

## SURFACE DAMAGE AGREEMENT

THIS SURFACE DAMAGE AGREEMENT ("Agreement") is entered into by and between O Investment Properties, LLC ("Owner") whose address is 1917 Elba Ct, Windsor, CO 80550, the owner of the surface estate in the Township 6 North, Range 65 West, Section 6: SESE, (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 owns the leasehold right of ingress and egress across the Property and to use so much of the surface as is reasonably necessary to explore for and produce oil and gas; and,

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 drill future wells in addition to those enumerated herein;

NOW THEREFORE; in consideration of agreement to pay the sum of \_\_\_\_\_ ) the sufficiency of which is hereby acknowledged, prior to the spudding of the well or wells described below (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: O Investment Properties 6T-421  
O Investment Properties 6Y-241  
O Investment Properties 6Y-401**

Legal Location: Township 6 North, Range 65 West, 6<sup>th</sup> P.M.  
Section 6: SESE

Weld County, Colorado

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.

COCO2010

#### ADDITIONAL PROVISIONS

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 across the Property to access the Well(s), and to install and operate pipelines. All pipelines shall be buried to a depth of forty-eight (48) inches from the surface. 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 material 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 paint and maintain the wellheads and guards, with paint approved by COGCC and in colors acceptable to the owner within the color options required by the COGCC. Company shall keep the well pad(s), the production facilities, and the pipeline and road easements free of weeds and debris, and to control erosion thereon.

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, at the specified surface location and with the approximate size and design shown on Exhibit(s) A.

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. Company shall install and maintain, at its sole cost and expense, an all-weather surface road consisting of class 6 road base to access the Wells.

10. 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.

11. [OPTIONAL] Owner hereby CONSENTS [ ] or DOES NOT CONSENT [ x ] 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).

12. 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.

13. 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.

14. 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.

15. 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.

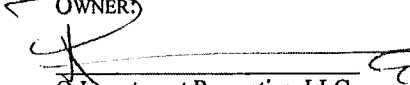
16. This Agreement shall become effective when it is fully executed and shall remain in full force and effect until Company's leasehold estate expires or is terminated, and Company has plugged and abandoned the Well(s) and conducted reclamation in accordance with this Agreement and applicable COGCC rules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

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

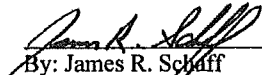

18. Concerning any matter relating to the Operations, Owner may contact:

Operator: PDC Energy, Inc.  
Person to Contact: Josh Wagner  
Address: 1775 Sherman Street, Suite 3000  
Denver, CO 80203  
Phone Number: 303-860-5800  
Fax: 303-860-5838  
Email Address: Josh.Wagner@pdce.com

IN WITNESS WHEREOF, the parties have executed this Agreement this 22nd day of  
May, 2013.

OWNER:  
  
O Investment Properties, LLC  
Rachel Oliver-Pankewicz (single member) Owner

COMPANY:

