                                                                                                                                                                                                                        | ofJanuary 10, 2001                                                                                                                                                                              | ,                                                                                                                                                          |                                                                                                                                                       |                                                                               |
| of the County o<br>SPECIALTY RESTAURANTS CORPOR,<br>AS TO A 20 PERCENT INTEREST                                                                                                                                                                                                                                                                                                                            | ( EAGLE<br>ATION AS TO AN 80 PER                                                                                                                                                                | and State of <u>Colo</u><br>RCENT INTEREST AND S                                                                                                           | rado<br>FOCKTON RESTAURANT COR<br>8/9/ F                                                                                                              | PORATION PALS<br>KAISER PALS<br>HEIM, CH928                                   |
| whose legal address is : Coun<br>of the Coun                                                                                                                                                                                                                                                                                                                                                               | T LA PALMA AVENUE,                                                                                                                                                                              | SUITE 250, ANAHEIM, C<br>and State of Calif                                                                                                                | A 72807<br>ornia , of the Grante                                                                                                                      | ee(s):                                                                        |
| WITNESS, That the Grantor(s)<br>*** Two Million Seven Hundred Fifty For<br>the receipt and sufficiency of whi<br>presents does grant, bargain, sell<br>real property, together with impro<br><u>GARFIELD</u> and<br>SEE EXHIBIT 'A' ATTACHED HERET                                                                                                                                                         | our Thousand and 00/100<br>ch is hereby acknowled<br>, convey and confirm to<br>vements, if any, situu<br>State of Colorado, des                                                                | ***<br>dged, has granted, barg<br>unto the Grantee(s), hi<br>ate, lying and being in<br>scribed as follows:                                                | ained, sold and conveyed, and sold and conveyed, and assigns forever                                                                                  | , all the                                                                     |
| also known as street number FIVE                                                                                                                                                                                                                                                                                                                                                                           | MILE RANCH                                                                                                                                                                                      |                                                                                                                                                            |                                                                                                                                                       |                                                                               |
| TOGETHER with all and sing<br>and the reversion and reversions,<br>title interest, claim and demand w<br>premises, with the hereditaments a<br>TO HAVE AND TO HOLD the s<br>his heirs and assigns forever. The<br>bargain, and agree to and with the                                                                                                                                                       | remainder and remaind<br>hatsoever of the Gran<br>nd appurtenances;<br>aid premises above ba<br>Grantor(s), for hims                                                                            | ers, rents, issues and<br>tor(s), either in law o<br>rgained and described w<br>elf, his heirs and pers                                                    | profits thereof; and all the<br>r equity, of, in and to the<br>ith appurtenances, unto the<br>onal representatives, does                              | e estate, right<br>above bargained<br>Grantee(s),<br>covenant, grant,         |
| of these presents, he is well seiz<br>estate of inheritance, in law, in<br>seil and convey the same in manner<br>grants, bargains, sales, liens, ta<br>EXCEPT GENERAL TAXES AND ASSE<br>ATTACHED HERETO AND INCORPOR<br>RIGHTS-OF-WAY VISIBLE AND APPA                                                                                                                                                     | ed of the premises abo<br>fee simple, and has go<br>and form as aforesain<br>xes, assessments, end<br>isSMENTS FOR THE YE<br>RATED HEREIN. AS EXF                                               | ove conveyed, has good,<br>ood right, full power a<br>d, and that the same ar<br>umbrances and restricti<br>AR 2001 AND SUBSEQUE<br>IIBIT B, AND EXCEPT AT | sure, perfect, absolute and<br>nd lawful authority to gran<br>e free and clear from all fr<br>ons of whatever kind or nat<br>NT YEARS, AND SUBJECT TO | d indefeasible<br>t, bargain,<br>ormer and other<br>ure soever,<br>EXCEPTIONS |
|                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                 |                                                                                                                                                            |                                                                                                                                                       | E3                                                                            |
| The Grantor(s) shall and will WARR<br>possession of the Grantee(s), his<br>or any part thereof. The singular<br>shall be applicable to all genders<br>IN WITNESS WHEREOF the Gr                                                                                                                                                                                                                            | heirs and assigns, ag<br>number shall include                                                                                                                                                   | ainst all and every per<br>the plural, and the plu                                                                                                         | son or persons lawfully cla<br>ral the singular, and the u                                                                                            | iming the whole<br>se of any gender                                           |
| possession of the Grantee(s), his<br>or any part thereof. The singular                                                                                                                                                                                                                                                                                                                                     | heirs and assigns, ag<br>number shall include<br>PROVIDED, HOWE<br>antor(s) has executed<br>SOUTHERLY OF TH<br>TO BE INCLUDED<br>ANTIES, BUT<br>DNLY SPECIAL                                    | ainst all and every per<br>the plural, and the plu<br>VER, THAT ALL TH<br>this deed on the date                                                            | son or persons lawfully cla<br>ral the singular, and the u<br>AT PORTION OF THE AB<br>set forth above.<br>LINE OF THE COLORADO                        | iming the whole<br>se of any gender<br>OVE*                                   |
| possession of the Grantee(s), his<br>or any part thereof. The singular<br>shall be applicable to all genders<br>IN WITNESS WHEREOF the Gr<br>DESCRIBED PROPERTY LYING<br>MEANDER LANDS") ARE NOT T<br>UITHIN THE FOREGOING WARRA<br>RE HEREBY CONVEYED WITH C<br>WARRANTY AS SUCH TERM IS D                                                                                                                | heirs and assigns, ag<br>number shall include<br>PROVIDED, HOWE<br>santor(s) has executed<br>SOUTHERLY OF TH<br>TO BE INCLUDED<br>ANTIES, BUT<br>DNLY SPECIAL<br>DEFINED IN                     | ainst all and every per<br>the plural, and the plu<br>VER, THAT ALL TH<br>this deed on the date<br>E NORTH MEANDER<br>Washe Rule                           | son or persons lawfully cla<br>ral the singular, and the u<br>AT PORTION OF THE AB<br>set forth above.<br>LINE OF THE COLORADO                        | iming the whole<br>se of any gender<br>OVE*                                   |
| possession of the Grantee(s), his<br>or any part thereof. The singular<br>shall be applicable to all genders<br>IN WITNESS WHEREOF the Gr<br>DESCRIBED PROPERTY LYING<br>MEANDER LANDS") ARE NOT T<br>ITHIN THE FOREGOING WARRA<br>RE HEREBY CONVEYED WITH C<br>ARRANTY AS SUCH TERM IS D<br>.R.S. 38-30-115.                                                                                              | heirs and assigns, ag<br>number shall include<br>PROVIDED, HOWE<br>Fantor(s) has executed<br>SOUTHERLY OF TH<br>TO BE INCLUDED<br>ANTIES, BUT<br>ONLY SPECIAL<br>DEFINED IN<br>)<br>ss.<br>LD)  | ainst all and every per<br>the plural, and the plu<br>VER, THAT ALL TH<br>this deed on the date<br>E NORTH MEANDER<br>WAYNE RUDD                           | son or persons lawfully cla<br>ral the singular, and the u<br>AT PORTION OF THE AB<br>set forth above.<br>LINE OF THE COLORADO                        | iming the whole<br>se of any gender<br>OVE*                                   |
| possession of the Grantee(s), his<br>or any part thereof. The singular<br>shall be applicable to all genders<br>IN WITNESS WHEREOF the Gr<br>DESCRIBED PROPERTY LYING<br>MEANDER LANDS") ARE NOT T<br>DITHIN THE FOREGOING WARRA<br>RE HEREBY CONVEYED WITH C<br>MARANTY AS SUCH TERM IS D<br>C.R.Ş. 38-30-115.<br>STATE OF Colorado<br>County of GARFIEL<br>The foregoing instrument was<br>by WAYNE RUDD | heirs and assigns, ag<br>number shall include<br>PROVIDED, HOWE<br>antor(s) has executed<br>SOUTHERLY OF TH<br>TO BE INCLUDED<br>ANTIES, BUT<br>DNLY SPECIAL<br>DEFINED IN<br>)ss.<br>D<br>)ss. | e on this day of <u>Janu</u>                                                                                                                               | son or persons lawfully cla<br>ral the singular, and the u<br>AT PORTION OF THE AB<br>set forth above.<br>LINE OF THE COLORADO                        | iming the whole<br>se of any gender<br>OVE*                                   |

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PARCEL A:

