

SURFACE DAMAGE AGREEMENT

THIS SURFACE DAMAGE AGREEMENT ("Agreement") is entered into by and between Marlene Richter and Mary Vance ("Owner"), whose address is 37013 WCR 57, the owner of the surface estate in the Township 7 North, Range 64 West, 6th P.M Section 27: S/2SE/4, (the "Property"), and PDC Energy, Inc. ("Company"), whose address is 1775 Sherman Street, Suite 3000, Denver, CO 80203 (individually, a "party;" together, "the parties").

WHEREAS, Company and Owner desire to enter into this Agreement for the right of ingress and egress across the Property and use so much of the surface as reasonably necessary to explore for and produce oil and gas, including the right to drill future wells in addition to those enumerated herein;

NOW THEREFORE; in consideration of agreement to pay the sum of \$ [REDACTED] per well the sufficiency of which is hereby acknowledged, prior to the spudding of the well or wells. Company shall have the option to drill up to seven (7) wells, as described below, and the drilling of each well shall be at the sole discretion of Company, and the mutual promises and covenants contained herein:

Owner hereby releases and discharges Company, its agents, employees, contractors and licensees from and against any and all claims by Owner for damages, of whatsoever nature and character, including, but not limited to, diminution in value of the Property, arising from, incident to, or in connection with Company's oil and gas operations on the Property, including, but not limited to: geophysical exploration, surveying, locating, drilling, stimulating, completing, restimulating, recompleting, deepening, producing, maintaining, plugging, and abandoning the oil and gas well(s) shown below; installing and operating pipelines and production facilities necessary or convenient for the operation of the well(s); and, constructing, maintaining and reclaiming the well pad(s), production facilities, pipelines and roads (collectively the "Operations") (the well(s) and production facilities are hereinafter collectively referred to as the "Well(s)"), as seen on Exhibit "A":

Well names: Richter 34U-203, Richter 34R-423, Richter 34R-223, Richter 34R-403, Richter 34R-243, Richter 34M-423 & Richter 34M-203

Legal Location: Township 7 North, Range 64 West, 6th P.M
 Section 27: S/2SE/4

AND,

Owner hereby grants, demises and conveys such easements and rights-of-way on and across the Property as may be necessary or convenient for the Operations.

ADDITIONAL PROVISIONS

1. Company may exercise its rights hereunder for all purposes necessary or convenient for Company to perform the Operations, including the right of unimpeded ingress and egress across the Property to access the Well(s), and to install and operate pipelines. Company may assign or delegate to a third party the right to install and operate pipelines in order to connect the Well(s) to a gas gathering system. The access easement shall be non-exclusive and may be used

by Owner and its successors, lessees and assigns so long as such use does not interfere with the Operations.

2. Notwithstanding Owner's release of Company from any and all damage claims incident to normal and customary Operations, Company shall compensate Owner for damage to personal property or to improvements on the Property, such as damage to buildings, fences, gates, culverts and livestock, and for other such extraordinary losses or physical damages caused by Company. Company agrees to promptly compensate Owner for such extraordinary losses and physical damages. Any failure to reach mutual agreement with respect to such compensation shall not, however, be deemed to constitute a breach or abrogation of this Agreement, nor to terminate or diminish the grants, conveyances, rights and obligations contained herein.

3. Company hereby agrees to indemnify and hold Owner harmless from and against any and all third party claims, losses, liability, damages, and causes of action for personal injury or property damage arising out of Company's Operations, unless, and to the extent that, Owner's negligence causes or contributes to such third party claims.

4. Owner has requested that all consultation be conducted directly with Owner. Accordingly, Owner shall have the responsibility of notifying any affected tenant, lessee or other party who may own or have an interest in any crops or surface improvements which could be affected by the Operations. Owner agrees that all damages claimed by a surface tenant, lessee or other such party resulting from the Operations shall be settled by Owner, and Owner hereby agrees to indemnify and hold Company harmless from and against any such claims.

5. Company agrees to perform all reclamation in accordance with the rules and regulations of the Colorado Oil & Gas Conservation Commission ("COGCC"), unless a variance therefrom is granted by the COGCC upon the request of Owner. Company shall endeavor to keep the well pad(s), the production facilities, and the pipeline and road easements free of weeds and debris, and to control erosion thereon. At Owner's request, Company will fence its road easement with a single-strand fence to limit traffic to the easement.

