

## SURFACE USE AGREEMENT

**THIS AGREEMENT** is made and entered into this 30th day of July, 2013, by and between SUNMARKE INVESTMENTS, LLC, (hereinafter "Surface Owner"), whose address is 5105 DTC Parkway, Suite 240, Greenwood Village, CO 80111, and PDC Energy, Inc. (hereinafter "PDC"), whose address is 1775 Sherman Street, Suite 3000, Denver, CO 80203. Surface Owner and PDC may be referred to collectively as "Parties" and individually as a "Party."

### RECITALS

A. Surface Owner is the owner of the surface estate in property located in Weld County, Colorado, described for purposes of this Agreement as the N1/2 of Section 28, Township 4 North, Range 67 West, 6<sup>th</sup> P.M., hereinafter referred to as the "Property," and has the right to use its surface estate to the fullest extent possible with due regard to the owners and lessees of the mineral estate.

B. PDC is the assignee of certain oil and gas leasehold rights and as such, PDC has the right to use so much of the surface as is reasonably necessary to explore for, develop, drill for and produce certain oil, gas and other hydrocarbons that underlie the Property, with due regard for the owner of the surface estate. PDC and Surface Owner desire to enter into this Agreement as a supplement to, but not in derogation of PDC's leasehold rights, including the right to drill future wells in addition to any well enumerated herein.

C. PDC currently has producing oil and gas wells and other oil and gas production equipment on the Property including, but not limited to pipelines, lease roads and tank batteries.

D. Surface Owner desires to develop the surface of the Property in a manner compatible with PDC's rights and obligations to produce oil and gas from beneath the surface. PDC desires to produce the oil and gas from beneath the surface of the Property in a manner compatible with Surface Owner's rights to develop the surface of the Property. The purpose of the Parties to this Agreement is to resolve their competing uses in a manner that will allow each Party to maximize use of their respective rights and at the same time provide maximum safety for uses of the Property.

**NOW THEREFORE**, in consideration of the covenants and mutual promises set forth herein, including the information set forth in the recitals, the Parties agree, to the extent of each of their respective interests in the Property only, as follows:

#### 1. Oil and Gas Operations Area ("OGOA") and Production Site Locations.

a. Existing Wells. PDC is now operating producing oil and gas wells on the Property at the following surface locations, all in Township 4 North, Range 67 West, 6<sup>th</sup> P.M., and within the earlier of twenty-four (24) months of the date of this Agreement or three months following completion of the last of the new wells, agrees to plug, abandon and reclaim the wells and well sites shown below in bolded text:

McCarty #28-8 located in NE/4NE/4 Section 28  
McCarty #28-6 located in NW/4NE/4 Section 28  
McCarty #28-2 located in SE/4NE/4 Section 28  
McCarty #28-1 located in SW/4NW/4 Section 28

d. PDC shall perform topsoil segregation and preservation in accordance with COGCC Rule 1002, and shall, in accordance with COGCC Rule 1003, commence interim reclamation of all construction areas as soon as feasible following completion operations that are undertaken after removal of the drilling rig.

e. PDC shall utilize pitless drilling, emission controls and other mitigation measures as required by COGCC Rule 603 and Town of Milliken requirements that are not inconsistent with such COGCC Rules.

f. PDC agrees that it shall not dispose or permanently store upon the Property drilling mud, cuttings, produced water, chemicals, flowback, any other exploration and production wastes, or hazardous or noxious substances.

g. Damages for each new well shall be paid by PDC to Surface Owner in accordance with a separate letter agreement entered of even date herewith between the Parties.

h. PDC agrees that all plugging, abandonment and reclamation operations must be accomplished so that wellheads shall be cut off and capped at a depth of 15' below the surface of the ground.

i. If construction areas or oil and gas operations result in the inability to irrigate croplands outside the OGOAs, then PDC shall construct ditches or pipelines to restore the ability to irrigate such croplands.

**IN WITNESS WHEREOF** the undersigned Parties have caused this Agreement to be executed by a duly authorized representative on the day and year first above written.

**SUNMARKE INVESTMENTS, LLC**

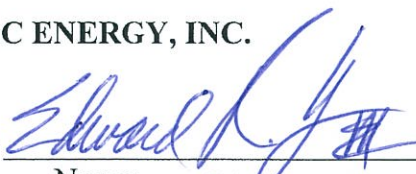
By



Name: Gary L. Hunter  
Title: Manager

**PDC ENERGY, INC.**

By



Name: **Edward R. Koeniger, III**  
Title: **Land Manager-Western U.S.**






## ACKNOWLEDGMENTS

STATE OF COLORADO   )  
                                  )  
COUNTY OF ARAPAHOE   )

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of July, 2013, by Gary L. Hunter, a Manager of SunMarke Investments, LLC.

Witness my hand and official seal  
My commission expires: 6-1-16

Tracy J. Hutchins  
Notary Public

A circular notary seal for Tracy J. Hutchins, Notary Public, State of Colorado. The seal features a central emblem with a quill and the word "NOTARY" above it, surrounded by the words "PUBLIC" and "STATE OF COLORADO". The name "TRACY J. HUTCHINS" is inscribed around the perimeter.

STATE OF COLORADO   )  
                                  )  
COUNTY OF Denver   )

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of July, 2013, by Edward R. Koeniger III, as Land Manager - Western U.S. of PDC Energy, Inc.

Witness my hand and official seal  
My commission expires: 2-23-2015



My Commission Expires 02/23/2015

Joy C. Joos  
Notary Public

*LRH*