

## **SURFACE USE AGREEMENT**

THIS SURFACE USE AGREEMENT ("Agreement") is entered into by and between the Fred O. Will and Molly O. Will Trust, dated December 17, 1998, Larry P. Will Trustee, whose address is 312 Clover Lane, Fort Collins, Colorado 80521, the owner of the surface estate described below (the "Property"), and Bill Barrett Corporation ("Company"), whose address is 1099 18<sup>th</sup> Street, Suite 2300, Denver, Colorado 80202 (individually a "Party," together "the Parties") with respect to the following described lands:

Township 6 North, Range 62 West, 6<sup>th</sup> P.M.

Section 10: NW1/4, W/2SW1/4, E/2SW1/4, and W/2SE1/4

### **RECITALS**

WHEREAS, Company owns the leasehold right to access the Property and use so much of the surface as is reasonably necessary to explore for and produce oil and gas from the leased premises; and, there shall not be an unreasonable use of the surface,

WHEREAS, Company and Owner desire to enter into this Agreement as a supplement to, but not in derogation of, Company's leasehold rights, including the right to construct and drill future pads and wells in addition to any enumerated herein;

NOW, THEREFORE, in consideration of \$10.00 cash in hand and other good and valuable consideration, including Company's agreement to pay the sum of \$25,000 for each well pad constructed ("Pad") and the first well drilled from said Pad, and the additional sum of \$20,000.00 per well for each subsequent well drilled from the Pad prior to the spudding of each well ("the Wells"), as well as the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged:

### **RELEASE & CONVEYANCE**

Except as provided below in Additional Covenants 2, 3 and 7, 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 ("the Operations") on the Property so long as such Operations are conducted in accordance with this Agreement.

AND, subject to obligations on a pipeline option agreement currently being pursued by Percheron Energy on behalf of Bill Barrett Corporation, which is not superseded by this Agreement, the

Owner hereby grants, demises, and conveys such easements and rights-of-way on and across the Property as may be convenient for the Operations. Company shall have the right to construct, drill, complete, recomplete, and operate the "Wells;" and to install, occupy, and operate any associated access roads, production facilities and pipelines; and to conduct its Operations anywhere within the Oil and Gas Operations Areas ("OGOA") and easements shown on Exhibit A, attached hereto and incorporated herein, including directional and horizontal wells

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that produce from and drain lands other than the Property, provided such lands are pooled with all or any portion of the lands included in Company's oil and gas lease covering the Property.

### ADDITIONAL COVENANTS

*The Parties agree that the Recitals above are integral to this Agreement and are expressly incorporated in these Covenants by reference as if fully set forth herein.*

1. Company may exercise its rights hereunder for all purposes convenient for Company to perform the Operations, including the right of unimpeded ingress and egress on the designated rights-of-way to access the OGOA, to install associated equipment and facilities within the OGOA and to install and operate pipelines. Company may assign or delegate to a third party the right to install and operate temporary and permanent pipelines in order to supply water for the Operations or to connect the Wells to a gas or liquids gathering system. The access and pipeline easements granted herein shall be non-exclusive and capable of use by Owner, so long as such use does not interfere with or impair the Operations, and with the permission of Company, which permission shall not be unreasonably withheld.
2. Company shall promptly repair, replace, or compensate Owner for damage to personal property or to improvements on the Property, such as damage to buildings, fences, gates and culverts, or loss of livestock, as well as any other such extraordinary losses or damages caused by Company. Any failure to reach mutual agreement with respect to such repair, replacement or 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 release, discharge, 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. This indemnification extends to any action by a government agency with jurisdiction over the Operations under an environmental law or regulation.
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 release, discharge, 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 and Gas Conservation Commission ("COGCC"), unless a variance is granted by the COGCC upon the request of Owner. Company shall endeavor to keep the OGOA and the pipeline and access easements free of weeds and debris and to control erosion.
6. Commencement of the Operations with heavy equipment is estimated to begin in October, 2013. Owner acknowledges that this notice complies with, or hereby waives, all COGCC requirements that it be given advance notice by Company of the proposed Operations. Owner acknowledges receiving from Company a brochure prepared by the COGCC which describes the rights and responsibilities of Owner as a surface owner.

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7. Company shall construct its roads and pipelines within the access easements shown on Exhibit A, and otherwise confine its Operations to the OGOA, except in the event of an emergency, or for reasonable incidental and temporary activities, and Company shall be responsible for any physical damage to the Property that may be caused by such emergency or temporary activities. Any depiction of the configuration of drilling rig operations or production facilities shown are for illustrative purposes only and shall not bind Company with respect to the location or scope of its Operations within the OGOA.