  
By: James R. Schuff  
Vice President Land 

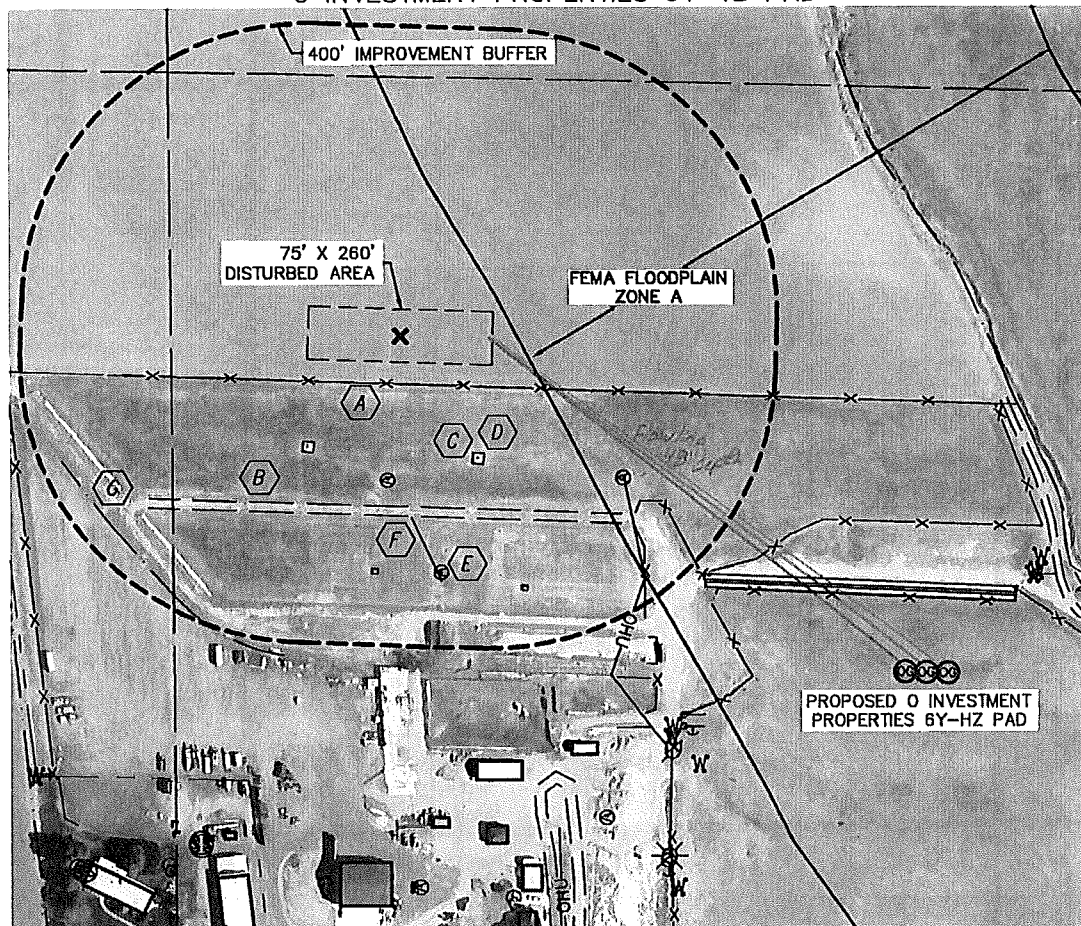


Lat40°, Inc. 1635 Foxtrail Drive, Suite 325 Loveland, CO 970-776-3321

# PRODUCTION FACILITY LOCATION DRAWING

O INVESTMENT PROPERTIES 6Y-TB PAD

SECTION: 6  
TOWNSHIP: 6N  
RANGE: 65W



## REFERENCE POINT LOCATION:

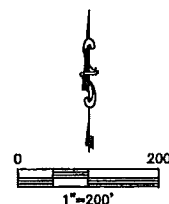
LAT: 40.51241°N  
LONG: 104.70046°W  
ELEV: 4784'  
PDOP: 1.6  
DATE: 3/1/2013  
OPERATOR: WYATT HALL  
1/41/4: SE1/4SE1/4  
FSL: 956'  
FEL: 1002'  
DISTANCE TO WELL: 854'  
ASSOCIATED NEW WELLS:  
O INVESTMENT PROPERTIES  
6T 421, 6Y-241, 6Y-401  
ASSOCIATED EXISTING WELLS:  
N/A

## IMPROVEMENTS:

- A FENCE 68' S, 410' SE
- B FIELD ROAD 240' S
- C CONCRETE PAD 192' SW, 193' SE, 391' SW, 330' S
- D WATER TANK 203' SW, 204' SE, 397' SE, 333' S
- E SPIGOT 204' S, 339' SE, 372' SE
- F OVERHEAD UTILITY LINE 256' S, 375' SE
- G DITCH 480' SW

LEGEND  
X - REFERENCE POINT  
ALL DISTANCES ARE APPROXIMATE.

NEAREST: BUILDING 545' SE (OUT-BUILDING),  
PUBLIC ROAD 956' S (CR 72), ABOVE GROUND UTILITY 256' S,  
RAILROAD 1321' SW, PROPERTY LINE 67' S



