

WATER INJECTION WELL LEASE AND SURFACE USE AGREEMENT

THIS WATER INJECTION WELL LEASE AND SURFACE USE AGREEMENT ("Agreement") is made and entered into this 27 day of November, 2013 (the "Effective Date") by and between James Eugene Speakman, whose address is 355 Wild Rose Lane, Parachute, CO 81635 and Monique Teresa Speakman, whose address is 5242 County Road 300, Parachute, CO 81635, hereinafter called "Owner", and Ursa Piceance LLC, whose address is 1050 17th Street, Suite 2400, Denver, Colorado 80265, hereinafter called "Operator".

WHEREAS, the Owner owns the surface of a tract of land located in Section 24 of Township 7 South, Range 96 West, in Garfield County, Colorado and further depicted in Exhibit A attached hereto for all purposes hereafter termed the "Lands" or "Speakman Pad A"; and

WHEREAS, Operator desires to utilize the Lands for the operations hereafter described, and Owner in accordance with and pursuant to this Agreement desires to allow such utilization; and

WHEREAS, Owner and Operator desire to enter into this Agreement to stipulate the terms and conditions under which Owner will permit such use of the Lands by Operator.

NOW, THEREFORE, in consideration of ten dollars (\$10.00) and other good and valuable consideration in hand paid, the receipt and sufficiency of which hereby are acknowledged, Owner and Operator agree as follows:

1. **Surface Use.** Owner hereby consents to Operator's use of the surface of the Lands to conduct natural gas recovery operations.
2. **Grant of Easement.** Owner, in consideration of the consideration provided for and of the covenants and agreements herein contained, and strictly subject to the provisions hereinafter set forth, does, by this Agreement demise, lease, and let unto Operator, for the exclusive purpose of drilling, utilizing, equipping and maintaining one water injection well on Speakman Pad A and use of the well located thereon (the "Well"), in connection with the injection and disposal of water associated with the production of oil and gas and other hydrocarbons (whether the origin of same is from the Lands or other operations of Operator from lands in which Owner does not have an interest) and their injection into the substrata of land; for the digging of pits, laying pipelines, for the placement of tanks and receptacles necessary in receiving, treating and disposing of water associated with the production of oil and gas and other hydrocarbons, and for the placement of structures, telephone and power lines, appliances, engines and machinery required or reasonably deemed necessary by Operator in connection with the operation of the Well as a water disposal input and injection well, including the construction of roads necessary for the purpose of accessing the Lands. Operator may drill, deepen or plug back the Well to make suitable for use as stated herein. Owner agrees that Operator may file in the real property records of Garfield County, Colorado on behalf of Owner appropriate documentation evidencing the rights granted under this Agreement.
3. **Payments.** Consideration for use and damages for the rights granted hereunder shall be made as follows: Six Cents (\$0.06) per barrel of water injected into the Wells payable on the amount of disposed water as reported by Operator to the Colorado Oil and Gas Conservation Commission and paid quarterly. Operator shall also purchase and install one (1) one phase and two (2) two phase metered service boxes with transformers and meters at each box to be located as depicted on the attached Exhibit B. All tap, initiation, acquisition and line extension fees shall be paid by Operator.
4. **Termination of Rights.** The rights granted by Owner to Operator relating to the operation of the Well as provided for in this Agreement shall terminate twenty (20) years from the Effective Date of this Agreement. The easements and rights-of-way granted herein relating to lands in which Owner does not have an interest, shall terminate if and when Operator shall cease to use such easements and rights-of-way for a period of 36 consecutive months without suspension of use for regulatory reasons or events of force majeure.
5. **Nonexclusive Rights.** With the exception of the exclusive right to use the Well for the purposes set forth herein, the rights granted by Owner to Operator are nonexclusive, and Owner reserves all other rights including those to use all roads and surface and subsurface uses of the Lands. Owners shall be entitled to construct streets or roadways, water, sewer, or other utility lines which do not damage, destroy or alter the operation of Operator's facilities. Owner specifically reserves the right to use their property for all purposes, including commercial purposes. Operator understands that Owner intends to

develop a commercial recreational vehicle park (RV Park). Operator agrees to reasonably cooperate with Owner's activities concerning development and operation of a RV Park. Operator shall reasonably facilitate (without any financial obligation) Owner's future development of the lands of Owner.

