

MICROFILM

VOL 46 PAGE 418

NON-DEVELOPMENT AGREEMENT

THIS AGREEMENT, made and entered into this 30<sup>th</sup> day of June, 1982, by and between AMOCO PRODUCTION COMPANY, a Delaware corporation, authorized to conduct business in the State of Kansas, with the office in the Amoco Building, 1670 Broadway, Denver, Colorado 80202, hereinafter referred to as "Amoco", and DUANE O. FRANCIS and RALPH L. EHRLICH of Weld County, State of Colorado, hereinafter referred to as "Owners".

WITNESSETH: That,

WHEREAS, Amoco is the present owner of the following described Oil and Gas Lease, covering land in Finney County, State of Kansas, to-wit:

Date:	July 20, 1943
Lessor:	Mamie Fye and R.L. Fye, her husband
Lessee:	Joe E. Denham
Recorded:	Book 12 Oil and Gas, Page 466, Finney County, Kansas

insofar as said lease covers the following described land in said County and State, to-wit:

Township 24 South, Range 33 West

Section 12: The South 53 acres of the W/2NW/4  
The North 10 acres of the NW/4 SW/4,  
below the base of the Hugoton Pay  
Zone only;

and,

WHEREAS, Owners are the owners of the surface of Lots one (1), Two (2), Four (4), and North 33.08 feet of Lot Three (3), in Block Three (3) of Westside Industrial Subdivision to Finney County, Kansas, containing Five (5) acres, more or less, said Five (5) acre tract or a portion thereof, being contained in the above-described Oil and Gas Lease; and,

WHEREAS, Owners are negotiating for the sale of the above-described Five (5) acre tract and the prospective purchaser and Owners desire

that Amoco execute a Non-Development Agreement in order that the purchaser may use the surface of the said Five (5) acre tract as is permitted under the existing Zoning Resolution of Finney County, Kansas, and the City of Garden City, Kansas, as may be applicable; and

WHEREAS, the parties hereto desire to enter into this Non-Development Agreement in order that Owners may continue their present negotiations for the sale of the above-described Five (5) acre tract, and for any other sale of such tract as may be entered into in the future by Owners, their heirs and assigns.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants, conditions and provisions hereinafter contained, the parties hereto agree as follows, to-wit:

1. Amoco does hereby release and relinquish unto Owners, their heirs and assigns, Amoco's right to enter upon the surface of the above-described Five (5) acre tract, under the terms and provisions of the Oil and Gas Lease set out hereinabove only, and only to the extent that it has the right to do so, without warranty of any kind, all other rights of Amoco under said Oil and Gas Lease being reserved to Amoco, its successors and assigns and remaining in full force and effect.

2. Amoco does also hereby release and relinquish unto Owners, their heirs and assigns, Amoco's right to enter upon the surface of the above-described Five (5) acre tract, under the terms and provisions of that certain Declaration of Consolidation of Gas Leasehold Estates, dated November 7, 1953, recorded in Book 28 Oil and Gas, Page 509, Finney County, Kansas, covering the Five (5) acre tract, or a part thereof, insofar only as it may have the right to do so, without warranty of any kind, all other rights of Amoco under said Declaration of Consolidation of Gas Leasehold Estates being reserved to Amoco, its successors and assigns and remaining in full force and effect.

3. This release is made by Amoco and accepted by Owners specifically subject to the terms and provisions hereof, the Oil and Gas

Lease, as set out hereinabove, and the Declaration of Consolidation of Gas Leasehold Estates, as described in Paragraph 2, above, said instruments remaining in full force and effect, subject to the terms hereof.

4. Amoco, its successors and assigns, specifically reserves the right to conduct oil and gas exploration activity on the above described Five (5) acre tract from adjoining tracts, under the terms and provisions of the above described Oil and Gas Lease and the terms and provisions of the Declaration of Consolidation of Gas Leasehold Estates, as described in Paragraph 2, above, to the extent it has the right to do so, by directional drilling techniques, however, nothing herein contained shall be construed to mean that Amoco must conduct such exploratory activity unless it so elects to do so.