6. Company will provide Owner with ten (10) days notice by mail, phone call or personal visit prior to commencing Operations on the Property with heavy equipment. Owner acknowledges that this notice complies with, or hereby waives, all COGCC requirements that it be given advance notice by Company of the Operations. Owner acknowledges receiving from Company a brochure prepared by the COGCC which describes the rights and responsibilities of Owner as the surface owner of the Property.

7. Company shall construct and install the well pad(s), roads, pipelines and production facilities, including, but not limited to, pumping units, tanks, heater/treaters, separators, dehydration equipment, compression equipment, meter stations and emission control units, at the specified surface locations and with the approximate size and design shown on Exhibit(s) A). Company agrees to apply and maintain dust mitigation prior to and during construction of said location. Prior to construction, company will fence off construction area and maintain fence through completion of project. At the completion of said project company agrees to fence production facilities and well heads including cattle guard at the entrance of said location.

8. Owner acknowledges and agrees that Company has consulted in good faith with Owner as to its proposed Operations, in accordance with COGCC requirements, or hereby waives such requirements. Owner expressly waives the application of any COGCC setbacks

inconsistent with this Agreement, including, but not limited to, setbacks for high density areas and surface lot lines.

9. Owner expressly acknowledges and agrees that this Agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligation of Company to accommodate Owner's use of the surface of the Property, existing or future, and waives any statutory or common law claim to the contrary.

10. [OPTIONAL] Owner hereby CONSENTS [☐] or DOES NOT CONSENT [☒] to the conduct of a wildlife survey on the Property, and to the imposition of timing restrictions, buffer zones or other conditions of approval, stipulations, or standard operating practices related to wildlife protection and habitat preservation by the COGCC with respect to the Well(s).

11. Owner agrees that Company may record a Memorandum of this Agreement to put successors or assigns on notice that the Property is subject to this Agreement. Owner further agrees to include a note regarding this Agreement in any annexation, subdivision plat, planned unit development or other land use designation or approval for which Owner may apply. In all other respects, the parties intend and agree to keep the specific terms hereof confidential.

12. In construing this Agreement, no consideration shall be given to the fact or presumption that one party has had a greater or lesser hand in drafting this Agreement than the other party. All exhibits attached hereto are incorporated herein by reference.

13. This Agreement shall be subject to, and construed under, the laws of the State of Colorado, without regard to its conflict of law provisions, and jurisdiction and venue shall be solely in the courts of the State of Colorado, subject to the right of either party to remove a matter to federal court.

14. Each of the undersigned principals of the parties represents and warrants that such person has the requisite corporate or legal authority to bind the respective parties to this Agreement.

15. This Agreement shall become effective when it is fully executed and shall remain in full force and effect until Company's leasehold estate expires or is terminated, and Company has plugged and abandoned the Well(s) and conducted reclamation in accordance with this Agreement and applicable COGCC rules and regulations, except that any release, discharge or indemnity from and against liability contained herein shall survive the expiration of this Agreement.

16. This Agreement shall extend to and bind Owner and Company, and their respective heirs, personal representatives, successors and assigns.

17. Concerning any matter relating to the Operations, Owner may contact:

Operator:	PDC Energy
Person to Contact:	Eric Swenson
Address:	1775 Sherman Street, Suite 3000 Denver, CO 80203
Phone Number:	303-860-5800
Fax:	303-860-5838
Email Address:	

IN WITNESS WHEREOF, the parties have executed this Agreement this 21st day of March, 2013

OWNER:

Marlene Richter
By: Marlene Richter

Mary Vance
By: Mary Vance

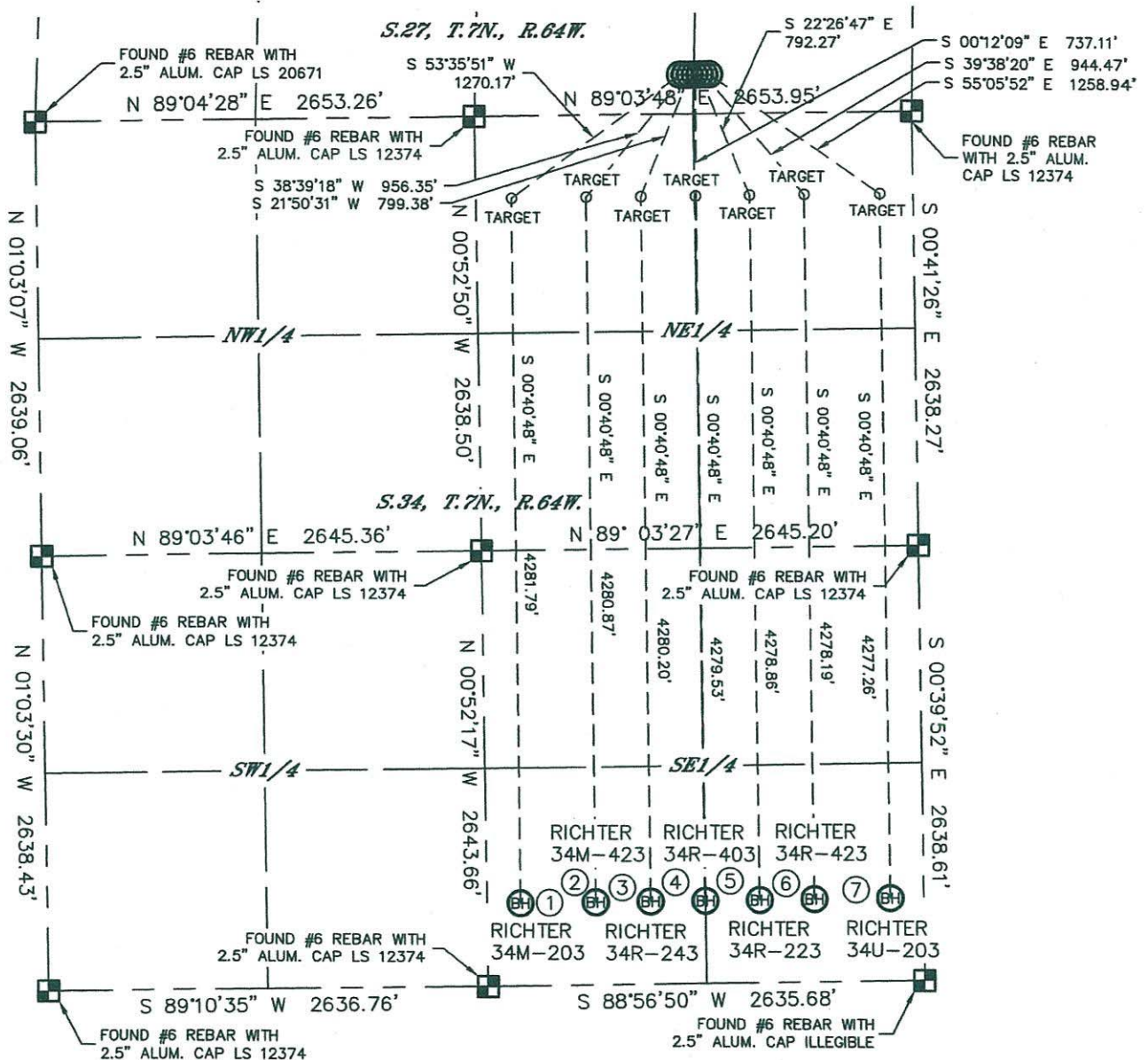
COMPANY:

James R. Schaff
By: James R. Schaff
Vice President Land *JS*

MULTI-WELL PLAN

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY

SECTION: 27
TOWNSHIP: 7N
RANGE: 64W



- ①
-BOTTOM HOLE-
RICHTER 34M-203
500' FSL
2435' FEL
LAT: 40.52387N
LONG: 104.53550W

②
-BOTTOM HOLE-
RICHTER 34M-423
500' FSL
1980' FEL
LAT: 40.52387N
LONG: 104.53386W

③
-BOTTOM HOLE-
RICHTER 34R-243
500' FSL
1650' FEL
LAT: 40.52388N
LONG: 104.53267W



④
-BOTTOM HOLE-
RICHTER 34R-403
500' FSL
1320' FEL
LAT: 40.52389N
LONG: 104.53149W

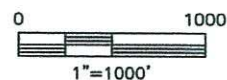
⑤
-BOTTOM HOLE-
RICHTER 34R-223
500' FSL
990' FEL
LAT: 40.52390N
LONG: 104.53030W