6. **Use** Operator and its employees, authorized agents and invitees shall not disturb, use or travel upon any property owned or controlled by Owner not subject to this Agreement or required for activities identified in this Agreement. None of the Operator's employees, authorized agents invitees or any other person under the direction or control of Operator shall be permitted to carry firearms or any weapon while crossing Owner's properties and such persons shall not hunt or fish on same; and shall not trespass on the same for the purposes of hunting, fishing or any other recreational use. Operator will notify all of its contractors, agents, employees and invitees that no firearms, weapons, hunting, fishing or recreational activities will be allowed on Owner's property. Operator shall not use any water from existing wells, reservoirs and springs on Owner's property, without Owner's prior written consent. Operator shall not permanently disturb, interfere with, fill or block any creek, reservoir, spring or other source of water on Owner's property without paying compensation.
7. **Hazardous Wastes** Except for privileges specifically enumerated in Paragraph 2 above, the Operator shall not discharge, dump, bury or store pollutants or hazardous materials of any kind on the lands of Owner including, but not limited to, pollutants such as oil, chemicals, toxic substances or materials, hazardous wastes or hazardous substances, including pollutants as the same may be defined, now or in the future, in any federal, state, or municipal laws, rules, regulations or ordinances. Operator specifically agrees to fully indemnify and hold Owner harmless from and against all claims, demands, losses, costs of removal of pollutants, judgments, causes of actions, fines, penalties, costs, including reasonable attorney's fees and costs of court, arising out of or connected with Operator's noncompliance with the terms of this Agreement or Operator's use of the Owner's property, except for any claims arising out of or due to acts or omissions of Owner.
8. **Environmental damages** Operator shall remain liable for all environmental damages caused or allowed by Operator, or Operator's employees, trustees, agents, invitees or guests. This obligation shall survive the expiration of this Agreement.
9. **Roads and Fences** Ingress and egress shall be confined to the purposes described in the Agreement. Hunting, fishing and all other recreational uses are specifically forbidden. The use of toxic substances for animal or plant control is prohibited without Owner's written consent. Operator shall reasonably contribute to maintenance and repair of commonly used roads. Upon completion of any construction by Operator, any improvements, roads, culverts and permanent fencing damaged by construction activities shall be repaired by Operator, at its sole expense, along the same alignment and approximate location of the Owner's existing improvements. Operator shall have the right to install, maintain and use gates in all fences and to install its own locks so long as appropriate keys or other adequate opening devices are provided to Owner at all times. In this regard, Operator shall cooperate with Owner with the planning, development, installation and operation of fences and gates to achieve minimal placement and optimal use thereof. Operator and its designated contractors, employees and invitees shall keep all gates in fences closed at all times. Upon final termination of Operator's rights under this Agreement, Operator shall return all roads and other rights-of-way or sites as near as practical to the condition which they were in prior to the execution of this Agreement, unless a different standard is otherwise agreed by Owner. All disturbed areas caused by Operator's activities shall be reseeded. No fences, cattle guards or other improvements on Owner's property shall be cut or damaged by Operator without the prior written consent of Owner, which shall not be unreasonably withheld, and the payment to Owner of additional damages and/or the institution of other safeguards to protect the rights and property.
10. **Reclamation and Landscaping** Owner shall have the right to plant customary crops, irrigate, carry irrigation water over, harvest and graze the surface areas. Operator shall take all reasonable steps to punctually reclaim the surface of the lands of Owner to a condition that is reasonably satisfactory to Owner. Operator will, insofar as practicable, construct and maintain soil conservation devices as may be reasonably appropriate to prevent damage to the Owner's property resulting from operations of Operator hereunder. Operator shall provide reasonable landscaping and other visual mitigation features and shall be responsible for interim and final reclamation for its activities.
11. **Damages** Operator agrees to pay for any damage caused to livestock and growing crops and also pay other damages should same constitute other than ordinary and customary use damages. The consideration provided above does not include damage to property not required to accomplish

Operator's normal activities, as well as damage to livestock, buildings or improvements, or injuries to persons or to any damage or destruction caused to Owner's property. Operator shall be liable for damages if, as a result of its operations hereunder, any water on or under the Lands which had been potable is affected to the extent that it is rendered non-potable for humans, cattle or other ranch animals on the Lands, or any such water supply, well or reservoir be destroyed or its output diminished. This Agreement does not relieve Operator from liability due to Operator's negligence or due to spills or discharges of any hydrocarbon or toxic or hazardous chemicals or wastes, or from leaks or breaks in Operator's pipelines.