A PARCEL OF LAND IN THE E1/2 OF SECTION 32 AND THE W1/2 AND THE NW1/4NE1/4 OF SECTION 33, TOWNSHIP 7 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN, GARFIELD COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING ON THE SOUTH RIGHT OF WAY FOR INTERSTATE 70, PROJECT NO. i 70-1(45) SEC. 8, AT ITS INTERSECTION WITH THE WEST LINE OF THE E1/2 OF SAID SECTION 32, SAID POINT BEING SOUTH 00 DEGREES 56' 18" EAST 8.69 FEET FROM THE C-S 1/16 CORNER OF SAID SECTION 32; THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING 13 COURSES: 1. NORTH 66 DEGREES 25' 51" EAST 270.16 FEET; 2. NORTH 68 DEGREES 22' 46" EAST 625.11 FEET; 3. NORTH 52 DEGREES 51' 05" EAST 530.71 FEET; 4. NORTH 37 DEGREES 08' 21" EAST 625.69 FEET; 5. NORTH 39 DEGREES 09' 06" EAST 511.86 FEET; 6. NORTH 40 DEGREES 40' 59" EAST 587.87 FEET; 7. ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 3669.72 FEET, A CENTRAL ANGLE OF 13 DEGREES 32' 13", AN ARC LENGTH OF 867.03 FEET, THE CHORD OF WHICH BEARS NORTH 50 DEGREES 23' 43" EAST 865.01 FEET; 8. NORTH 60 DEGREES 13' 24" EAST 587.77 FEET; 9. NORTH 61 DEGREES 44' 06" EAST 522.83 FEET; 10. NORTH 61 DEGREES 29' 09" BAST 241.75 FEET; 11. NORTH 69 DEGREES 57' 36" EAST 565.71 FEET; 12. NORTH 84 DEGREES 25' 37" EAST 745.31 FEET; 13. ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 458.37 FEET, A CENTRAL ANGLE OF 37 DEGREES 43' 37", AN ARC LENGTH OF 301.82 FEET, THE CHORD OF WHICH BEARS SOUTH 66 DEGREES 02' 54" EAST 296.40 FEET TO THE NORTH RIGHT OF WAY FOR HIGHWAY 6 & 24, PROJECT NO. F 001-1(3); THENCE ALONG SAID RIGHT OF WAY SOUTH 55 DEGREES 29' 00" WEST 6942.16 FEET TO THE WEST LINE OF THE EAST 1/2 OF SAID SECTION 32, THENCE ALONG SAID WEST LINE NORTH 00 DEGREES 56' 18" WEST 581.23 FEET TO THE POINT OF BEGINNING. PARCEL B: A PARCEL OF LAND IN THE E1/2 OF SECTION 32, AND THE W1/2 OF SECTION 33, TOWNSHIP 7 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN, GARFIELD COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE QUARTER CORNER FOR SAID SECTION 32 AND SECTION 5, TOWNSHIP 8 SOUTH, RANGE 96 WEST; THENCE ALONG THE WEST LINE OF THE EAST 1/2 OF SAID SECTION 32, NORTH 00 DEGREES 56' 18" WEST 493.82 FEET THE SOUTH RIGHT OF WAY FOR HIGHWAY 6 & 24, PROJECT NO. F 001-1(3); THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING 9 COURSES: 1. NORTH 55 DEGREES 29' 00" EAST 964.38 FEET; 2. NORTH 69 DEGREES 31' 10" EAST 103.08 FEET; 3. NORTH 55 DEGREES 29' 00" EAST 300.00 FEET; 4. NORTH 41 DEGREES 26' 50" BAST 103.08 FEET; 5. NORTH 55 DEGREES 29' 00" BAST 2800.00 FEET; 6. NORTH 69 DEGREES 31' 10" EAST 103.08 FEET; 7. NORTH 55 DEGREES 29' 00" EAST 300.00 FEET; 8. NORTH 41 DEGREES 26' 50" EAST 103.08 FEET; 9. NORTH 55 DEGREES 29' 00" EAST 1633.70 FEET TO THE NORTHERLY RIGHT OF WAY FOR THE DENVER AND RIO GRANDE, WESTERN RAILROAD; THENCE ALONG SAID RAILROAD RIGHT OF WAY FOR THE FOLLOWING 4 COURSES; 1. ALONG A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 2964.94 FEET, A CENTRAL ANGLE OF 10 DEGREES 11' 07", AN ARC LENGTH OF 527.07 FEET, THE CHORD OF WHICH BEARS SOUTH 39 DEGREES 53' 39" WEST 526.38 FEET; 2. SOUTH 34 DEGREES 28' 00" WEST 101.16 FEET; SOUTH 34 DEGREES 08' 00" WEST 2901.97 FEET TO THE SOUTHERLY LINE OF A COUNTY 3. ROAD RIGHT OF WAY DESCRIBED IN BOOK 181 AT PAGE 185; 4. ALONG SAID ROAD RIGHT OF WAY, ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2894.93 FEET, A CENTRAL ANGLE OF 43 DEGREES 22' 56", AN ARC LENGTH OF 2191.93 THE CHORD OF WHICH BEARS SOUTH 55 DEGREES 49' 28" WEST 2139.94 FEET TO FEET, THE SOUTH LINE OF THE E1/2 OF SAID SECTION 32; THENCE ALONG SAID SOUTH LINE SOUTH 88 DEGREES 55' 00" WEST 1470.31 FEET TO THE POINT OF BEGINNING.

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PARCEL C:

A PARCEL OF LAND IN PORTIONS OF SECTIONS 32, 33, AND 28, TOWNSHIP 7 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN, GARFIELD COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS; BEGINNING AT THE CORNER FOR SAID SECTIONS 32 AND 33 AND SECTIONS 4 AND 5, TOWNSHIP 8 SOUTH, RANGE 96 WEST; THENCE ALONG THE SOUTH LINE OF THE EAST 1/2 OF SAID SECTION 32, SOUTH 88 DEGREES 55' 00" WEST 222.18 FEET TO THE SOUTHERLY RIGHT OF WAY FOR THE DENVER AND RIO GRANDE, WESTERN RAILROAD; THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING 11 COURSES: 1. ALONG A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1532.68 FEET, A CENTRAL ANGLE OF 27 DEGREES 31' 13", AN ARC LENGTH OF 736.18 FEET, THE CHORD OF WHICH BEARS NORTH 49 DEGREES 35' 07" EAST 729.12 FEET; 2. NORTH 34 DEGREES 58' 01" EAST 127.94 FEET: 3. NORTH 34 DEGREES 08' 00" EAST 3498.67 FEET; 4. NORTH 34 DEGREES 28' 00" EAST 98.83 FEET; 5. ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2764.94 FEET, A CENTRAL ANGLE OF 06 DEGREES 16' 38", AN ARC LENGTH OF 302.92 FEET, THE CHORD OF WHICH BEARS NORTH 37 DEGREES 56' 24" EAST 302.76 FEET TO THE WEST LINE OF LOT 2 IN SAID SECTION 33; 6. ALONG SAID WEST LINE NORTH 00 DEGREES 30' 00" WEST 74.51 FEET; 7. ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2814.94 FEET, A CENTRAL ANGLE OF 12 DEGREES 36' 08", AN ARC LENGTH OF 619.14 FEET, THE CHORD OF WHICH BEARS NORTH 48 DEGREES 30' 51" EAST 617.90 FEET; 8. NORTH 55 DEGREES 09' 00" EAST 99.42 FEET; 9. NORTH 55 DEGREES 29' 00" EAST 2164.48 FEET TO THE NORTH LINE OF SAID SECTION 33; 10. ALONG SAID NORTH LINE NORTH 89 DEGREES 23' 32" EAST 89.63 FEET; 11. NORTH 55 DEGREES 29' 00" EAST 283.11 FEET TO THE EAST LINE OF SAID SECTION 28; THENCE LEAVING SAID RAILROAD RIGHT OF WAY ALONG SAID EAST LINE SOUTH 01 DEGREES 57' 23" EAST 157.98 FEET TO THE CORNER FOR SECTIONS 27, 28, 33 AND 34; THENCE ALONG THE EAST LINE OF SAID SECTION 33, SOUTH 00 DEGREES 01' 53" EAST 769.37 FEET TO THE NORTHEAST CORNER OF THAT PARCEL DESCRIBED IN BOOK 590 AT PAGE 643; THENCE ALONG THE SAID PARCEL SOUTH 88 DEGREES 50' 06" WEST 786.00 FEET; THENCE CONTINUING ALONG THE SAID PARCEL SOUTH 00 DEGREES 01' 53" EAST 300.00 FEET; THENCE CONTINUING ALONG THE SAID PARCEL NORTH 88 DEGREES 50' 06" EAST 786.00 FEET TO THE EAST LINE OF SAID SECTION 33; THENCE ALONG SAID EAST LINE SOUTH 00 DEGREES 01' 53" EAST 300.00 FEET TO THE NORTH 1/16 CORNER BETWEEN SECTIONS 33 AND 34; THENCE ALONG THAT LINE DESCRIBED IN BOOK 67 AT PAGE 132, SOUTH 17 DEGREES 44' 55" WEST 1065.70 FEET TO THE CENTERLINE OF THE COLORADO RIVER AS AGREED TO IN BOOK 602 AT PAGE 964; THENCE ALONG SAID CENTERLINE THE FOLLOWING 9 COURSES: 1. NORTH 69 DEGREES 04' 13" WEST 1170.74 FEET; 2. SOUTH 85 DEGREES 15' 21" WEST 324.97 FEET; 3. SOUTH 59 DEGREES 20' 30" WEST 316.71 FEET; 4. SOUTH 48 DEGREES 53' 02" WEST 337.31 FEET; 5. SOUTH 20 DEGREES 46' 48" WEST 328.61 FEET; 6. SOUTH 11 DEGREES 57' 01" WEST 859.10 FEET; 7. SOUTH 64 DEGREES 03' 25" WEST 1512.73 FEET; 8. SOUTH 12 DEGREES 05' 25" WEST 508.82 FEET; 9. SOUTH 18 DEGREES 08' 35" E 79.95 FEET TO THE MEANDER LINE OF THE COLORADO RIVER; THENCE ALONG THE MEANDER LINE SOUTH 34 DEGREES 48' 19" WEST 960.63 FEET TO THE SOUTH LINE OF SECTION 33; THENCE ALONG SAID SOUTH LINE SOUTH 89 DEGREES 01' 48" WEST 714.44 FEET TO THE POINT OF BEGINNING.

