

WHEN RECORDED, MAIL TO:

COORS ENERGY COMPANY

P. O. BOX 467

GOLDEN, COLORADO 80401

ENTRY NO. 271943 DATE 8-7-89 TIME 8:51 AM BOOK ME235 PAGE 700 208
FEE \$ 20⁰⁰ RECORDED AT REQUEST OF Coors Energy Co.
Carlisle Madsen DUCHESNE COUNTY RECORDER _____ DEPUTY
AGREEMENT

THIS AGREEMENT, made and entered into on April 26th, 1989, by and between E. Lee Friedrich ("Friedrich"), Emil L. Friedrich and Jacquelyn M. Friedrich and their successors in interest as trustees for the Friedrich Family Revocable Trust dated February 15, 1988 (the "Trustees"), and Coors Energy Company, a Colorado corporation ("Coors"), witnesseth that:

RECITALS:

A. The Trustees acquired from Friedrich by Individual Quitclaim Deed dated February 15, 1988, and recorded in Book A167 at page 62 of the records of Duchesne County, Utah, ownership of the lands described in Exhibit A attached to and made part of this Agreement (the "Subject Lands"), subject however to the exception and reservation of the oil and gas and shale or other rock valuable as a source of petroleum and nitrogen therein, and the rights to prospect for, mine, and remove the same in accordance with the provisions of the Act of July 17, 1914 (30 U.S.C. §§ 121-123);

B. Some parts of the Subject Lands are covered by that certain Oil and Gas Mining Lease - Tribal Indian Lands, No. I-109-IND-5351, dated October 20, 1949 (the "Lease"), and the Lessee's interest thereunder has been assigned to and is owned by Coors;

C. Coors and Friedrich are respectively the plaintiff and defendant in two actions pending in the United States District Court for the District of Utah (both styled Coors Energy Company, a Corporation, Plaintiff, vs. E. Lee Friedrich, Defendant, being No. C 88-41S and No. C 88-295S) which describe portions of the Subject Lands and affect the parties' rights therein;

D. Coors has completed four oil and gas wells within the Subject Lands, and has constructed access roads, drillsites, and related production facilities, and it proposes further oil and gas exploration and development within the Subject Lands under the Lease or under other oil and gas leases which it may acquire covering portions thereof;

AGREEMENT:

NOW, THEREFORE, it is agreed as follows:

1. In consideration of the mutual benefits set forth herein, Friedrich and the Trustees hereby confirm, extend, and grant to Coors and its successors and assigns the easements and rights to enter and occupy so much of the surface of the Subject Lands as may be required for all purposes reasonably incident to the exploration, development and production of the minerals leased to Coors, including exploration by seismic or geophysical or other methods and the right to drill, construct, maintain and use upon, within, and over said Subject Lands all oil wells, gas wells, derricks, machinery, tanks, boilers,

engines, pipe, power and telephone lines, roadways, and, without limitation by reason of the foregoing enumeration, any and all other structures, equipment, fixtures, appurtenances, or facilities necessary or convenient in prospecting and developing for, producing, storing, transporting and marketing oil, gas, and associated hydrocarbon substances, under or produced from any lands leased to Coors.

2. Coors agrees to pay to the Trust and Trustees and Friedrich agrees to accept as complete compensation and damages the following:

(a) \$10,000.00 for damages for the existing four wellsites, the rights-of-way to said wellsites, and the use of all existing roads which traverse the Subject Lands, payable as provided in paragraph 4.

(b) At least 10 days prior to commencing construction, \$1,500.00 for damages to wellsite lands for each well Coors may in the future elect to drill within the Subject Lands (which wellsite lands shall not exceed three acres each);

(c) At least ten days prior to commencing construction, \$8.00 per rod for any right-of-way across the Subject Lands Coors believes to be necessary for future exploration, development or production of oil, gas and associated hydrocrabons from lands leased to Coors (not to exceed a 50 foot construction right-of-way and a 30 foot permanent right-of-way); and

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(d) \$500.00 per mile for damages caused for any seismic lines shot across the Subject Lands.

Coors further agrees that should the Trustees or Friedrich hereafter obtain the required governmental approvals for the development and marketing of a subdivision within the Subject Lands, the Trustees or Friedrich may, at their expense, require Coors to reroute rights of way for road or pipeline purposes. The Trustees and Friedrich agree not to require such rerouting unreasonably, and not to put Coors to operating inefficiencies or any other cost, direct or indirect.

3. Except for the payments set forth in Section 2, the Trust and Friedrich shall not be entitled to any other or additional payments or damages as the result of the conduct by Coors of operations upon the Subject Lands.

4. The parties agree that each of them will, through counsel of record, stipulate to the dismissals of the suits described in Recital C. Such stipulation shall agree to the final dismissal of all claims and counterclaims with prejudice, neither party to recover costs, and to the recall of the injunctions issued therein and to the termination of the security given therefor. The parties will jointly move the Court for its orders approving and implementing such stipulation. The \$10,000 due from Coors by reason of Section 2(a) shall be payable upon the court's entry of such orders.

5. Coors agrees to conduct all operations hereunder in a good and workmanlike manner and shall maintain each drill site in a condition that is reasonably clean and free of debris. It shall bury all pipelines

below plow depth where such lines cross cultivated lands, and shall construct gates or at its option install cattle guards where necessary for crossing fenced land in connection with operations and, where an election has been made to construct gates in lieu of cattle guards, keep such gates in repair and closed. When any facility constructed hereunder is abandoned, Coors shall clean up and restore the property in accordance with all Bureau of Land Management requirements and good operating practice.

6. Subject to the provisions of Section 8, it is agreed that the covenants in Section 2 hereof shall be covenants running with the surface ownership of the Subject Lands and shall not be held or transferred separately therefrom.