⑥
-BOTTOM HOLE-
RICHTER 34R-423
500' FSL
660' FEL
LAT: 40.52390N
LONG: 104.52911W

⑦
-BOTTOM HOLE-
RICHTER 34U-203
500' FSL
200' FEL
LAT: 40.52391N
LONG: 104.52746W



 = ALIQUOT MONUMENT AS DESCRIBED
 = CALCULATED POSITION



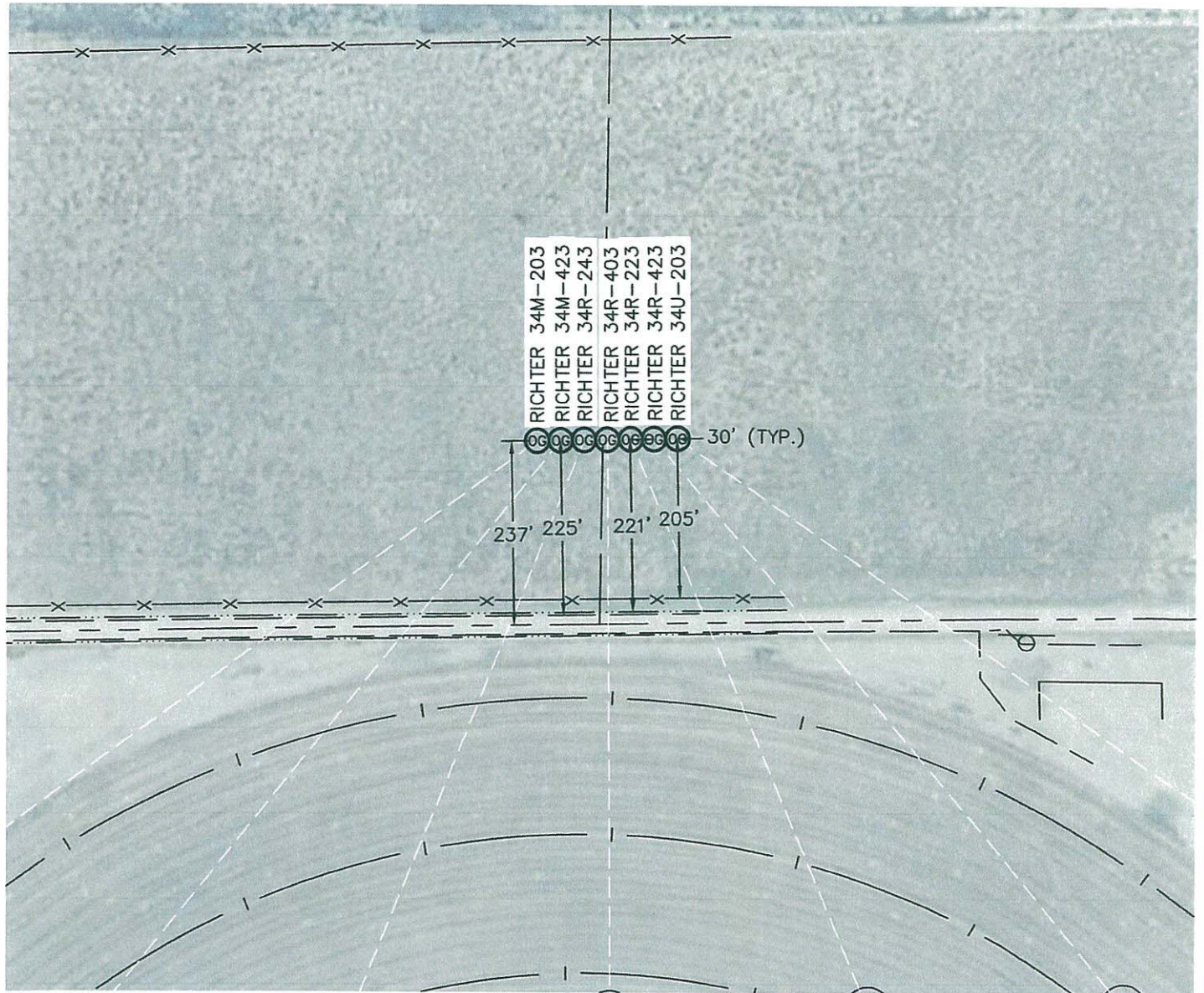
DATE: 9/10/2012
PROJECT#: 2011311

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MULTI-WELL PLAN

RICHTER 34 PAD

SECTION: 27
TOWNSHIP: 7N
RANGE: 64W



DATE: 9/10/2012