PARCEL D:

THAT REAL PROPERTY SITUATE IN THE COUNTY OF GARFIELD, STATE OF COLORADO, SECTION 33, TOWNSHIP 7 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COMMENCING AT THE SOUTHEAST CORNER OF THE NE1/4NE1/4; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NE1/4NE1/4 786 FEET; THENCE NORTH 00 DEGREES 01' 28" WEST 300 FEET TO THE TRUE POINT OF BEGINNING; THENCE EASTERLY AND PARALLEL TO SAID SOUTH LINE 786 FEET; THENCE NORTH 00 DEGREES 01' 28" WEST 300 FEET; THENCE WESTERLY AND PARALLEL TO SAID SOUTH LINE 786 FEET; THENCE SOUTH 00 DEGREES 01' GW234705



28" EAST TO THE TRUE POINT OF BEGINNING.

COUNTY OF GARFIELD STATE OF COLORADO

PARCEL 1:

ALL THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING SOUTHERLY OF THE SOUTHERLY RIGHT OF WAY OF HIGHWAY 6 AND 24:

TOWNSHIP 7 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN

SECTION 32: E1/2SW1/4

TOGETHER WITH:

TOWNSHIP 8 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN

SECTION 4: LOT 4,

EXCEPT THAT PART OF THE ABOVE DESCRIBED LANDS WHICH IS DESCRIBED IN BOOK 181 AT PAGE 186, OF THE RECORDS OF GARFIELD COUNTY, COLORADO EXCEPT THAT PORTION CONVEYED TO THE STATE DEPARTMENT OF HIGHWAYS IN INSTRUMENT RECORDED SEPTEMBER 6, 1983 IN BOOK 634 AT PAGE 802.

SECTION 5: LOTS 1, 2 AND 3,

THAT PART OF LOTS 4 AND 5 AND OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (SW1/4NW1/4) IN SECTION 5, TOWNSHIP 8 SOUTH, RANGE 96 WEST OF THE 6TH PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 4, THENCE SOUTH 29 DEGREES 04' EAST 3120.6 FEET TO THE BANK OF THE COLORADO RIVER; THENCE NORTHEASTERLY ALONG THE EASTERLY LINE OF SAID LOT 5 TO THE NORTHEAST CORNER THEREOF; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 5 TO THE NORTHWEST CORNER THEREOF; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 4 TO THE NORTHEAST CORNER THEREOF

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 4. TO THE POINT OF BEGINNING.

SECTION 5: ALL OF LOTS 11 AND 12, LOT 4 AND THE SW1/4NW1/4

EXCEPT THOSE PORTIONS OF LOT 4 AND SAID SW1/4, W1/4 INCLUDED IN THE FOLLOWING DESCRIBED PARCEL:

A TRACT OF LAND IN LOTS 3, 4 AND 5, AND SW1/4NW1/4, SECTION 5, TOWNSHIP 8 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING ON THE NORTHWEST CORNER OF SAID SECTION 5, THENCE S. 30 DEGREES 00' E. 3010 FEET;

THENCE N. 88 DEGREES 36' E. 338 FEET; THENCE N. 00 DEGREES 47' W. 200 FEET; THENCE N. 53 DEGREES 00' B. 300 FEET; THENCE N. 37 DEGREES 01' E. 334 FEET; THENCE N. 40 DEGREES 24' E. 328 FEET; THENCE N. 4 DEGREES 56' W. 171 FEET; THENCE N. 33 DEGREES 01' E. 530 FEET; THENCE N. 49 DEGREES 51' W. 1768 FEET; THENCE S. 88 DEGREES 43' W. 1385 FEET TO POINT OF BEGINNING.

SECTION 6: ALL

SECTION 7: LOTS 2, 9, 10, 11, 12 AND NE1/4NW1/4

ALSO TOGETHER WITH:

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TOWNSHIP 8 SOUTH, RANGE 97 WEST OF THE SIXTH PRINCIPAL MERIDIAN

SECTION 12: S1/2SE1/4, THAT PORTION OF THE SW1/4 LYING EASTERLY OF THE EAST RIGHT OF WAY OF INTERSTATE 70.

ALSO TOGETHER WITH:

PARCEL 2:

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING SOUTHERLY AND EASTERLY OF THE SOUTHERLY RIGHT OF WAY OF HIGHWAY 6 & 24::

TOWNSHIP 8 SOUTH, RANGE 97 WEST OF THE SIXTH PRINCIPAL MERIDIAN

SECTION 13: NE1/4NW1/4, N1/2NE1/4

COUNTY OF GARFIELD STATE OF COLORADO

TOGETHER WITH PARCEL 1:

THAT PORTION OF THE FOLLOWING DESCRIBED LAND LYING WITHIN THE COUNTY OF MESA, STATE OF COLORADO:

LOTS 2, 3, 11, 12 AND 13 SECTION 7, TOWNSHIP 8 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN

COUNTY OF MESA STATE OF COLORADO

PARCEL 2:

THAT PORTION OF THE FOLLOWING DESCRIBED LAND LYING WITH THE COUNTY OF MESA, STATE OF COLORADO:

ALL THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING SOUTHERLY AND EASTERLY OF THE SOUTHERLY RIGHT-OF-WAY OF HIGHWAY 6 AND 24: TOWNSHIP 8 SOUTH, RANGE 97 WEST OF THE 6TH PRINCIPAL MERIDIAN: SECTION 13: NE1/4, N1/2SE1/4, NE1/4NW1/4 LESS AND EXCEPT THAT PARCEL OF LAND AS DESCRIBED IN DEED RECORDED MAY 28, 1982 IN BOOK 1374 AT PAGE 692, MESA COUNTY OFFICIAL RECORDS.

COUNTY OF MESA STATE OF COLORADO

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THE EFFECT OF INCLUSIONS IN ANY GENERAL OR SPECIFIC WATER CONSERVANCY, FIRE PROTECTION, SOIL CONSERVATION OR OTHER DISTRICT OR INCLUSION IN ANY WATER SERVICE OR STREET IMPROVEMENT AREA.

WATER RIGHTS OR CLAIMS TO WATER RIGHTS.

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED JANUARY 11, 1935, IN BOOK 172 AT PAGE 553.

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED NOVEMBER 16, 1912, IN BOOK 71 AT PAGE 575.

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED MARCH 26, 1902, IN BOOK 56 AT PAGE 443.

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED JANUARY 23, 1894, IN BOOK 12 AT PAGE 275 AND IN BOOK 12 AT PAGE 269

RIGHT OF PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES AS RESERVED IN UNITED STATES PATENT RECORDED MARCH 26, 1902, IN BOOK 56 AT PAGE 443.

RIGHT OF PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES AS RESERVED IN UNITED STATES PATENT RECORDED JANUARY 23, 1894, IN BOOK 12 AT PAGE 275 AND IN BOOK 12 AT PAGE 269

RIGHT OF PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES AS RESERVED IN UNITED STATES PATENT RECORDED NOVEMBER 19, 1893, IN BOOK 12 AT PAGE 256.

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED NOVEMBER 19, 1893, IN BOOK 12 AT PAGE 256.

EASEMENTS AND RIGHTS OF WAY FOR ROADS, STREETS, HIGHWAYS, RAILROADS, DITCHES, CANALS, PIPELINES AND UTILITY LINES AS SAME MAY EFFECT SUBJECT PROPERTY.

ANY QUESTION, DISPUTE OR ADVERSE CLAIMS AS TO ANY LOSS OR GAIN OF LAND AS A RESULT OF ANY CHANGE IN THE RIVER BED LOCATION BY NATURAL OR OTHER THAN NATURAL CAUSES, OR ALTERATION THROUGH ANY CAUSE, NATURAL OR UNNATURAL, OF THE CENTER THREAD, BANK, CHANNEL OR FLOW OF WATERS IN THE COLORADO RIVER LYING WITHIN SUBJECT LAND; AND ANY QUESTION AS

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TO THE LOCATION OF SUCH CENTER THREAD, BED, BANK OR CHANNEL AS A LEGAL DESCRIPTION MONUMENT OR MARKER FOR PURPOSES OF DESCRIBING OR LOCATING SUBJECT LANDS.

EASEMENTS AND RIGHTS OF WAY AS CONTAINED IN DEED RECORDED JANUARY 5, 1951 IN BOOK 257 AT PAGE 523.

EASEMENT AGREEMENT WITH THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY RECORDED JULY 14, 1937 IN BOOK 186 AT PAGE 593 AND AT PAGE 194 AND AGREEMENT RECORDED FEBRUARY 25, 1939 IN BOOK 195 AT PAGE 26.