DATE: rev 3/1/2013  
PROJECT#: 2012160

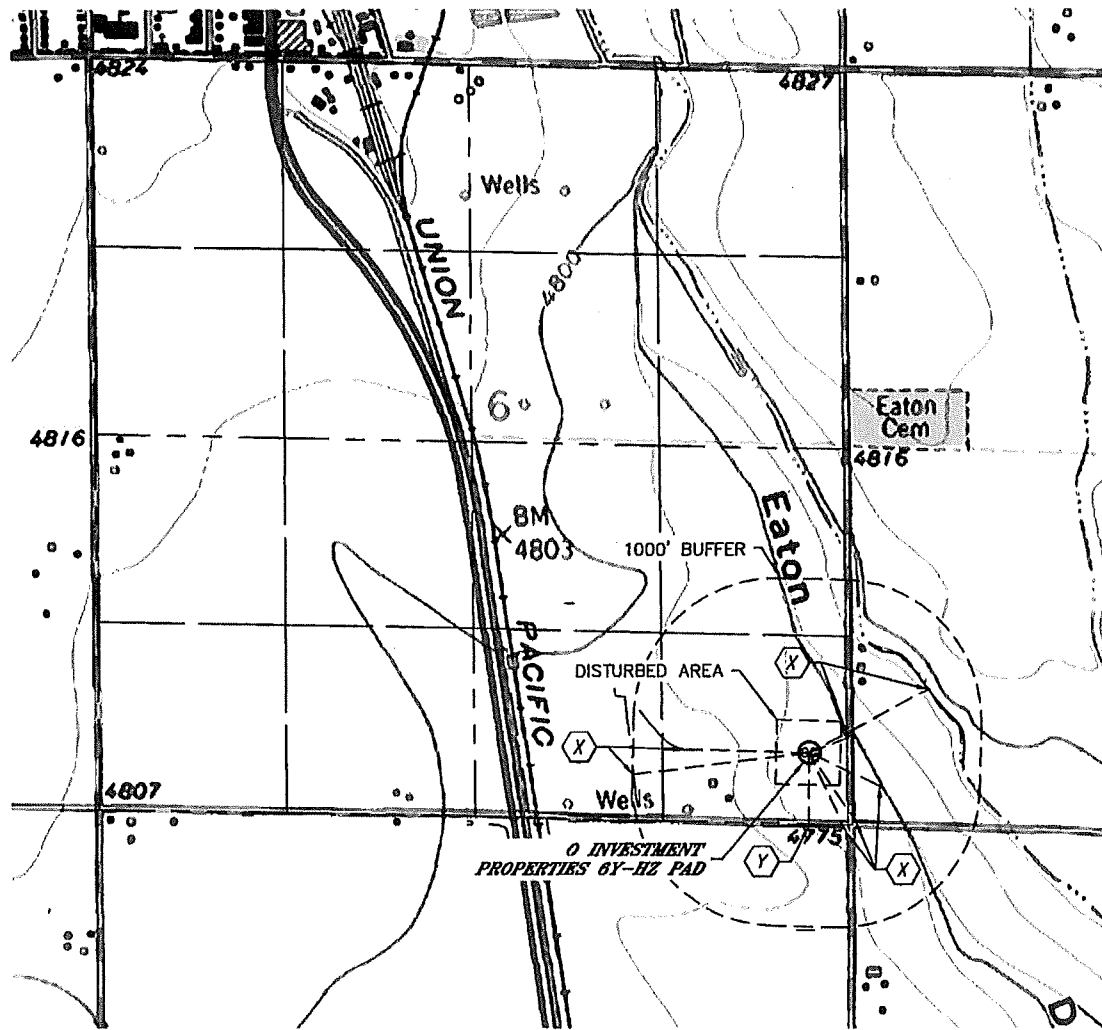


Lat40°, Inc. 1635 Foxtrail Drive, Suite 325 Loveland, CO 970-776-3321

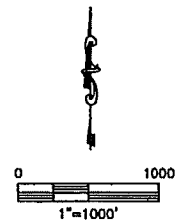
## HYDROLOGY MAP

O INVESTMENT PROPERTIES 6Y-HZ PAD

SECTION: 6  
TOWNSHIP: 6N  
RANGE: 65W



- (X) DITCH 295' NE, 955' NE, 551' SE, 583' SE,  
617' SE, 876' W, 1241' SW
- (Y) BARROW DITCH 518' S



DATE: 1/15/2013  
PROJECT#: 2012160

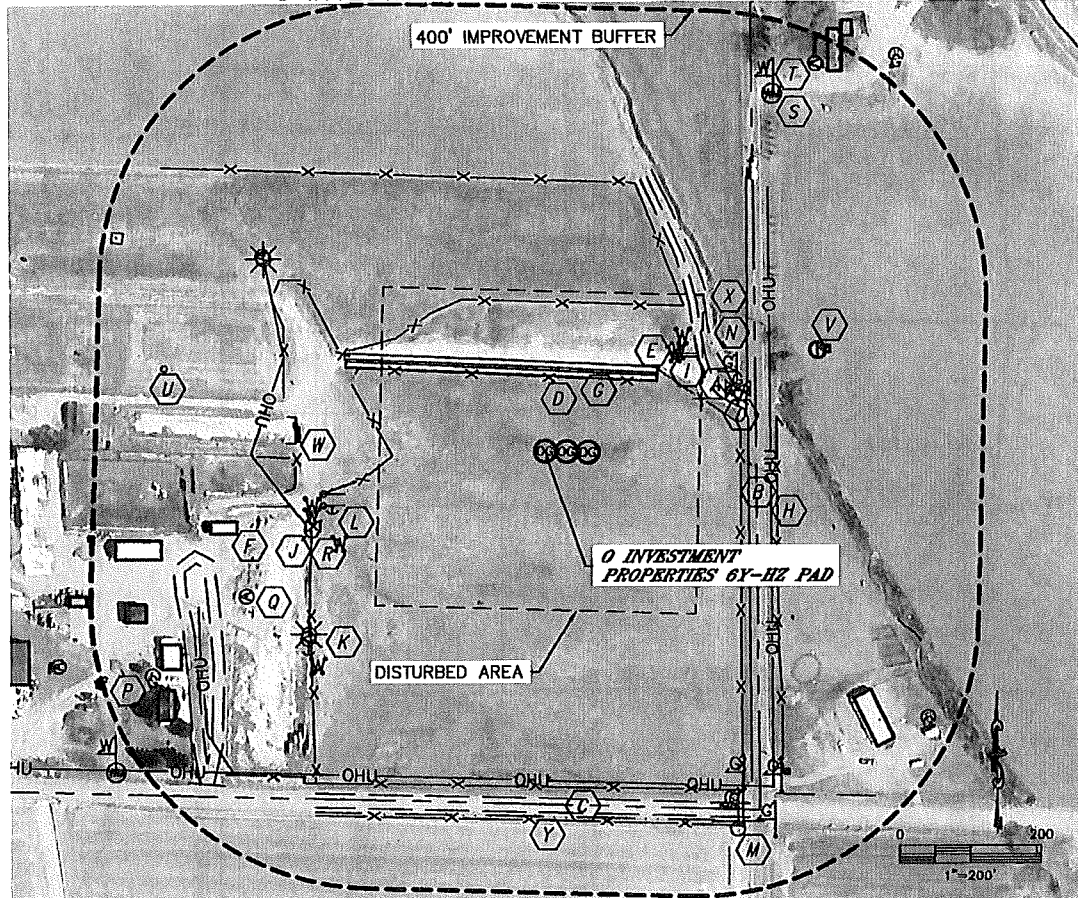


Lat40°, Inc. 1635 Foxtrail Drive, Suite 325 Loveland, CO 970-776-3321

## LOCATION DRAWING

O INVESTMENT PROPERTIES 6Y-HZ PAD

SECTION: 6  
TOWNSHIP: 6N  
RANGE: 65W



### IMPROVEMENTS:

(MEASURED FROM THE O INVESTMENT PROPERTIES 6T-421 WELL LOCATION)

- |   |   |  |
|---|---|--|
| <b>A</b> FIELD ROAD 247' NE, 491' SW  | <b>I</b> POST 228' NE, 235' NE, 252' NE, 317' SW, 337' SW, 341' SW, 440' SW | <b>Q</b> SPIGOT 426' SW, 468' SW, 483' NE, 666' NE   |
| <b>B</b> COUNTY ROAD 39 285' E  | <b>J</b> POWER POLE 347' SW   | <b>R</b> WATER VALVE 343' SW                         |