12. **Maintenance.** Operator shall at all times keep the well site and the road right-of-way safe and in good order, and free of noxious weeds, litter and debris. Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's property in excess of what is permitted under applicable state and federal regulations. Operator shall, at all times, keep Owner's property in good order, and free of noxious weeds, litter and debris. Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes. Operator shall conduct operations and activities in accordance with existing local, state and federal laws, rules and regulations and shall take reasonable steps to (1) limit surface disturbances and damage, noise, trash, weeds, debris, waste, dust, erosion, hazardous materials; (2) protect the Owner's real property, livestock, wildlife habitat and water quality and quantity, and use and enjoyment of Owner's property; (3) establish and implement policies concerning the activities of the Operator's employees, agents and invitees on the Lands, consistent with applicable regulations and laws. The rules of the Colorado Oil and Gas Conservation Commission applicable to wells shall apply to Owner's activities herein. Operator shall keep its interests and activities adequately insured and shall provide Owner with emergency contact information. In any event and notwithstanding any transfer or assignment, the Operator shall remain liable for all environmental damages caused by the Operator and its affiliates and successors and shall indemnify and hold the Owner harmless, including reasonable attorney fees, concerning any and all environmental damages, except for any environmental damages caused by the Operator.
13. **Enforcement Costs.** If Operator defaults under this Agreement, Operator shall pay all costs and expenses, including a reasonable attorney fee, incurred by Owner in enforcing this Agreement.
14. **Indemnification.** To the maximum extent permitted by law, Operator will indemnify, defend and hold Owner harmless from any and all claims, liabilities, demands, suits, losses, damages and costs (including, without limitation, any attorney fees) which may arise out of, or be related to Operator's activities on Owner's property (including, without limitation, any claims that Operator's operations hereunder are either illegal, unauthorized, or constitute an improper interference with any party's rights, or have damaged the lands or operations of adjacent landowners). Operator also agrees to and shall indemnify and hold Owner harmless from and against any claim or liability or loss from personal injury or property damage resulting from or arising out of the activities of Operator, its servants, agents or invitees, excepting, however, such claims, liabilities or damages as may be due to or caused by the acts of Owner.
15. **Compliance with Law.** Operator shall conduct operations and activities in accordance with all applicable local, state and federal laws, rules and regulations, as such may be enacted, revised or amended from time to time which are incident to or arising out of or in any way connected with Operator's activities.
16. **Release.** To the maximum extent permitted by law, Operator releases and waives and discharges Owner, and, if applicable, Owner's officers, directors, employees, agents, successors and assigns from any and all liabilities for personal injury, death, property damage or otherwise arising out of Operator's operation under this Agreement or use of Owner's property.
17. **Notice.** Notice may be given to either party to this Agreement by depositing the same in the United States mail, postage prepaid, duly addressed to the other party at the address as set out in the preamble to Agreement. Such notice shall be deemed delivered when deposited in the United States mail. Operator shall punctually provide Owner with Operator's contact information. Operator shall reasonably notify Owner's prior to operations upon the Lands and shall timely consult with Owner regarding the re-location of roads, gates and other facilities incident to Operator's operations. Any plan changes materially different from those shown on Exhibit A shall be evidenced by a new or an amended



Exhibit A, which shall be approved by Owner's in writing prior to any construction activities. To the maximum extent commercially feasible, Operator will use existing roads.

18. **Construction of Agreement.** This Agreement shall be construed under the laws of the State of Colorado, without regard to any conflicts of law's principle that would require the application of the laws of any other jurisdiction.

19. **Assignability and Binding Effect.** This will be binding upon such successors and assigns of the parties. Any sale or assignment by the Grantee of any right or privilege to any third party is void without the consent of Grantors which shall not be unreasonably withheld.


In witness whereof, Owner and Operator have executed this Agreement effective as of the Effective Date regardless of the date of execution.

OWNER:


James Eugene Speakman

Monique Teresa Speakman

OPERATOR:

Ursa Piceance LLC

By: 
Jeff Powers, Landman

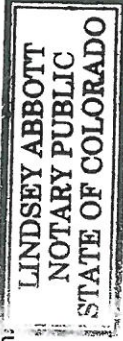
ACKNOWLEDGMENTS

STATE OF COLORADO §
COUNTY OF GARFIELD §

The foregoing instrument is acknowledged before me, a notary public, this 27 day of November, 2013, by James Eugene Speakman and Monique Teresa Speakman:

Witness my hand and official seal.

My commission expires: 2-20-2015



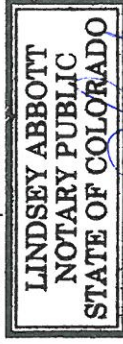

Notary Public

STATE OF COLORADO §
COUNTY OF GARFIELD §

The foregoing instrument is acknowledged before me, a notary public, this 27 day of November, 2013 by Jeff Powers, Landman for Ursa Piceance LLC on behalf of said corporation.