RIGHT OF WAY AGREEMENT WITH PUBLIC SERVICE COMPANY OF COLORADO RECORDED AUGUST 6, 1941 IN BOOK 205 AT PAGE 214.

UNDIVIDED 2/3 INTEREST IN ALL OIL, GAS AND OTHER MINERALS AS CONTAINED IN QUIT-CLAIM DEED RECORDED AUGUST 16, 1965 IN BOOK 368 AT PAGE 542.

RESERVATIONS OF ALL OIL, GAS AND OTHER MINERALS AS CONTAINED IN WARRANTY DEED RECORDED AUGUST 16, 1965 IN BOOK 368 AT PAGE 569.

RESERVATIONS OF MINERALS AS CONTAINED IN DEED RECORDED MARCH 3, 1966 IN BOOK 374 AT PAGE 456.

RIGHT OF WAY EASEMENT WITH THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY RECORDED APRIL 16, 1980 IN BOOK 546 AT PAGE 942.

EASEMENTS AND RIGHTS OF WAY AS CONTAINED IN DEED RECORDED MAY 3, 1982 IN BOOK 598 AT PAGE 508.

EASEMENTS AND RIGHTS OF WAY OVER AND ACROSS LOT 4 IN SAID SECTION 5 AND THE SW1/4SW1/4 OF SAID SECTION 32 FOR ACCESS, AS GRANTED BY INSTRUMENT RECORDED JUNE 16, 1965 IN BOOK 366 AT PAGE 571.

EASEMENTS AND RIGHTS OF WAY OF THE COLORADO TELEPHONE COMPANY AS GRANTED IN INSTRUMENT RECORDED NOVEMBER 1, 1907 IN BOOK 69 AT PAGE 180.

EASEMENTS AND RIGHTS OF WAY OF THE WILLCOX CANAL AND THE WILLCOX CANAL COMPANY AS GRANTED IN INSTRUMENT RECORDED JULY 8, 1910 IN BOOK 80 AT PAGE 155 AND INSTRUMENT RECORDED NOVEMBER 30, 1910 IN BOOK 62 AT PAGE 486.

EASEMENTS AND RIGHTS OF WAY OF PUBLIC SERVICE COMPANY OF COLORADO AS GRANTED BY INSTRUMENT RECORDED JULY 21, 1930 IN BOOK 161 AT PAGE 488.

EASEMENTS OF STATE HIGHWAY DEPARTMENT OF COLORADO AS GRANTED BY INSTRUMENT RECORDED NOVEMBER 25, 1950 IN BOOK 255 AT PAGE 273.



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THAT PORTION OF THE SUBJECT PROPERTY CONVEYED TO THE STATE HIGHWAY DEPARTMENT OF COLORADO BY RULE AND ORDER RECORDED MARCH 22, 1958 IN BOOK 307 AT PAGE 328.

ONE-THIRD OF ALL OIL, HYDROCARBONS AND OTHER MINERALS RESERVED TO THE BOOK CLIFF LIVESTOCK COMPANY AND L. W. CLOUGH BY INSTRUMENT RECORDED FEBRUARY 11, 1929 IN BOOK 160 AT PAGE 177, ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

ONE-THIRD OF ALL OIL, HYDROCARBONS AND OTHER MINERALS TOGETHER WITH THE RIGHT TO EXTRACT AND REMOVE THE SAME AS RESERVED TO E.H. MAHAFFEY BY INSTRUMENT RECORDED SEPTEMBER 3, 1929 IN BOOK 155 AT PAGE 372, ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

EACH AND EVERY RIGHT OF ACCESS TO INTERSTATE HIGHWAY NO 70 AS CONVEYED TO THE STATE DEPARTMENT OF HIGHWAYS IN INSTRUMENT RECORDED SEPTEMBER 6, 1983 IN BOOK 634 AT PAGE 804.

EASEMENTS AND RIGHTS OF WAY AS GRANTED TO THE STATE DEPARTMENT OF HIGHWAYS IN INSTRUMENT RECORDED SEPTEMBER 6, 1983 IN BOOK 634 AT PAGE 806.

ANY PORTION OF THE SUBJECT PROPERTY LYING WITHIN THE RIGHT OF WAY OF HIGHWAY 6 AND 24 AS IN PLACE AND IN USE.

ANY AND ALL RIGHTS OF THE UNITED STATES, THE STATE OF COLORADO, AND THE PUBLIC IN GENERAL, IN AND TO NAVIGABLE WATERS OR FILLED IN LANDS FORMERLY WITHIN NAVIGABLE WATERS.

TERMS, CONDITIONS AND PROVISIONS OF AGREEMENT AND DEED OF CONVEYANCE RECORDED JULY 12, 1982 IN BOOK 602 AT PAGE 964.

PERMANENT EASEMENT AS GRANTED TO THE DEPARTMENT OF HIGHWAYS OF THE STATE OF COLORADO IN INSTRUMENT RECORDED NOVEMBER 8, 1985 IN BOOK 678 AT PAGE 523.

RESERVATION OF ONE-HALF OF ALL OIL, GAS, HYDROCARBONS AND OTHER MINERALS RESERVED IN DEED RECORDED SEPTEMBER 3, 1929 IN BOOK 155 AT PAGE 372 AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

RIGHT OF WAY AS GRANTED TO THE COLORADO TELEPHONE COMPANY IN INSTRUMENT RECORDED NOVEMBER 1, 1907 IN BOOK 69 AT PAGE 180.

RIGHT OF WAY AS GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO IN INSTRUMENT RECORDED JULY 21, 1930 IN BOOK 161 AT PAGE 488.

RIGHT OF WAY AS GRANTED TO THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY IN INSTRUMENT RECORDED JULY 14, 1937 IN BOOK 186 AT PAGE 594.



TERMS, CONDITIONS AND PROVISIONS OF OIL AND GAS LEASE RECORDED DECEMBER 07, 1992 IN BOOK 849 AT PAGE 154, AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN

NOTE: CORRECTION AND AMENDMENT TO SAID OIL AND GAS LEASE RECORDED MAY 14, 1993 IN BOOK 862 AT PAGE 530.

RESERVATION OF ALL OIL, GAS OR OTHER MINERAL RIGHTS AS RESERVED IN DEED RECORDED APRIL 7, 1995 IN BOOK 936 AT PAGE 727, AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

RESERVATIONS OF ALL OIL, GAS AND HYDROCARBONS AS RESERVED IN DEEDS RECORDED JANUARY 13, 1982 IN BOOK 590 AT PAGE 643 AND RECORDED SEPTEMBER 6, 1995 IN BOOK 952 AT PAGE 221.

OIL AND GAS LEASE RECORDED APRIL 8, 1996 IN BOOK 973 AT PAGE 110, AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

OIL AND GAS LEASE RECORDED OCTOBER 28, 1997 IN BOOK 1040 AT PAGE 254, AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

EASEMENTS AND RIGHTS OF WAY AS SHOWN ON THE LAND SURVEY PLAT DATED MARCH 9, 1995 PREPARED BY BARRY HAAG.

ANY AND ALL PROPRIETARY INTEREST IN AND TO THE PROPERTY CONVEYED TO THE RIO GRANDE RAILWAY COMPANY IN INSTRUMENT RECORDED MAY 27, 1938 IN BOOK 181 AT PAGE 186 AND INSTRUMENT RECORDED DECEMBER 2, 1889 IN BOOK 3 AT PAGE 404.

EASEMENTS AND RIGHTS OF WAY FOR THE DENVER AND RIO GRANDE - UNION PACIFIC RAILROAD AS CONSTRUCTED AND IN PLACE.

EASEMENTS AND RIGHTS OF WAY AS CONTAINED IN INSTRUMENT RECORDED DECEMBER 2, 1999 IN BOOK 1162 AT PAGE 895.

TERMS, CONDITIONS AND PROVISIONS OF AGREEMENT RECORDED July 31, 2000 IN BOOK 1199 AT PAGE 616.

EXCEPTIONS 11 THROUGH 56 AFFECT GARFIELD COUNTY PORTION

RIGHT OF PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES AS RESERVED IN UNITED STATES PATENT RECORDED May 04, 1995, IN BOOK 2142 AT PAGE 807.

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED October 23, 1926, IN BOOK 295 AT PAGE 505 AND RECORDED MAY 4, 1995 IN BOOK 2142 AT PAGE 807.



Our Order No. GW234705

ALL COAL AND OTHER MINERALS IN THE LANDS SO ENTERED AND PATENTED, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT, 862) AS RESERVED BY THE UNITED STATES OF AMERICA IN UNITED STATES PATENT RECORDED OCTOBER 23, 1926 IN BOOK 295 AT PAGE 505.

ALL OIL, GAS AND OTHER MINERALS IN AND UNDER SAID PROPERTY, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS FOR THE PURPOSE OF EXPLORING FOR, PRODUCING OR OTHERWISE REMOVING THE SAME, AS RESERVED IN DED RECORDED AUGUST 24, 1965 IN BOOK 887 AT PAGE 281, AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

AN UNDIVIDED 5/6 INTEREST IN ALL MINERALS UNDERLYING SUBJECT PROPERTY HEREIN ALONG WITH AN UNDIVIDED 1/2 INTEREST IN ALL MINERALS UNDERLYING SUBJECT PROPERTY HEREIN, AS EXCEPTED IN DEED RECORDED MARCH 3, 1966 IN BOOK 894 AT PAGE 179 AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

TERMS, CONDITIONS AND PROVISIONS OF EASEMENT, IN FAVOR OF PUBLIC SERVICE COMPANY OF COLORADO RECORDED JANUARY 3, 1980 IN BOOK 1237 AT PAGE 818.