5. As further consideration, Owners, their heirs and assigns, agree that, in the event any activity conducted upon the surface of the above described Five (5) acre tract results in a zoning change of said tract, or part thereof, by Finney County, Kansas, or the City of Garden City, Kansas, if applicable, that Owners, their heirs and assigns, agree to join with and give active support to Amoco, as may be deemed necessary and requested by Amoco, its successors and assigns, to petition Finney County, Kansas, or the City of Garden City, Kansas, if applicable, to obtain the necessary permission to drill any well or wells which Amoco, its successors and assigns may elect to drill under the above described Five (5) acre tract, from adjoining tracts by directional drilling techniques; further Owners, their heirs and assigns, agree that they will not petition any board or agency having jurisdiction thereof to change any existing zoning designation which will inhibit or prohibit the drilling of any such well as provided herein, and that any such petition shall include a request that such changed zoning designation include specific language to protect the rights of Amoco, its successors and assigns hereunder. The rights reserved by

Amoco, and granted by Owners to Amoco hereunder, shall be applicable to the Operator under the Consolidation of Gas Leasehold Estates, as applicable, as described in Paragraph 2, above, the same as if such Operator had been named specifically in this Paragraph 5.

6. Amoco also reserves, on behalf of itself and the Operator under the Consolidation of Gas Leasehold Estates, as described in Paragraph 2, above, all easements, rights-of-way and other servitudes for roads, pipelines, water lines, electric power lines, and any and all other types which now are located on, over and under said Five (5) acre tract, and are, or may be used, in the conducting of operations on said Five (5) acre tract. The items listed herein are set forth for purposes of example only and are not intended to be a complete listing of such easements, rights-of-way and servitudes now located on said Five (5) acre tract.

7. Owners, their heirs and assigns, by their acceptance hereof, hereby agree to hold Amoco and the Operator under the Consolidation of Gas Leasehold Estates, as described in Paragraph 2, above, harmless from any and all liability which may arise as a result of Owners, their heirs and assigns, user of the surface of the above described Five (5) acre tract.

8. This agreement shall be binding upon the parties hereto and upon the heirs, successors, personal representatives and assigns of each of them.

IN WITNESS WHEREOF, the parties hereto have executed this Non-Development Agreement as of the day and year first hereinabove written.

AMOCO PRODUCTION COMPANY

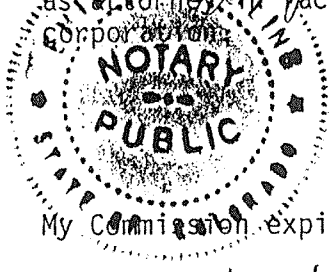
By: Clara Nelly *TM*  
Its Attorney in Fact

Duane O. Francis  
DUANE O. FRANCIS

Ralph L. Ehrlich  
RALPH L. EHRLICH

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

The foregoing instrument was acknowledged before me this 27th  
day of July, 1982, by CLAUD NEELY,  
as attorney in fact on behalf of AMOCO PRODUCTION COMPANY, a Delaware  
Corporation.

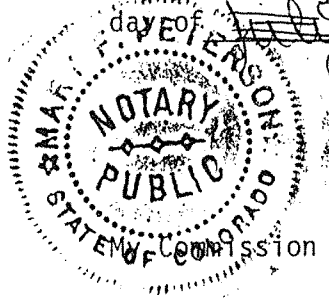


Enid V. Dowling  
Notary Public Enid V. Dowling  
Amoco Production Company  
Amoco Building  
Denver, Colorado 80202

My Commission expires: My commission expires June 3, 1986  
Colorado

STATE OF KANSAS )  
: ss.  
COUNTY OF Weld )

The foregoing instrument was acknowledged before me this 24th  
day of August, 1982, by Duane Francis.

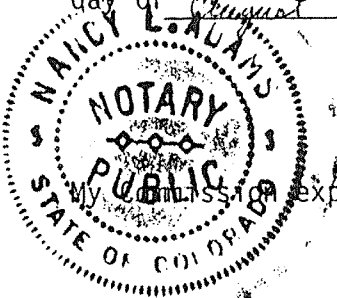


Mary F. Peterson  
Notary Public Mary F. Peterson

My Commission expires: 7-12-83

STATE OF COLORADO )  
: ss.  
COUNTY OF Weld )

The foregoing instrument was acknowledged before me this 26th  
day of August, 1982, by Ralph L. Ehrlich.



Nancy L. Adams  
Notary Public Nancy L. Adams

My Commission expires: My Commission Expires May 17, 1983

UNION COLONY BANK  
Box 961  
Greeley, Colo. 80632

STATE OF KANSAS )  
FINNEY COUNTY )

This instrument was filed for Record on  
the 1 day of Sept  
A.D. 1982 at 3:55 o'clock P M  
and duly recorded in book 46  
Page 418 Fee \$ 9.00  
Reta Alsop

INDEXED ✓  
DIRECT ✓  
INDIRECT ✓

Register of Deeds  
by Wanda Lippin, Deputy