PROJECT#: 2011311

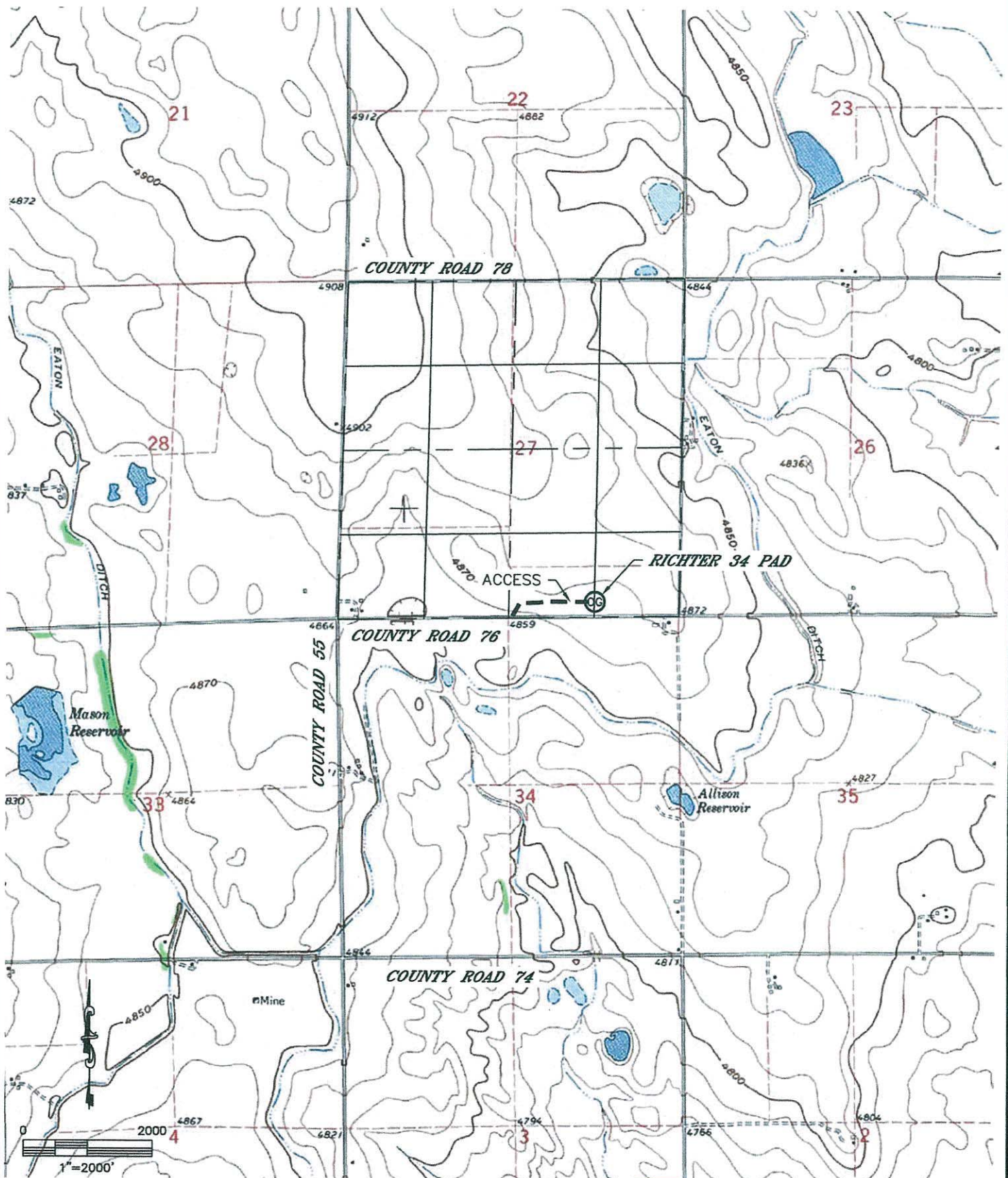


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ACCESS ROAD MAP

RICHTER 34 PAD

SECTION: 27
TOWNSHIP: 7N
RANGE: 64W



DATE: 9/10/2012
PROJECT#: 2011311

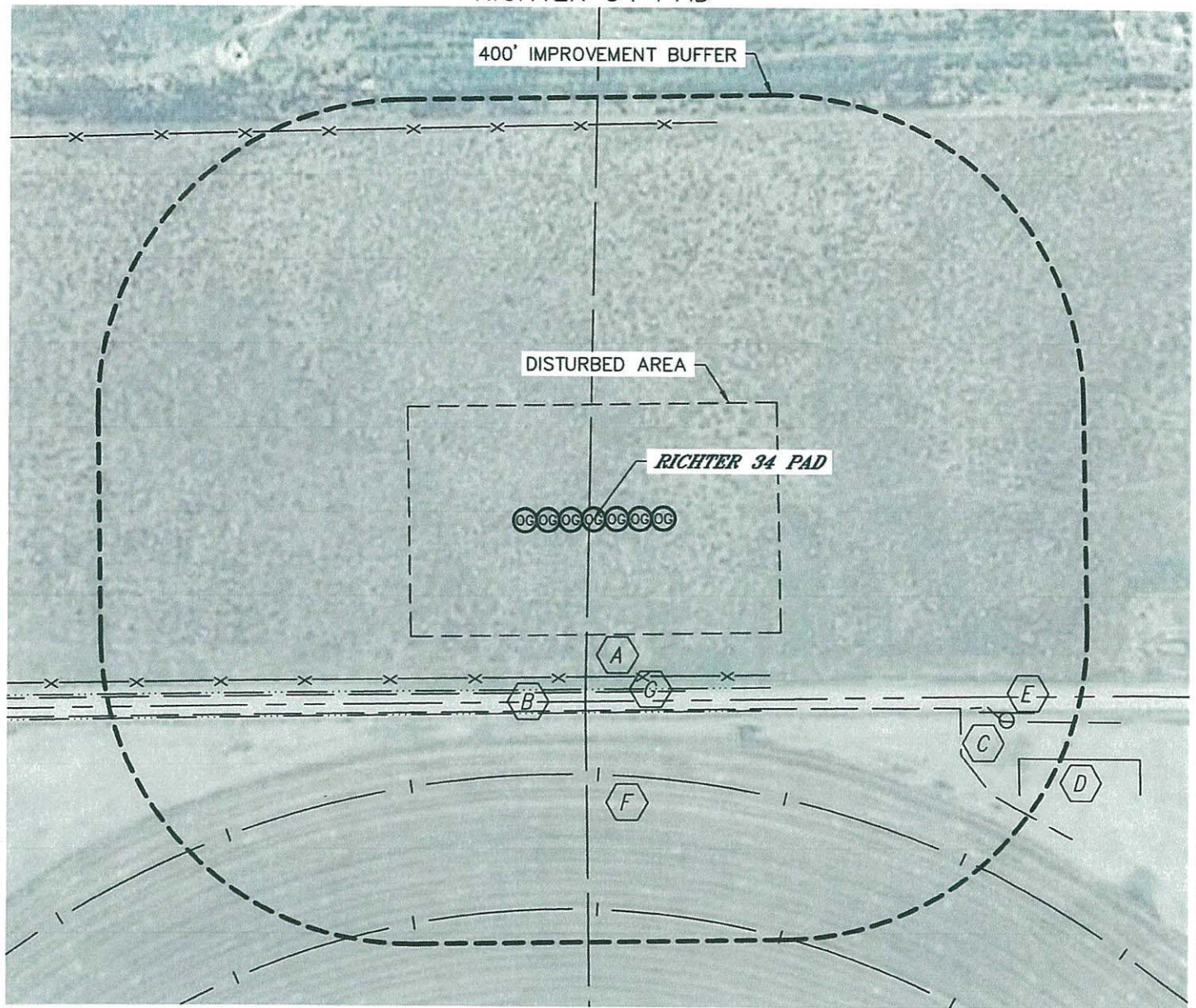


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LOCATION DRAWING

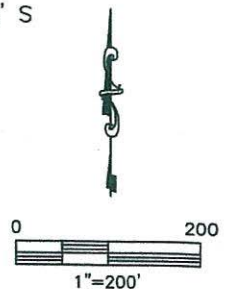
RICHTER 34 PAD

SECTION: 27
TOWNSHIP: 7N
RANGE: 64W



IMPROVEMENTS:
(MEASURED FROM THE PROPOSED RICHTER 34R-403 WELL LOCATION)

- | | |
|---|--|
| A FENCE 205' S, 514' N | F IRRIGATION PIVOT TRACK 332' S, 507' S |
| B COUNTY ROAD 76 225' S | G BARROW DITCH 221' S, 252' S |
| C GRAVEL DRIVE 535' SE | |
| D EX. PRODUCTION EQUIPMENT (NOBLE) 633' SE | |
| E SIGN 592' SE | |



NEAREST: BUILDING 949' E, PUBLIC ROAD 225' S (CR 76),
ABOVE GROUND UTILITY 1290' E, RAILROAD 5280'+, PROPERTY LINE 237' S