| <b>C</b> COUNTY ROAD 72 492' S  | <b>K</b> LIGHT POLE 422' SW, 478' NW  | <b>S</b> WATER METER 596' NE                         |
| <b>D</b> FENCE 105' N, 210' N, 395' N, 215' W, 274' E, 375' NW, 475' S, 523' S                            | <b>L</b> GUY WIRE 309' SW, 440' SW  | <b>T</b> WATER MARKER 598' NE                        |
| <b>E</b> GATE 228' NE, 318' SW  | <b>M</b> SIGN 590' SE   | <b>U</b> WATER TANK 544' NW                          |
| <b>F</b> BUILDING (DWELLING) 556' SE, 622' SW, 667' NE, (OUT-BUILDING) 445' SW, 554' SW, 580' SW, 620' SW | <b>N</b> GAS MARKER 283' NE, 554' SE, 584' SE, 592' SE, 596' SE, 634' SE    | <b>V</b> IRRIGATION WELL 409' NE, PUMP HOUSE 416' NE |
| <b>G</b> CONCRETE PAD 106' N, 118' N, 475' SW, 663' NW  | <b>O</b> GAS VALVE 284' NE  | <b>W</b> SILAGE PIT 351' W                           |
| <b>H</b> OVERHEAD UTILITY LINE 316' E, 348' SW, 535' SW, 390' NW, 466' S                                  | <b>P</b> PROPANE TANK 637' SW, 659' SE                                      | <b>X</b> DITCH 295' NE, 551' SE, 583' SE, 617' SE    |
|   |   | <b>Y</b> BARROW DITCH 518' S                         |