TERMS, CONDITIONS AND PROVISIONS OF EASEMENT, IN FAVOR OF PUBLIC SERVICE COMPANY OF COLORADO RECORDED FEBRUARY 15, 1980 IN BOOK 1244 AT PAGE 145.

TERMS, CONDITIONS AND PROVISIONS OF RIGHT-OF-WAY EASEMENT, IN FAVOR OF THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY, RECORDED APRIL 4, 1980 IN BOOK 1251 AT PAGE 330.

TERMS, CONDITIONS AND PROVISIONS OF DEED TO STATE DEPARTMENT OF HIGHWAYS, STATE OF COLORADO RECORDED MAY 28, 1982 IN BOOK 1372 AT PAGE 692.

EASEMENTS AND RIGHTS OF WAY FOR ROADS, STREETS, HIGHWAYS, DITCHES, CANALS, PIPELINES AND UTILITY LINES AS CONSTRUCTED AND IN PLACE.

ALL OIL, GAS, COAL AND OTHER MINERALS AND INTERETS THEREIN AND EASEMENTS WITH RESPECT THERETO.

EASEMENT AND RIGHT-OF-WAY FOR RAILROAD.

EXCEPTIONS 57 THROUGH 68 AFFECT MESA COUNTY PORTION

EASEMENTS, RIGHTS OF WAY AND OTHER MATTERS AS SHOWN ON THE PLAT OF SUBJECT PROPERTY RECORDED SEPTEMBER 12, 2000 UNDER RECEPTION NO. 569286 IN GARFIELD COUNTY AND PLAT RECORDED SEPTEMBER 12, 2000 UNDER RECEPTION NO. 1964916 IN MESA COUNTY.

Contract ranks.



\_\_\_\_\_

| Filed for record theday of,A. Reception No,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | D, ato'                                                                                                                                                                                                                                                                                                                                            | clockM                                                                                                                                                                                                                                                 | RECORDEI                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | RRANTY DEED                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                             |
| THIS DEED, Made on this day of <u>January 10</u><br>between WAYNE RUDD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0, 2001                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                             |
| of the <u>County of EAGLE</u><br>SPECIALTY RESTAURANTS CORPORATION AS TO AN<br>AS TO A 20 PERCENT INTEREST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | and State of <u>Co</u><br>80 PERCENT INTEREST AND                                                                                                                                                                                                                                                                                                  | olorado , of<br>STOCKTON RESTAU                                                                                                                                                                                                                        | the Grantor(s), and<br>RANT CORPORATION                                                                                                                                                                                                                                     |
| whose legal address is : <u>4155 EAST LA PALMA AV</u><br>of the County of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ENUE, SUITE 250, ANAHEIM<br>and State of _C                                                                                                                                                                                                                                                                                                        | , CA 92807<br>alifornia, of                                                                                                                                                                                                                            | the Grantee(s):                                                                                                                                                                                                                                                             |
| WITNESS, That the Grantor(s), for and in co                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | nsideration of the sum of (                                                                                                                                                                                                                                                                                                                        | \$146,000.00                                                                                                                                                                                                                                           | >                                                                                                                                                                                                                                                                           |
| *** One Hundred Forty Six Thousand and 00/100 ***                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                        | DOLLARS                                                                                                                                                                                                                                                                     |
| the receipt and sufficiency of which is hereby ac<br>presents does grant, bargain, sell, convey and co<br>real property, together with improvements, if any<br><u>GARFIELD</u> and State of Colora<br>SEE EXHIBIT "A" ATTACHED HERETO AND MADE A                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | nfirm unto the Grantee(s),<br>, situate, lying and being<br>do, described as follows:                                                                                                                                                                                                                                                              | his heirs and assign                                                                                                                                                                                                                                   | ns forever, all the                                                                                                                                                                                                                                                         |
| also known as street number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                             |
| TOGETHER with all and singular and heredi<br>and the reversion and reversions, remainder and r<br>title interest, claim and demand whatsoever of th<br>premises, with the hereditaments and appurtenance<br>TO HAVE AND TO HOLD the said premises ab<br>his heirs and assigns forever. The Grantor(s), fo<br>bargain, and agree to and with the Grantee(s), hi<br>of these presents, he is well seized of the premi<br>estate of inheritance, in law, in fee simple, and<br>sell and convey the same in manner and form as af<br>grants, bargains, sales, liens, taxes, assessment<br>EXCEPT GENERAL TAXES AND ASSESSMENTS FOR T<br>ATTACHED HERETO AND INCORPORATED HEREIN<br>RIGHTS-OF-WAY VISIBLE AND APPARENT, WHETHE | emainders, rents, issues ar<br>e Grantor(s), either in law<br>s;<br>ove bargained and described<br>r himself, his heirs and po<br>s heirs and assigns, that a<br>ses above conveyed, has good<br>I has good right, full power<br>oresaid, and that the same<br>s, encumbrances and restric<br>THE YEAR 2001 AND SUBSEQ<br>AS EXHIBIT B, AND EXCEPT | nd profits thereof; a<br>w or equity, of, in a<br>d with appurtenances,<br>ersonal representative<br>at the time of the er<br>od, sure, perfect, ab<br>od, sure, perfect, ab<br>are free and clear to<br>ctions of whatever king<br>UENT YEARS, AND SU | and all the estate, right<br>and to the above bargained<br>, unto the Grantee(s),<br>ves, does covenant, grant,<br>nsealing and delivery<br>bsolute and indefeasible<br>ty to grant, bargain,<br>from all former and other<br>ind or nature soever,<br>JBJECT TO EXCEPTIONS |
| The Grantor(s) shall and will WARRANT AND FOREVER<br>possession of the Grantee(s), his heirs and assig<br>or any part thereof. The singular number shall in<br>shall be applicable to all genders.<br>IN WITNESS WHEREOF the Grantor(s) has ex                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ns, against all and every p<br>iclude the plural, and the p                                                                                                                                                                                                                                                                                        | person or persons la<br>plural the singular,                                                                                                                                                                                                           | wfully claiming the whole                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | WAYNERUDD                                                                                                                                                                                                                                                                                                                                          | i uld                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                             |
| STATE OF <u>Colorado</u> )<br>)ss.<br>County of <u>GARFIELD</u> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                             |

# 574815, 01/10/2001, 04:40P, B1226, P593, H, BLSDORF

574815 01/10/2001 04:40P B1226 P593 M ALSE 2 of 5 R 25.00 D 14.60 GARFIELD COUNTY CO

#### EXHIBIT A

PARCEL B:

A PARCEL OF LAND SITUATE WITHIN & PORTION OF SECTION 6, TOWNSHIP 8 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS : BEGINNING AT & POINT ON THE SOUTHERLY RIGHT OF WAY OF INTERSTATE HIGHWAY NO. 70 WHENCE THE NORTHEASTERLY CORNER OF SECTION 6 BEARS NORTH 73 DEGREES 10'30" EAST 1568.55 FEET; THENCE SOUTH 00 DEGREES 00'00" EAST 1613.78 FEET; THENCE ALONG THE NORTHERLY RIGHT OF WAY OF STATE HIGHWAY 6 & 24 THE FOLLOWING TWO (2) COURSES: SOUTH 55 DEGREES 30'00" WEST 111.47 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 1066.31 PRET SAID CURVE HAVING A CENTRAL ANGLE OF 10 DEGREES 54'00", A RADIUS OF 5605.00 FEET, THE CHORD OF WHICH BEARS SOUTH 60 DEGREES 57'00" WEST 1064.70 FEET; THENCE NORTH 110 DEGREES 23'51" WEST 1223.74 FEET; THENCE ALONG THE SOUTHERLY RIGHT OF WAY OF INTERSTATE HIGHWAY NO. 70 THE FOLLOWING FOUR (4) COURSES: NORTH 41 DEGREES 12'29" EAST 588.78 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 782.62 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 22 DEGREES 38'12", A RADIUS OF 1980.88 FEET, THE CHORD OF WHICH BEARS NORTH 54 DEGREES 57'53" EAST 777.54 FEET TO THE CENTERLINE OF A 40 FOOT WIDE ACCESS EASEMENT; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 40.62 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 01 DEGREES 10'29", A RADIUS OF 1980.88 FEET, THE CHORD OF WHICH BEARS NORTH 66 DEGREES 52'14" EAST 40.62 FEET; THENCE NORTH 64 DEGREES 55'13" EAST 200.50 FEET TO THE POINT OF BEGINNING.