DATE: 9/10/2012
PROJECT#: 2011311

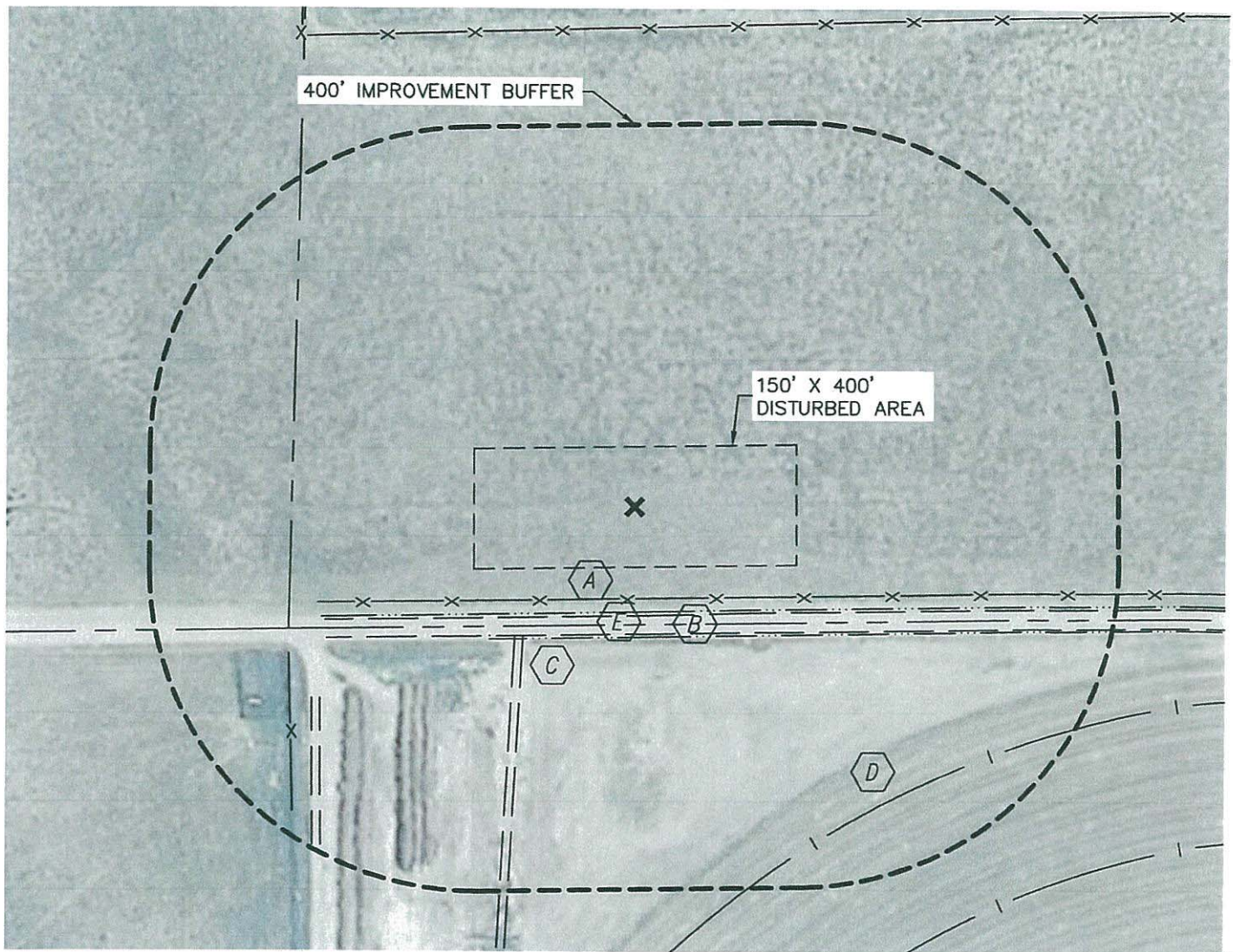


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PRODUCTION FACILITY LOCATION DRAWING

SECTION: 27
TOWNSHIP: 7N
RANGE: 64W

RICHTER 34 PAD




REFERENCE POINT LOCATION:

LAT: 40.53739°N
LONG: 104.53476°W
ELEV: 4866'
PDOP: 2.0
DATE: 9/4/2012
OPERATOR: WYATT HALL
1/41/4: SW1/4SE1/4
FSL: 146'
FEL: 2228'
DISTANCE TO WELL: 826'
ASSOCIATED NEW WELLS:
RICHTER 34R-223, 34R-423,
34U-203, 34R-403, 34M-203,
34M-423, 34R-243
ASSOCIATED EXISTING WELLS:
N/A

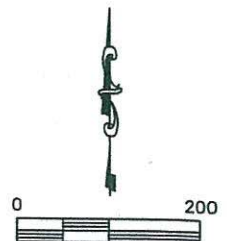
IMPROVEMENTS:

-  FENCE 114' S, 465' SW
-  COUNTY ROAD 76 135' S
-  FIELD ROAD 213' SW, 456' SW
-  IRRIGATION PIVOT TRACK 471' SE
-  BARROW DITCH 131' S, 162' S

LEGEND

 - REFERENCE POINT
ALL DISTANCES ARE APPROXIMATE.