NEAREST: BUILDING 445' SW (OUT-BUILDING), PUBLIC ROAD 285' E (CR 36),  
ABOVE GROUND UTILITY 316' E, RAILROAD 1950' SW, PROPERTY LINE 296' E

DATE: 1/15/2013  
PROJECT#: 2012160

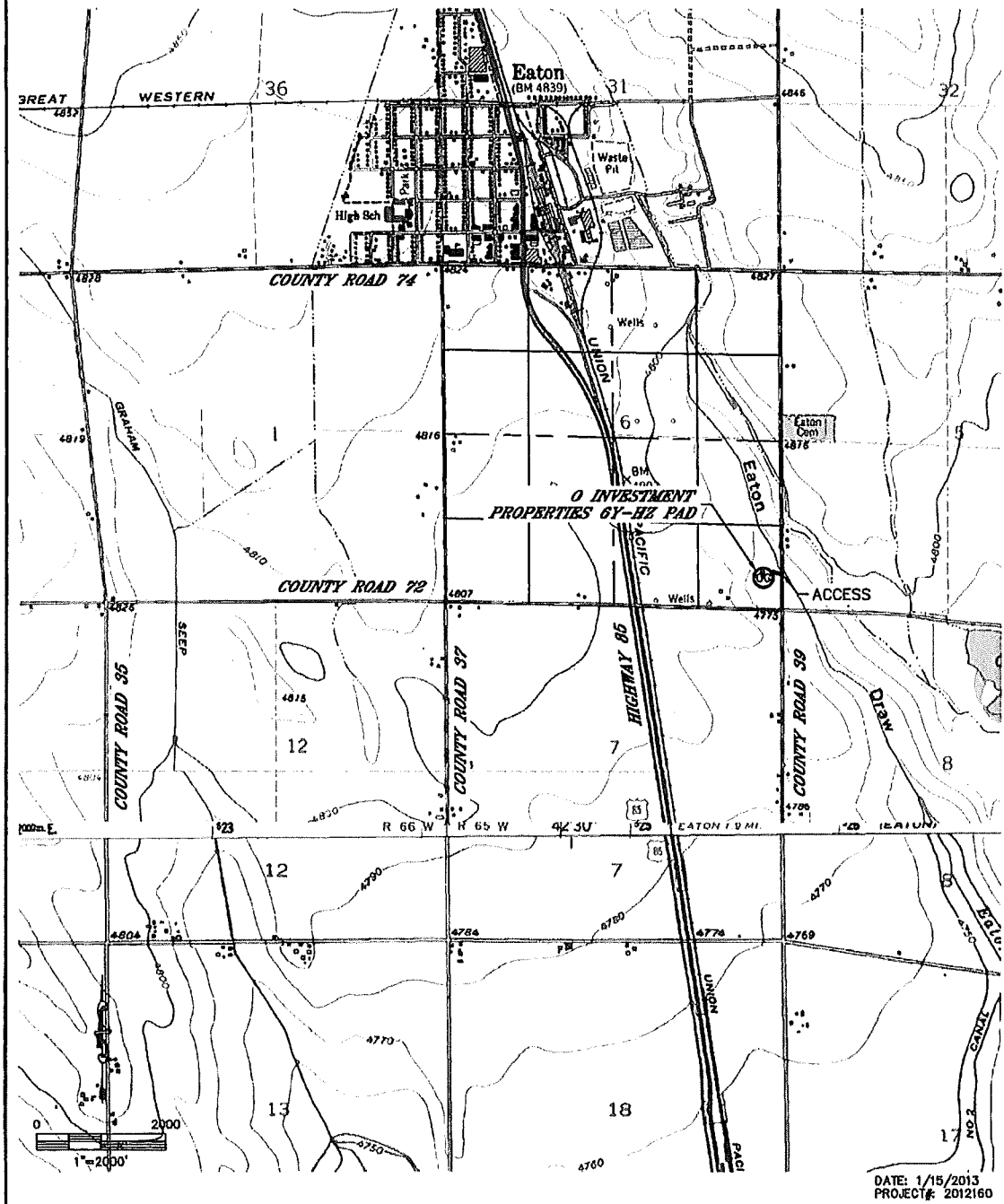


Lat40°, Inc. 1635 Foxtrail Drive, Suite 325 Loveland, CO 970-776-3321

## ACCESS ROAD MAP

O INVESTMENT PROPERTIES 6Y-HZ PAD