PARCEL C:

A PARCEL OF LAND SITUATE WITHIN & PORTION OF SECTION 6 OF TOWNSHIP 8 SOUTH, AND SECTION 31 OF TOWNSHIP 7 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTHERLY RIGHT OF WAY OF INTERSTATE HIGHWAY NO. 70 WHENCE THE NORTHEASTERLY CORNER OF SECTION 6 BEARS SOUTH 89 DEGREES 23'07' EAST 474.86 FEET; THENCE SOUTH 00 DEGREES 00'00" EAST 1367.34 FEET; THENCE ALONG THE NORTHERLY RIGHT OF WAY OF STATE HIGHWAY 6 & 24 THE FOLLOWING FIVE (5) COURSES: SOUTH 55 DEGREES 30'00" WEST 121.30 FEET TO THE CENTERLINE OF A 40 FOOT ACCESS EASEMENT; THENCE SOUTH 55 DEGREES 30'00" WEST 463.22 FEET; THENCE NORTH 37 DEGREES 57'36" WEST 34.00 FEET; THENCE SOUTH 51 DEGREES 56'58" WEST 548.00 FEET; THENCE SOUTH 55 DEGREES 30'00" WEST 121.13 FEET; THENCE NORTH 00 DEGREES 00'00" EAST 1613.78 FEET; THENCE ALONG THE SOUTHERLY RIGHT OF WAY OF INTERSTATE HIGHWAY NO. 70 THE FOLLOWING TWO (2) COURSES: NORTH 64 DEGREES 55'12" EAST 388.07 FEET; THENCE NORTH 66 DEGREES 25'25" EAST 736.57 FEET TO THE POINT OF BEGINNING.

PARCEL D:

A PARCEL OF LAND SITUATE WITHIN A PORTION OF SECTIONS 5 AND 6, TOWNSHIP 8 SOUTH, SECTIONS 31 AND 32 OF TOWNSHIP 7 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY RIGHT OF WAY OF INTERSTATE HIGHWAY NO. 70 WHENCE THE NORTHEASTERLY CORNER OF SAID SECTION 6 BEARS SOUTH 54 DEGREES 36'00" WEST 953.44 FEET; THENCE SOUTH 00 DEGREES 56'14" WEST 1042.49 FEET; THENCE ALONG THE NORTHERLY RIGHT OF WAY OF STATE HIGHWAY NO. 6 & 24 SOUTH 55 DEGREES 30'00" WEST 1539.88 FEET; THENCE NORTH 00 DEGREES 00'00" EAST 1367.34 FEET; THENCE ALONG THE SOUTHERLY RIGHT OF WAY OF INTERSTATE HIGHWAY NO. 70 THE GW234748



3 of 5 R 25.00 D 14.60 GARFIELD COUNTY CO

#### EXHIBIT A

FOLLOWING TWO (2) COURSES: NORTH 66 DEGREES 25'24" EAST 515.86 FEET; THENCE NORTH 66 DEGREES 22'19" EAST 850.51 FEET TO THE POINT OF BEGINNING.

PARCEL E:

A PARCEL OF LAND SITUATE WITHIN A PORTION OF SECTION 32, TOWNSHIP 7 SOUTH AND SECTION 5, TOWNSHIP 8 SOUTH, RANGE 96 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY RIGHT OF WAY OF INTERSTATE HIGHWAY NO. 70 WHENCE THE NORTHEASTERLY CORNER OF SAID SECTION 6 BEARS SOUTH 62 DEGREES 37'20" WEST 2974.28 FEET; THENCE SOUTH 00 DEGREES 56'14" EAST 581.97 FEET; THENCE ALONG THE NORTHERLY RIGHT OF WAY OF STATE HIGHWAY NO. 6 & 24 SOUTH 55 DEGREES 30'00" WEST 2252.60 FEET; NORTH 00 DEGREES 56'14" WEST 1042.49 FEET; THENCE ALONG THE SOUTHERLY RIGHT OF WAY OF INTERSTATE HIGHWAY NO. 70 NORTH 66 DEGREES 22'19" WEST 2034.52 FEET TO THE POINT OF BEGINNING.

COUNTY OF GARFIELD STATE OF COLORADO

# 25.00 D 14.60 GARFIELD COUNTY CO

EXHIBIT B

Our Order No. GW234748

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED JANUARY 11, 1935, IN BOOK 172 AT PAGE 553 AND RECORDED NOVEMBER 16, 1912 IN BOOK 71 AT PAGE 575

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED JANUARY 23, 1894, IN BOOK 12 AT PAGE 275 AND IN BOOK 12 AT PAGE 269

RIGHT OF PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES AS RESERVED IN UNITED STATES PATENT RECORDED JANUARY 23, 1894, IN BOOK 12 AT PAGE 275 AND IN BOOK 12 AT PAGE 269

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED AUGUST 12. 1929, IN BOOK 112 AT PAGE 478.

EXCEPTING AND RESERVING, HOWEVER, TO THE UNITED STATES ALL THE COAL AND OTHER MINERALS IN THE LANDS SO PATENTED TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT., 862) AS RECORDED AUGUST 12, 1929 IN BOOK 112 AT PAGE 478.

EASEMENTS AND RIGHTS OF WAY FOR ROADS, STREETS, HIGHWAYS, RAILROADS, DITCHES, CANALS, PIPELINES AND UTILITY LINES AS SAME MAY EFFECT SUBJECT PROPERTY.

EASEMENTS AND RIGHTS OF WAY AS CONTAINED IN DEED RECORDED JANUARY 5, 1951 IN BOOK 257 AT PAGE 523.

EASEMENT AGREEMENT WITH THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY RECORDED JULY 14, 1937 IN BOOK 186 AT PAGE 593 AND AGREEMENT RECORDED FEBRUARY 25, 1939 IN BOOK 195 AT PAGE 26.

RIGHT OF WAY AGREEMENT WITH PUBLIC SERVICE COMPANY OF COLORADO RECORDED AUGUST 6, 1941 IN BOOK 205 AT PAGE 214.

UNDIVIDED 2/3 INTEREST IN ALL OIL, GAS AND OTHER MINERALS AS CONTAINED IN QUIT-CLAIM DEED RECORDED AUGUST 16, 1965 IN BOOK 368 AT PAGE 542.

RESERVATIONS OF ALL OIL, GAS AND OTHER MINERALS AS CONTAINED IN WARRANTY DEED RECORDED AUGUST 16, 1965 IN BOOK 368 AT PAGE 569.

RESERVATIONS OF MINERALS AS CONTAINED IN DEED RECORDED MARCH 3, 1966 IN BOOK 374 AT PAGE 456.

EASEMENTS AND RIGHTS OF WAY AS CONTAINED IN DEED RECORDED MAY 3, 1982 IN BOOK 598 AT PAGE 508.

#### **RIGHT-OF-WAY AND EASEMENT**

§

S

#### STATE OF COLORADO

54. 2

#### **COUNTY OF GARFIELD**

#### KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, Savage Limited Partnership I, Joan L. Savage, General Partner (hereinafter referred to as "Grantor", whether one or more), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration in hand paid to it by Enterprise Gas Processing. LLC., a Delaware Limited Partnership, whose address is c/o Land Department, 2727 North Loop West, Houston, Texas 77008-1044 (hereinafter referred to as "Grantee"), the receipt of which is hereby acknowledged, does hereby grant unto the said Grantee, its successors and assigns, a right-of-way and easement for the purpose of laying, constructing, maintaining, operating, repairing, inspecting, testing, abandoning in place, protecting, altering and/or removing one (1) pipeline including cathodic protection, above-ground and below-ground appurtenances, and any and all other devices, equipment and structures from time to time deemed by Grantee to be necessary or desirable in connection with the use and convenient operation and maintenance of said pipeline for the transportation of oil, gas, water, petroleum products, or any other liquids, gases or substances which can be transported through a pipeline across the following-described lands in Garfield County, Colorado, to-wit:

#### Township 7 South, Range 97West, 6th P.M.

#### Tract 40, Located in the S/2SW 1/4 of Section 8

### Tract 48, Located in the N/2SW 1/4 & NW 1/4 of Section 17

#### Tract 49, Located in the E/2E/2 of Section 19 & W/2W/2 of Section 20

### SEE "EXHIBIT A" FOR EASEMENT DESCRIPTION

Grantee's permanent right-of-way and easement shall be thirty feet (30') in width, being fifteen feet (15') on each side of the easement centerline as described in EXHIBIT "A" attached hereto and made a part hereof. Grantee shall also have a Temporary Easement for construction purposes only, being a strip of land fifty feet (50') wide directly adjacent and parallel to one side of the right of way and easement area described in EXHIBIT "A" and shown and depicted on EXHIBIT "A". In addition to the Temporary Easement stated above the Grantee shall utilize for construction purposes only, an additional twenty five feet (25') wide by one hundred fifty feet (150') in length of Additional Temporary Easement and Workspace(s) shall terminate upon the completion of construction of said pipeline and restoration of the lands.