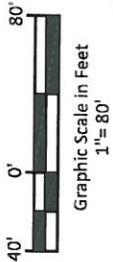
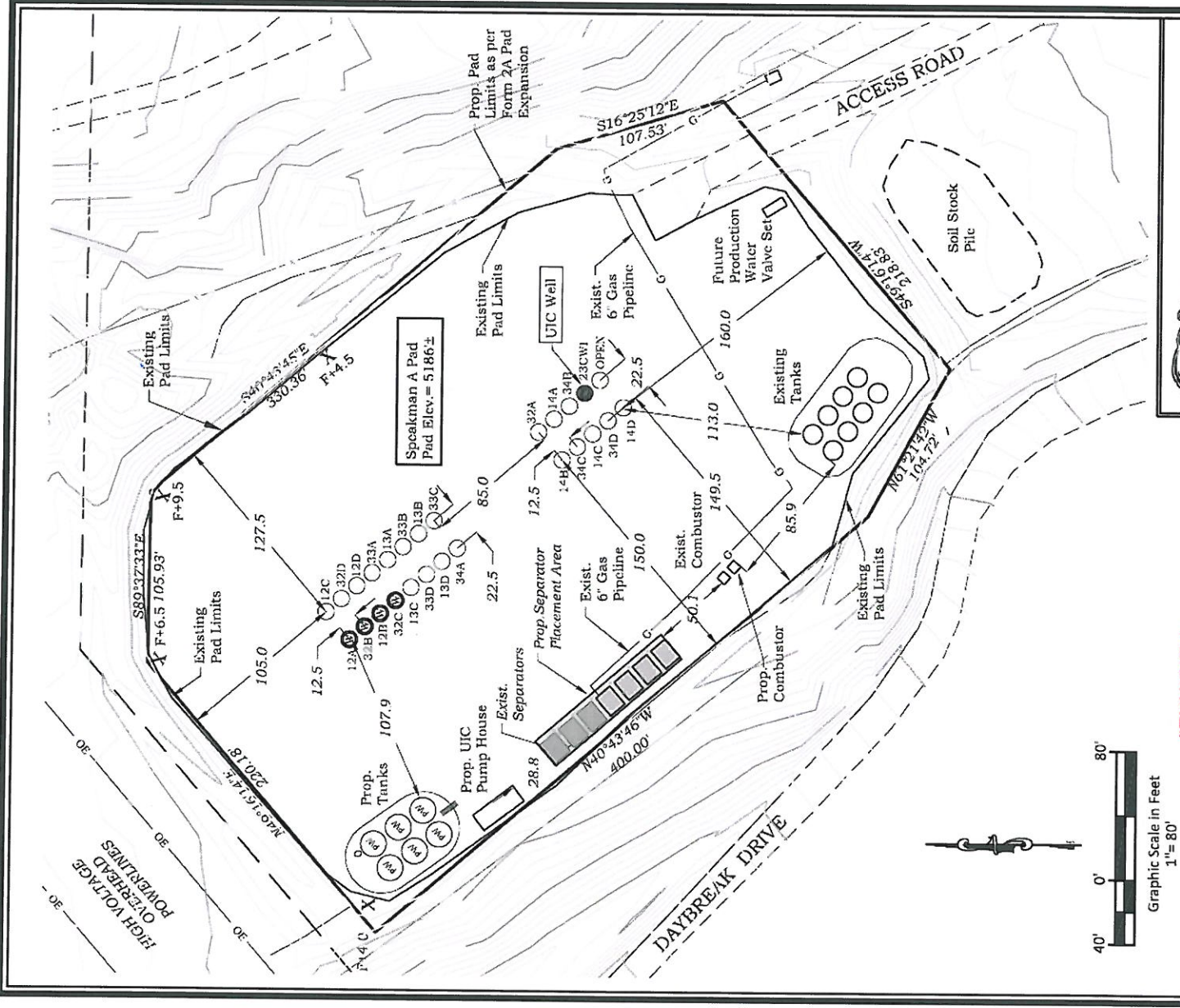
Witness my hand and official seal.

My commission expires: 2-20-2015





Notary Public

EXHIBIT "A"



"EXHIBIT A INJECTION WELL SUA"



 River Valley Survey, Inc. 110 East 3rd. Street, Suite 213 Rifle, Colorado 81650 Ph: 970-379-7846	Project: Speakman A Pad - RVS 06001-44A		
	Field Date: 10-15-13	Scale: 1"= 80'	
	Date: 10-24-13	Sheet: 1 of 1	
<div><div>Speakman A Pad</div><div>Speakman UIC Sundry</div><div>Facilities Layout Drawing</div><div>Section 24, Township 7 South, Range 96 West</div></div>			

Speakman A Pad
Speakman UIC Sundry
Facilities Layout Drawing
 Section 24, Township 7 South, Range 96 West