NEAREST: BUILDING 1860' S (OUT BUILDING),
PUBLIC ROAD 135' S (CR 76), ABOVE GROUND UTILITY 2200' E,
RAILROAD 5280'+, PROPERTY LINE 146' S



DATE: 9/10/2012
PROJECT#: 2011311

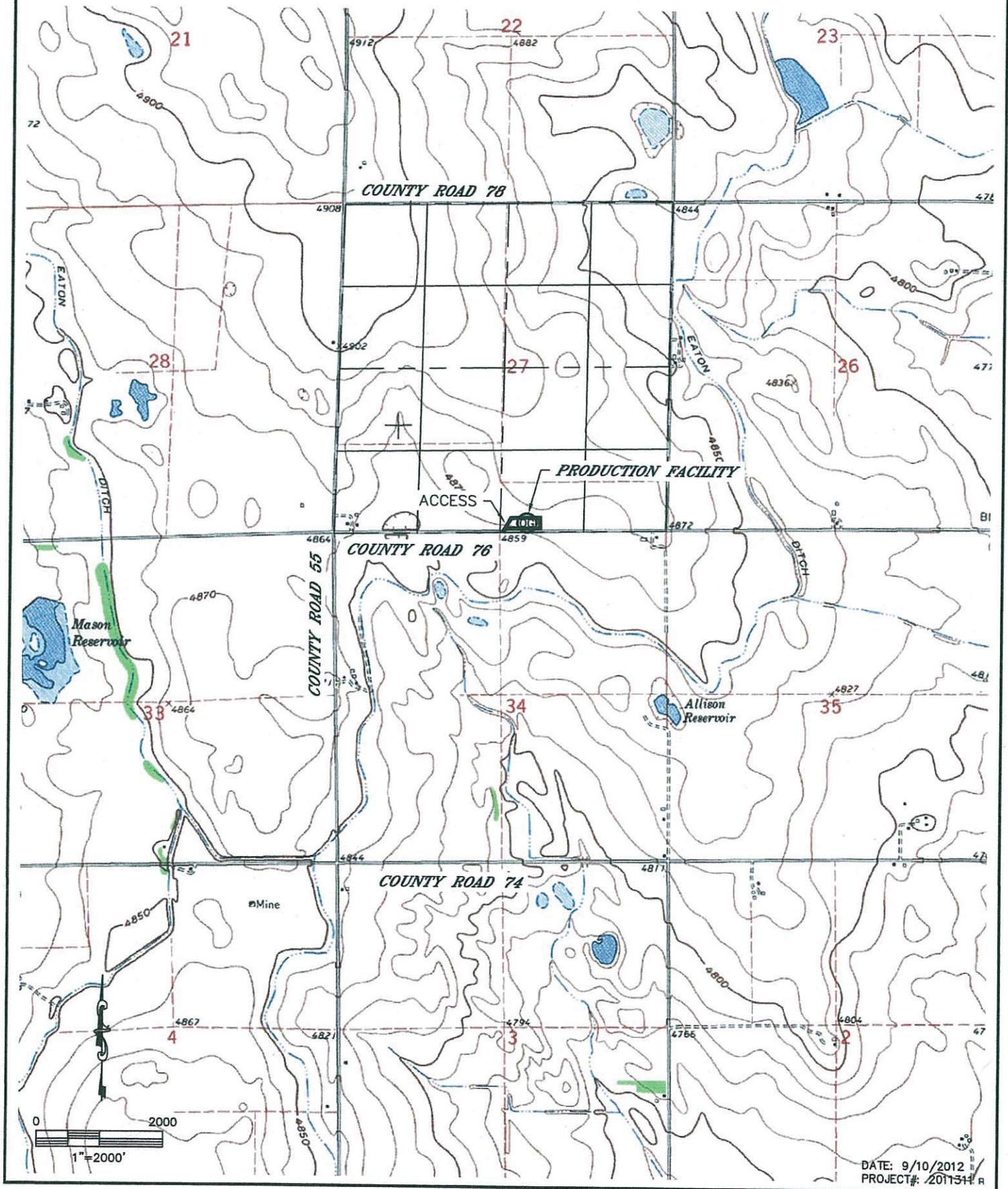


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PRODUCTION FACILITY ACCESS ROAD MAP

RICHTER 34 PAD

SECTION: 27
TOWNSHIP: 7N
RANGE: 64W



DATE: 9/10/2012
PROJECT#: 201134 R