SECTION: 6  
TOWNSHIP: 6N  
RANGE: 65W





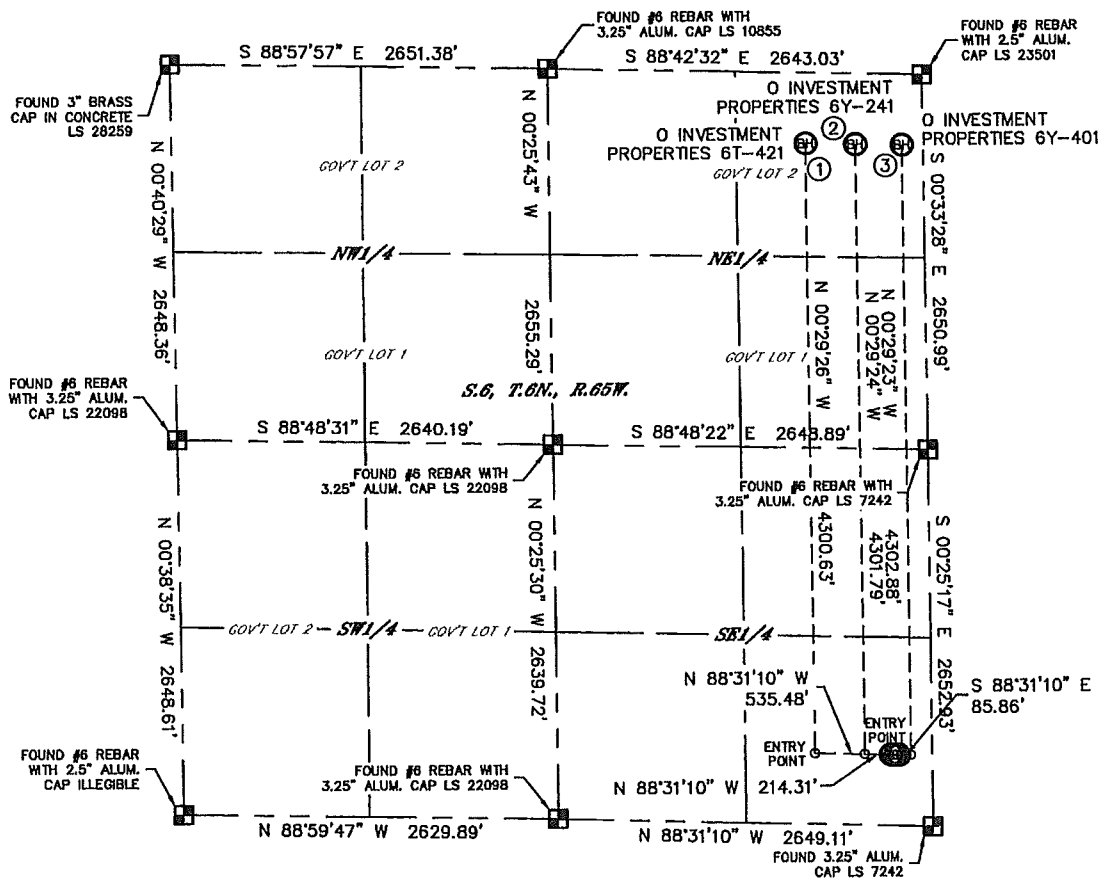


Lat40°, Inc. 1635 Foxtrail Drive, Suite 325 Loveland, CO 970-776-3321

# MULTI-WELL PLAN

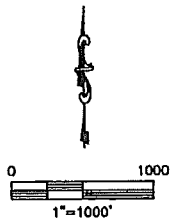
O INVESTMENT PROPERTIES 6Y-HZ PAD  
THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY

SECTION: 6  
TOWNSHIP: 6N  
RANGE: 65W



- |   |   |   |
|---|---|---|
| <p>①<br/>-BOTTOM HOLE-<br/>O INVESTMENT<br/>PROPERTIES 6T-421<br/>500' FNL<br/>831' FEL<br/>LAT: 40.52295N<br/>LONG: 104.69984W</p> | <p>②<br/>-BOTTOM HOLE-<br/>O INVESTMENT<br/>PROPERTIES 6Y-241<br/>500' FNL<br/>480' FEL<br/>LAT: 40.52292N<br/>LONG: 104.69858W</p> | <p>③<br/>-BOTTOM HOLE-<br/>O INVESTMENT<br/>PROPERTIES 6Y-401<br/>500' FNL<br/>150' FEL<br/>LAT: 40.52289N<br/>LONG: 104.69739W</p> |
|---|---|---|

LEGEND  
■ = ALIQUOT MONUMENT AS DESCRIBED  
○ = CALCULATED POSITION



DATE: 1/15/2013  
PROJECT: 2012160

MEMORANDUM OF  
SURFACE DAMAGE AND RELEASE AGREEMENT

WHEREAS on the 22nd day of May, 2013, O Investment Properties, LLC, whose address is 1917 Elba Ct. Windsor CO 80550, hereinafter referred to as "Owners" entered into a Surface Damage and Release Agreement (hereinafter the "Agreement") with PDC Energy Inc., whose address is 1775 Sherman Street, Suite 3000, Denver, Colorado 80203, hereinafter referred to as "Operator," covering and affecting property with the legal description identified as the following ("Property"):

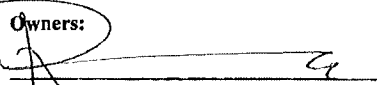
Township 6 North, Range 65 West, 6<sup>th</sup> P.M.  
Section 6: SESE

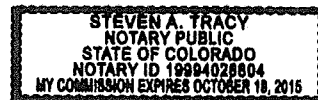
WHEREAS said Agreement provides for, among other things, the right to enter upon and use the Owners' Property for the purpose of erecting and maintaining well site location[s] and to perform other services as Operator and other functions described in the Agreement, and it also sets forth payment of specific amounts to cover damages resulting thereto. The Agreement, with all of its terms, conditions, covenants and other provisions, is referred to and incorporated into this Memorandum for all purposes.

NOW THEREFORE this Memorandum is placed of record for the purpose of giving notice of the Surface Damage and Release Agreement. Any person having the lawful right or legitimate interest therein may examine a copy of the Surface Damage and Release Agreement in PDC Energy's office during normal business hours.


IN WITNESS WHEREOF, the parties hereto have executed this instrument this 22nd day of May, 2013.

Owners:

  
O Investment Properties, LLC  
Rachel Oliver-Pankewicz (single member) Owner



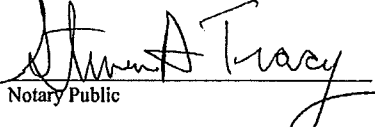
Operator:

  
Petroleum Development Corporation  
James R. Schaff, Vice President Land

STATE OF COLORADO )  
COUNTY OF WELD )

This instrument was acknowledged before me this 22 day of May, 2013, by Rachel Oliver-Pankewicz  
Owner O-Investment Properties LLC

WITNESS MY HAND AND OFFICIAL SEAL.

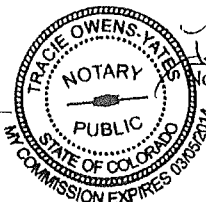
  
Notary Public

My commission expires: 10/18/15

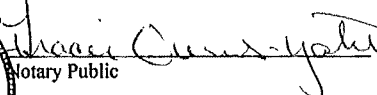
STATE OF COLORADO )  
COUNTY OF DENVER )

This instrument was acknowledged before me this 31st day of May, 2013, by James R. Schaff, Vice President Land of Petroleum Development Corporation. PDC ENERGY, INC

WITNESS MY HAND AND OFFICIAL SEAL.



My commission expires: 3/5/14

  
Notary Public

COC 02010