Together with the rights of ingress and egress to the above-described right-of-way and easement herein granted across the adjacent property of Grantor. TO HAVE AND TO HOLD said pipeline right-of-way and easement unto Grantee, its successors and assigns, for the purposes stated above, subject to the following terms and conditions:

- 1. That in the exercise of its rights hereunder, Grantee shall: (a) bury all pipelines to provide a minimum cover of thirty-six inches (36"), (b) restore the ground surface as nearly as practicable to the original condition which existed prior to the commencement of any work by Grantee; (c) provide suitable ditch cross-overs during construction as are reasonably required by Grantor; (d) properly support each side of a contemplated fence opening by suitable post and braces before a fence is cut, and, where required, to provide a temporary gate; (e) repair in a good and workmanlike manner any and all fences and drainage and irrigation systems which are cut or damaged by Grantee; and (f) pay Grantor for any damages caused by Grantee to Grantor's growing crops, grasses, trees, shrubbery, fences, buildings or livestock as a result of the construction of Grantee's facilities.
- 2. That Grantor reserves the right to use and enjoy the surface of the right-of-way in any manner that will not prevent or interfere with the use of the right-of-way by the Grantee for any of the purposes herein above granted, it being understood that no building, structure, improvement, or obstruction shall be placed within or upon the right-of-way, and that there shall be no alteration of the ground surface or grade of the right-of-way, without the express written consent of the Grantee, and, to the extent that written permission has not been given, Grantee shall have the right to clear and keep cleared from within the right-of-way all trees, brush, undergrowth, buildings, structures, improvements, or other obstructions, after completion of pipeline installation. Grantee shall not be liable for damages caused on the right-of-way by keeping the right-of-way clear of such trees, brush, undergrowth, buildings, structure, improvements, and other obstructions in the exercise of its rights hereunder.
- That Grantee shall have the right, at its option, to install gates in fences crossing said pipeline right-of-way.
- That this instrument may be executed in counterparts, but which together shall constitute one and the same instrument.
- 5. It is understood and agreed that this grant is not a conveyance of the lands described herein or of any interest in the oil, gas and other minerals in, on or under said lands, but is a grant solely of the right-of-way and easement granted herein.
- All fixtures, equipment, and improvements placed on or fixed to the premises by Grantee shall remain the property of Grantee and Grantee shall have the right to remove any or all of its property from the Easement.
- 7. That during maintenance and repair operations of said pipeline or appurtenances, Grantee may utilize such portions of Grantor's property, temporary work space, as may be reasonably necessary. However, after the completion of such operations Grantee shall have no further right to such temporary work space.

4.5.

- 8. Grantee shall make application for and secure from any and all federal, state and local governmental authorities having jurisdiction (and during the term of this Agreement shall maintain in effect and comply with) all permits, licenses and other authorizations required for this Agreement. Grantee shall pay for all such permits, licenses and other authorizations and for all renewals.
- 9. Grantee agrees to indemnify and hold harmless Grantor from and against any and all loss, costs, damages and expenses incurred in connection with any claims, actions or proceedings arising from or related to Grantee's rights or obligations contained in the Right-of-Way and Easement, except for the negligence and willful misconduct of the Grantor and its successors and assigns.
- 10. It is agreed that this grant covers all the agreements between the parties and no representations or statements, verbal or written, have been made modifying, adding to or changing the terms of this agreement. It is understood and agreed that this easement and all rights, privileges and obligations created herein shall run with the land and shall inure to the benefit of and be binding upon the legal representatives, heirs, executors, administrators, successors, and assigns of the parties hereto.

EXECUTED AND EFFECTIVE this \_\_\_\_\_ day of \_\_\_\_\_\_, 2009.

**GRANTOR:** 

Joan L. Savage, General Partner Savage Limited Partnership I

**GRANTEE:** By: Muchal A

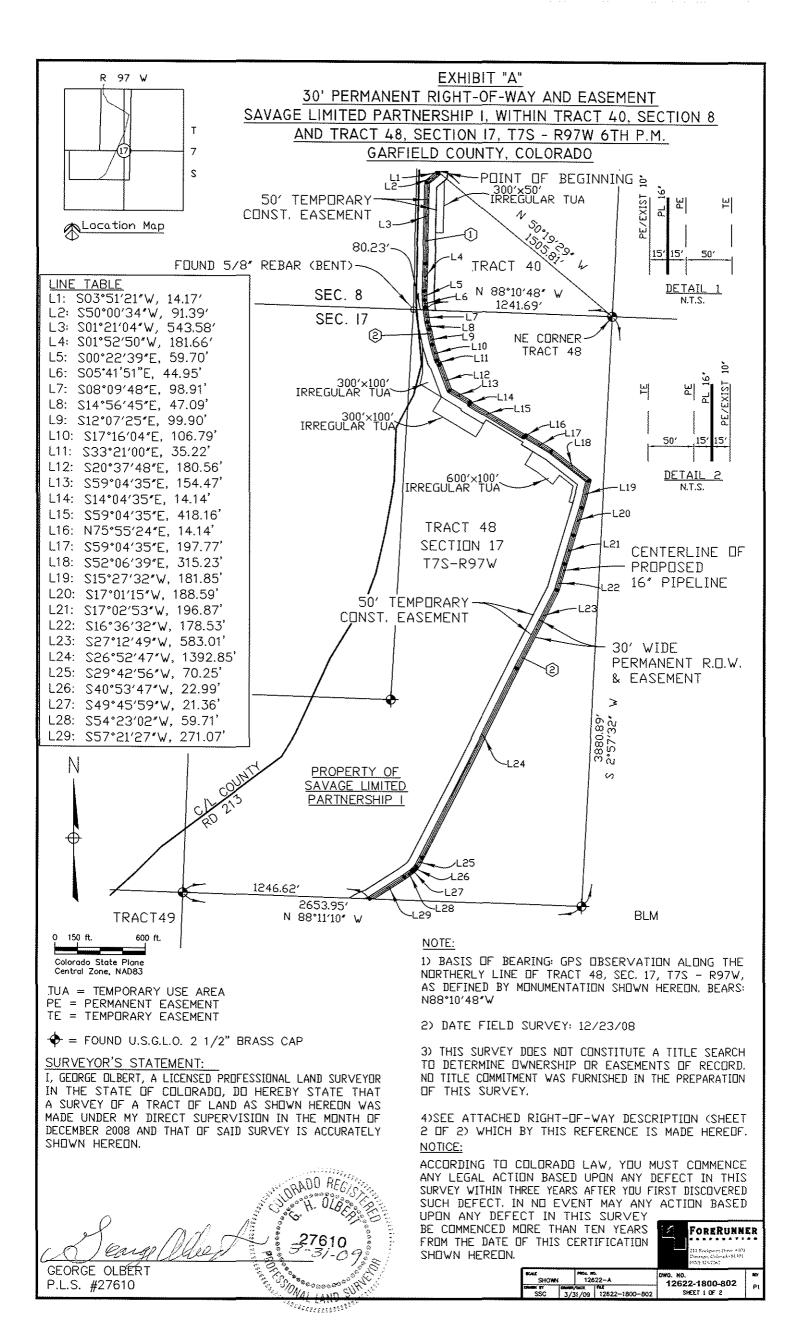
Michael A. Todd

Capacity:

R. S. 4/8/8

#### ACKNOWLEDGEMENTS

THE STATE OF Colorado COUNTY OF Sarfield § S This instrument was executed and acknowledged before me on the Sth day of Joan L. Savage , 2009, by MY COMMISSION EXPIRES c alice JILL K. 08/18/2011 MCALIC tary Public Signature CC ances THE STATE OF New Mexico § COUNTY OF San Juan 8 This instrument was executed and acknowledged before me on the  $21^{4}$  day of , 2009, by Michael A. Todd April and Y have Commission expires: Notary Public Signature 8-2-2011 THE OF NE



### 30' WIDE PERMANENT EASEMENT AND RIGHT-OF-WAY

A 30' WIDE EASEMENT AND RIGHT-OF-WAY LYING WITHIN TRACT 40, SECTION 8, AND WITHIN TRACT 48, SECTION 17, TOWNSHIP 7 SOUTH, RANGE 97 WEST OF THE SIXTH PRINCIPAL MERIDIAN IN GARFIELD COUNTY, COLORADO; SAID EASEMENT BEING MORE PARTICULARLY DESCRIBED BY CENTERLINE AS FOLLOWS:

COMMENCING AT A BRASS GLO MONUMENT LOCATED AT THE NORTHEAST CORNER OF SAID TRACT 48; THENCE NORTH 50°19'29" WEST, FOR A DISTANCE OF 1505.81 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE;