**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. Owner further agrees that it will not locate any lot lines or building units (as defined in the 100 Series of the COGCC Rules) any closer than 200 feet to the outer boundary of the OGOA.**

(a) Company will provide Owner with the COGCC Form 2A ("Oil and Gas Location Assessment") for the OGOA when submitted to the COGCC, and Company undertakes to ensure that said Form 2A accurately reflects the provisions of this Agreement.

(b) Owner agrees not to object to the Form 2A, so long as it is consistent with this Agreement, and hereby waives any right granted by COGCC rule to comment on the Form 2A, to request an extension of the comment period, to request an onsite inspection pursuant to COGCC policy, or to appeal the approval and issuance of the Form 2A, and any related Form 2 ("Application for Permit to Drill").

(c) Owner shall not oppose Company in any COGCC or other governmental proceedings related to Company's Operations, including, but not limited to, permitting, formation of drilling units, well spacing, pooling, drilling, completion, stimulation, re-stimulation, workovers, deepening and recompleting, provided that Company's position in such proceedings is consistent with this Agreement.

**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 reasonably 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. Owner agrees to include a note on any annexation, subdivision plat, planned unit development or other land use designation for which Owner may apply to put successors or assigns on notice that the Property is subject to this Agreement. Owner agrees that Company may also record this Agreement, redacted as to any compensation amount. In all other respects, however, the Parties shall hold the provisions of the Agreement in confidence. Owner must disclose to trust beneficiaries and is not liable for the beneficiary's conduct.

11. 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,

12. 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.

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

*GPW*

Operator: Bill Barrett Corporation  
Person to Contact: Colleen Kennedy, Sr. Landman  
Address: 1099 18<sup>th</sup> Street, Suite 2300, Denver, Colorado 80202

Phone Number: 303-293-9100  
Email Address: ckennedy@billbarrettcorp.com

24-Hour Emergency Phone Number: 800-880-6359

14. This Agreement shall extend to, bind and inure to the benefit of, Owner and Company, and their respective heirs, personal representatives, successors and assigns. The rights and obligations contained herein shall constitute covenants running with the Property.

15. This Agreement shall become effective upon execution, which may be by counterparts, each of which shall constitute one and the same document, and shall remain in full force and effect until Company's leasehold estate expires or is terminated, and Company has plugged and abandoned the Wells and conducted reclamation in accordance with 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. An electronic copy of a Party's original signature shall be considered valid, binding and enforceable.

IN WITNESS WHEREOF, the Parties have executed this Agreement this 5 day of Oct., 2013

**OWNER:**

Fred O. Will and Molly O. Will Trust, dated December 17, 1998

  
By: Larry P. Will, Trustee

**COMPANY:**

BILL BARRETT CORPORATION

  
By: Mitchell J. Reneau  
Vice-President-Land 



ACKNOWLEDGEMENTS

STATE OF COLORADO )  
 ) ss.  
COUNTY OF La Plata )

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of October 2013  
by Larry P. Will, Trustee of the Larry O. Will and Molly O. Will Trust, dated December 17, 1998.

My commission expires 01/25/2016

Alden V. Hill  
Notary Public

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

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of October 2013  
by Mitchell J. Reneau, Vice-President-Land of Bill Barrett Corporation, a Delaware corporation, on  
behalf of the corporation.