7. This Agreement shall be effective and continue during the term of the Lease, any replacement lease, and any other oil and gas lease currently owned by Coors or acquired by Coors within three years from the date hereof and covering ground within the Subject Lands. Notwithstanding the foregoing, this Agreement as it pertains to damages for future operations upon the Subject Land shall terminate upon final approval by the Duchesne County Board of County Commissioners of a plan to subdivide the Subject Lands, but only as to so much of the Subject lands as may be included in such approved plan. Coors shall not thereafter build any above-ground pipeline within any such subdivision and will upon request bury any existing line within any such subdivision.

ELF

8. Subject to the provisions of Section 6 hereof, this Agreement shall inure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

9. The Trust and Friedrich represent and agree with Coors that they are vested with all such title and authority as to enable them to execute and deliver this agreement and that no joinder or consent is required of any other person or entity by reason of rights of dower, security

interests, surface leases for other purposes, or any other interest or claimed interest in the Subject Lands.

10. As new wells are located anywhere within the Subject Lands, and before drilling commences, Coors shall provide the Trustees with a legal description of the wellsite.

11. Coors agrees to indemnify and save harmless Friedrich and the Trustees from and against all claims, suits, damages, costs, losses, and expenses, including legal fees, in any manner resulting from or arising out of its operations hereunder; and Friedrich and the Trustees agree severally to indemnify and save harmless Coors from and against all claims, suits, damages, costs, losses, and expenses, including legal fees, in any manner resulting from or arising out of their respective acts or omissions in respect to the Subject Lands.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.



E. Lee Friedrich

COORS ENERGY COMPANY

By 

Its Authorized Officer

FRIEDRICH FAMILY REVOCABLE TRUST
dated February 15, 1988



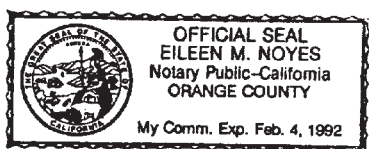
Trustee

E Lee Friedrich

Trustee

STATE OF California)
)
) : ss.
COUNTY OF Orange)

On this 24th day of ~~April~~ ^{MAY}, 1989, personally appeared before me E. Lee Friedrich, the signer of the within instrument who duly acknowledged to me that he executed the same.



Eileen M. Noyes
NOTARY PUBLIC
Residing in: 4520 Barranca Parkway
IRVINE, CA 92714

My Commission Expires:
2/4/92

STATE OF COLORADO)
)
) : ss.
COUNTY OF JEFFERSON)

On the 25th day of April, 1989, personally appeared before me A.A. Phillips, who being by me duly sworn did say that he the said PRESIDENT is an Authorized Officer of Coors Energy Company and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors, and said A.A. Phillips duly acknowledged to me that said corporation executed the same.



Kenneth Ladcliff
NOTARY PUBLIC
Residing in: 14012 DENVER WEST
GOLDEN, CO 80401 PRLW.

My Commission Expires:
3/4/92

STATE OF California)
 : ss.
COUNTY OF Orange)

On the 13th day of ~~April~~ June, 1989, personally appeared before me E. Lee Friedrich and ~~XXXXXXXXXXXXXX~~, who being by me duly sworn did say that they are Trustees of the Friedrich Family Revocable Trust and that the within and foregoing instrument was signed in behalf of said Friedrich Family Revocable Trust and ~~XXXXXXXXXX~~ and ~~XXXXXXXXXXXXXX~~ duly acknowledged to me that said Friedrich Family Revocable Trust executed the same.

Eileen M. Noyes
NOTARY PUBLIC
Residing in: IRVINE, CA 92714

My Commission Expires:
Feb. 4, 1992

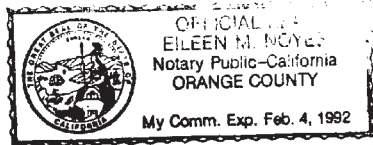
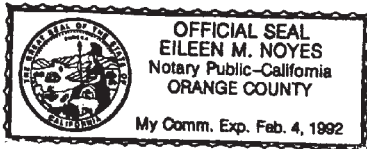


Exhibit A attached to and part of Agreement dated April 26, 1989 (Friedrich/Trustees of Friedrich Trust/Coors Energy)

The subject lands are situated in Duchesne County, Utah, and are more particularly described as follows:

Township 4 South, Range 4 West, U.S.M.

- Section 4: Lots 2 and 3, S 1/2 NW 1/4, SW 1/4, SW 1/4 NE 1/4, W 1/2 SE 1/4, and all that portion of Lot 4 lying South of Highway 40; containing 470 acres, more or less.
- Section 5: S 1/2, containing 320 acres.
- Section 6: S 1/2 SE 1/4, containing 80 acres.
- Section 7: Lots 1, 2, 3, 4 and 5, and all of the remainder of the N 1/2 (alternatively described as Lots 1, 2, 3, 4 and 5, SE 1/4 NW 1/4, S 1/2 NE 1/4), containing 313.71 acres.
- Section 8: N 1/2, SE 1/4, E 1/2 SW 1/4, containing 560 acres.
- Section 9: W 1/2, containing 320 acres.
- Section 16: NW 1/4; N 1/2 SW 1/4, containing 240 acres.
- Section 17: E 1/2 NW 1/4, S 1/2, NE 1/4, containing 560 acres.
- Section 18: E 1/2 SW 1/4, SE 1/4, containing 240 acres.
- Section 19: Lots 1 and 2, E 1/2 NW 1/4, NE 1/4, containing 318.61 acres.
- Section 20: E 1/2, E 1/2 W 1/2, W 1/2 NW 1/4, containing 560 acres.

Containing approximately 4,000.00 acres.