THENCE SOUTH 03°51'21" WEST FOR A DISTANCE OF 14.17 FEET; THENCE SOUTH 50°00'34" WEST FOR A DISTANCE OF 91.39 FEET; THENCE SOUTH 01°21'04" WEST FOR A DISTANCE OF 543.58 FEET: THENCE SOUTH 01°52'50" WEST FOR A DISTANCE OF 181.66 FEET: THENCE SOUTH 00°22'39" EAST FOR A DISTANCE OF 59.70 FEET; THENCE SOUTH 05°41'51" EAST FOR A DISTANCE OF 44.95 FEET; THENCE SOUTH 08°09'48" EAST FOR A DISTANCE OF 98.91 FEET; THENCE SOUTH 14\*56'45" EAST FOR A DISTANCE OF 47.09 FEET; THENCE SOUTH 12°07'25" EAST FOR A DISTANCE OF 99.90 FEET; THENCE SOUTH 17"16'04" EAST FOR A DISTANCE OF 106.79 FEET; THENCE SOUTH 33°21'00" EAST FOR A DISTANCE OF 35.22 FEET; THENCE SOUTH 20°37'48" EAST FOR A DISTANCE OF 180.56 FEET; THENCE SOUTH 59°04'35" EAST FOR A DISTANCE OF 154.47 FEET; THENCE SOUTH 14'04'35" EAST FOR A DISTANCE OF 14.14 FEET; THENCE SOUTH 59°04'35" EAST FOR A DISTANCE OF 418.16 FEET; THENCE NORTH 75°55'24" EAST FOR A DISTANCE OF 14.14 FEET; THENCE SOUTH 59°04'35" EAST FOR A DISTANCE OF 197.77 FEET; THENCE SOUTH 52°06'39" EAST FOR A DISTANCE OF 315.23 FEET; THENCE SOUTH 15°27'32" WEST FOR A DISTANCE OF 181.85 FEET; THENCE SOUTH 17°01'15" WEST FOR A DISTANCE OF 188.59 FEET: THENCE SOUTH 17°02'53" WEST FOR A DISTANCE OF 196.87 FEET: THENCE SOUTH 16'36'32" WEST FOR A DISTANCE OF 178.53 FEET: THENCE SOUTH 27'12'49" WEST FOR A DISTANCE OF 583.09 FEET: THENCE SOUTH 26'52'47" WEST FOR A DISTANCE OF 1392.85 FEET: THENCE SOUTH 29°42'56" WEST FOR A DISTANCE OF 70.25 FEET: THENCE SOUTH 40°53'47" WEST FOR A DISTANCE OF 22.99 FEET: THENCE SOUTH 49°45'59" WEST FOR A DISTANCE OF 21.36 FEET: THENCE SOUTH 54°23'02" WEST FOR A DISTANCE OF 59.71 FEET: THENCE SOUTH 57°21'27" WEST FOR A DISTANCE OF 271.07 FEET: TO A POINT ON THE SOUTHERLY LINE OF TRACT 48; SAID POINT BEING THE POINT OF TERMINATION.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINING 173,633 SQUARE FEET OR 3.99 ACRES MORE OR LESS, HAVING A CENTERLINE LENGTH OF 5,789.99 FEET OR 350.61 RODS MORE OR LESS.

BASIS OF BEARING FOR THE ABOVE DESCRIBED RIGHT-OF-WAY AND EASEMENT IS NORTH 88'10'48" WEST ALONG THE NORTHERLY LINE OF TRACT 48 AS DEFINED BY FOUND GLO BRASS MONUMENT AT THE NORTHEAST CORNER OF TRACT 48, AND FOUND PIN AT THE NORTHWEST CORNER OF TRACT 48.

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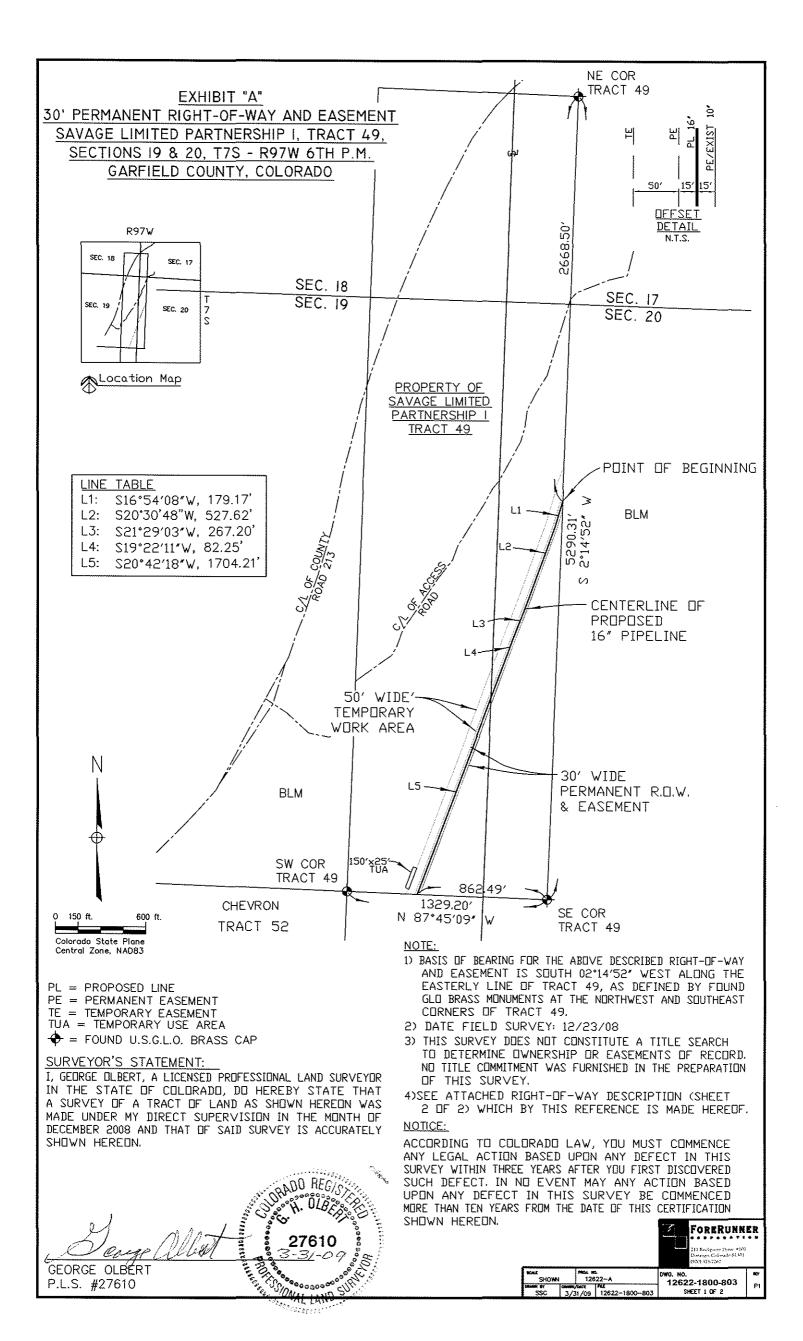
SURVEYOR'S STATEMENT:

I, GEDRGE OLBERT, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT A SURVEY OF A TRACT OF LAND AS SHOWN HEREON WAS MADE UNDER MY DIRECT SUPERVISION IN THE MONTH OF DECEMBER 2008 AND THAT OF SAID SURVEY IS ACCURATELY SHOWN HEREON.

| Dearp         | Pller | A |
|---------------|-------|---|
| GEORGE OLBERT |       |   |
| P.L.S. #27610 |       |   |



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| /09 12622~1800~802  | 12622-1800-802<br>SHEET 2 OF 2                 | P1          |



30' WIDE PERMANENT EASEMENT AND RIGHT-OF-WAY

A 30' WIDE EASEMENT AND RIGHT-OF-WAY LYING WITHIN TRACT 49, SECTIONS 19 & 20, TOWNSHIP 7 SOUTH, RANGE 97 WEST OF THE SIXTH PRINCIPAL MERIDIAN IN GARFIELD COUNTY, COLORADO; SAID EASEMENT BEING MORE PARTICULARLY DESCRIBED BY CENTERLINE AS FOLLOWS:

COMMENCING AT A BRASS GLO MONUMENT LOCATED AT THE NORTHEAST CORNER OF SAID TRACT 49; THENCE SOUTH 02'14'52" WEST ALONG THE EASTERLY LINE OF TRACT 49, FOR A DISTANCE OF 2668.50 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE;

THENCE SOUTH 16°54'08" WEST FOR A DISTANCE OF 179.17 FEET; THENCE SOUTH 20°30'48" WEST FOR A DISTANCE OF 527.62 FEET; THENCE SOUTH 21°29'03" WEST FOR A DISTANCE OF 267.20 FEET; THENCE SOUTH 19°22'11" WEST FOR A DISTANCE OF 82.25 FEET; THENCE SOUTH 20°42'18" WEST FOR A DISTANCE OF 1704.21 FEET TO A POINT ON THE SOUTHERLY LINE OF TRACT 49; SAID POINT BEING THE POINT OF TERMINATION.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINING 83,037 SQUARE FEET OR 1.91 ACRES MORE OR LESS, HAVING A CENTERLINE LENGTH OF 2,760.45 FEET OR 167.30 RODS MORE OR LESS.

BASIS OF BEARING FOR THE ABOVE DESCRIBED RIGHT-OF-WAY AND EASEMENT IS SOUTH 2"14'52" WEST ALONG THE EASTERLY LINE OF TRACT 49, AS DEFINED BY FOUND GLO BRASS MONUMENTS AT THE NORTHEAST AND SOUTHEAST CORNERS OF TRACT 49.

SURVEYOR'S STATEMENT:

I, GEORGE OLBERT, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT A SURVEY OF A TRACT OF LAND AS SHOWN HEREON WAS MADE UNDER MY DIRECT SUPERVISION IN THE MONTH OF DECEMBER 2008 AND THAT OF SAID SURVEY IS ACCURATELY SHOWN HEREON.

ORADO REG A CONTRACTOR q GEORGE OLBERT P.L.S. #27610 SI

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| 1/04TK               | 12622-1800-803 | SHEET 2 OF 2                                           | P1                |  |