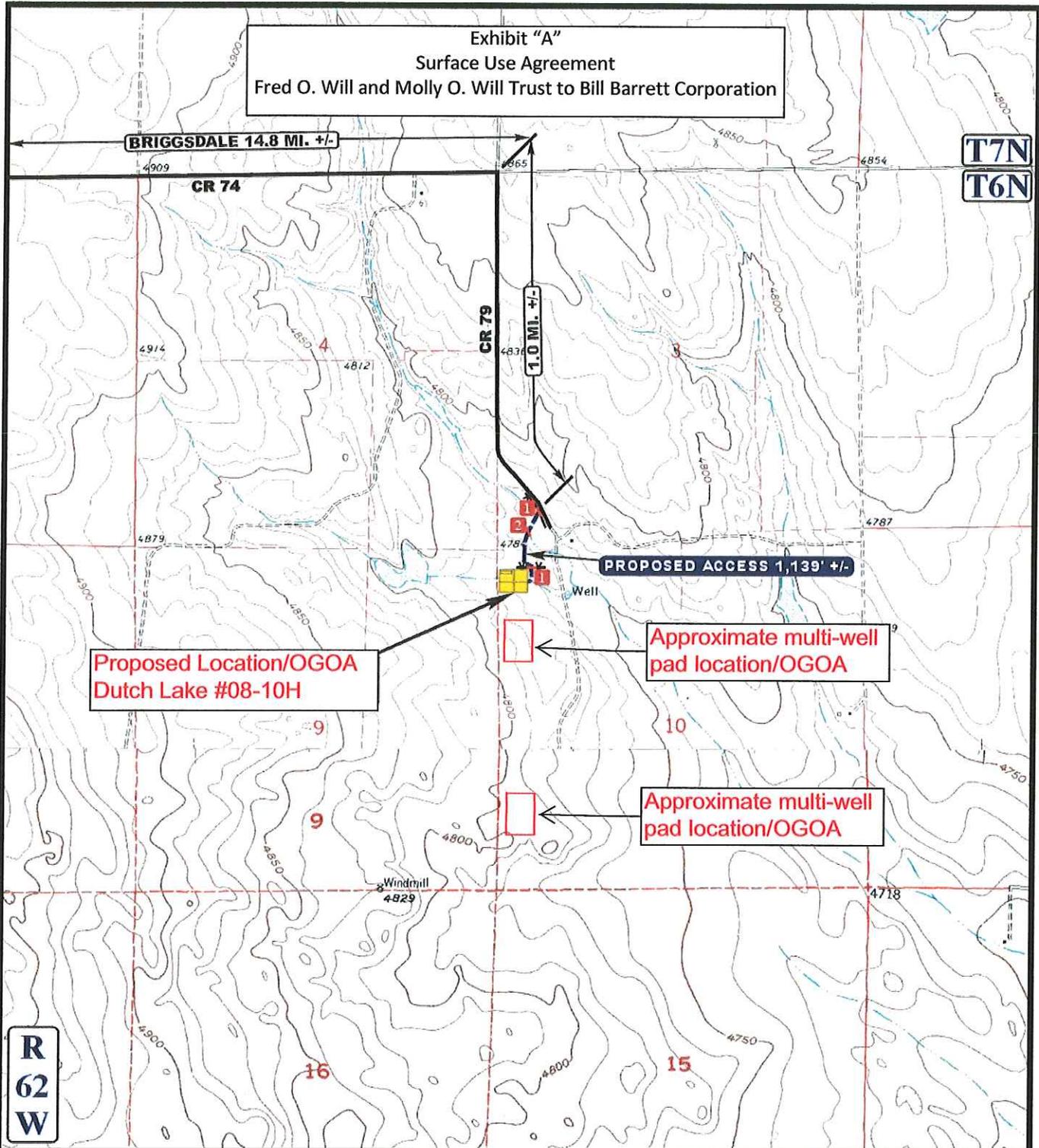
My commission expires 12-05-2015

Cheryl D. Mattka  
Notary Public

CHERYL D. MATTKA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID # 20074017315  
MY COMMISSION EXPIRES DECEMBER 05, 2015

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Exhibit "A"  
Surface Use Agreement  
Fred O. Will and Molly O. Will Trust to Bill Barrett Corporation



**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING FENCE
- INSTALL CATTLE GUARD
- 18" CMP REQUIRED



**BILL BARRETT CORPORATION**

**DUTCH LAKE #08-10H**  
**SECTION 10, T6N, R62W, 6th P.M.**  
**519' FNL 230' FWL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**ACCESS ROAD**  
**MAP**

**02** MONTH  
**04** DAY  
**11** YEAR

**B**  
**TOPO**

SCALE: 1" = 2000' DRAWN BY: S.F. REV: 08-16-12 J.L.H.

Exhibit "A"  
Surface Use Agreement  
Fred O. Will and Molly O. Will Trust to Bill Barrett Corporation

BRIGGSDALE 14.8 MI. +/-

T7N  
T6N

CR 74

CR 79

1.0 MI. +/-

PROPOSED ACCESS 1,139' +/-

Proposed Location/OGOA  
Dutch Lake #08-10H

Approximate multi-well  
pad location/OGOA

Approximate multi-well  
pad location/OGOA

R  
62  
W

LEGEND:

- EXISTING ROAD
- - - - PROPOSED ACCESS ROAD
- - - - EXISTING FENCE
- ① INSTALL CATTLE GUARD
- ② 18" CMP REQUIRED

BILL BARRETT CORPORATION

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519' FNL 230' FWL



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ACCESS ROAD  
MAP

02 04 11  
MONTH DAY YEAR

B  
TOPO

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*LPW*