

## SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement") is effective the 24<sup>th</sup> day of FEBRUARY, 2014, between **Puckett Land Company** 5460 South Quebec Street, Suite 250, Greenwood Village, Colorado, 80111 ("Owner"), and **WPX Energy Rocky Mountain, LLC**, 1058 County Road 215, Parachute, Colorado, 81635 ("Operator").

### RECITALS

- A. Owner owns Sixty Percent (60%) of the surface of the real property in Garfield County, Colorado (the "Property"), legally described as:  
Township 6 South, Range 95 West, 6<sup>th</sup> P.M.  
Section 35: N½NE¼
- B. By various other oil and gas leases, Operator is the owner of the right to explore for oil and gas beneath lands around the Property.
- C. Operator wishes to drill Wells on the Property for the extraction of the minerals.
- D. Owner and Operator wish to memorialize their agreement concerning the compensation for use of the surface of the Property in connection with the drilling, construction, completion, re-completion, reworking, re-entry, production, maintenance, and operation of the Well(s), and for the construction, maintenance, and use of an access road located on the Property.

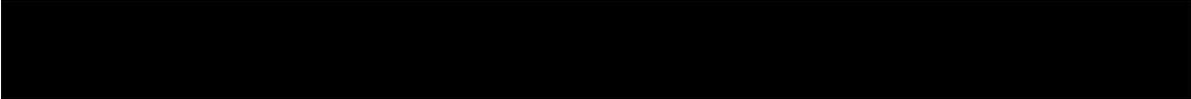
### TERMS

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement, and Operator's agreement to pay the consideration described in this Agreement, the parties agree as follows:

#### 1. Wells and Well Pads.

1.1. Operator may utilize the existing PA 341-35 well pad ("Well Pad") on the Property as set forth on Exhibit "A" attached hereto. Operator may also utilize one (1) operations area ("Operations Area") on the Property to locate tanks as set forth on Exhibit "A". The Operations Area will also be used for completions during drilling to allow for simultaneous completions operations on the Well pad. As used in this Agreement, "Well" shall mean a well and the accompanying wellbore (vertically, horizontally, or directionally drilled from the Well Pad) for the production of oil, natural gas, petroleum products, and other associated liquids, gasses, and substances, and all associated casing and wellhead equipment.





2. Access Road.

2.1. Owner hereby grants, conveys, transfers, and warrants unto Operator, its successors, and assigns, a non-exclusive right-of-way for use of the existing access and haul road (the "Access Road") for ingress and egress by Operator and its employees, contractors, subcontractors, and agents on, over, or through the Property, (the "Right-of-Way"). Attached as Exhibit "A" is the location of the existing Access Road.

Operator shall maintain the Access Road in a manner and using materials typical for oil and gas well access roads in the vicinity of the Property, and shall maintain the Access Road as a reasonably prudent operator.

Culverts shall be installed at ditch and drainage crossings as needed where the Access Road crosses such ditches or drainages, and shall be sized to prevent obstruction to the free flow of the volumes of water being carried, inclusive of flood stages. Operator shall protect all water sources and conveyance structures, including but not limited to the natural flow of creeks, wells, and ditches, from all operational activities and shall promptly remedy any diversion, curtailment, or blockage of water flows or contamination of water sources, and report such to Owner. Attached Exhibit "A" shows the proposed location for culverts.

The Access Road shall at all times be properly graded, drained, and maintained by Operator from commencement of operations through abandonment of the Right-of-Way or termination of this Agreement.

Permanent gates or cattle guards shall be installed at each point where the Access Road intersects the perimeter or cross fences and such gates and cattle guards shall be maintained in proper working order and shall remain closed at all times. If Owner or Operator chooses to lock any gate on the Access Road, keys and/or combinations will be provided to the other party. It shall be the responsibility of Owner to provide keys and/or combinations to other parties utilizing such gate.

The Right-of-Way conveyed by this Agreement shall be for the private use of Operator, its agents, employees, contractors, and subcontractors only, with no right of use by the public, or for access by the public to other lands. Owner reserves the right to use the Access Road for any purpose that does not unreasonably interfere with Operator's operations.

2.2. Construction.

Operator shall provide notice to Owner at least seven (7) days prior to any construction under this Section 2, via email, telephone, and/or facsimile.

2.3. Compliance with Law. Operator, its agents, designees, assignees, and successors-in-interest shall, in connection with the use of the Access Road, comply with all applicable federal, state, and local laws, rules, and regulations.

2.4. Term of Easement Grant.

The provisions of this Agreement are a covenant running with the land and shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors, and permitted assigns of Owner and Operator. Operator shall not assign, sublease, mortgage, transfer, or convey any interest in the Right-of-Way granted herein without Owner's prior written consent.

The Right-of-Way granted herein shall continue in effect for so long as Operator shall use or operate the Access Road. Notwithstanding the foregoing, if Operator, or its successors or permitted assigns, expressly abandon the Right-of-Way, discontinue the use of the Access Road for any period of 24 consecutive months, fail to perform any material obligation under, or breach in any way, this Agreement, and fail to correct the deficiency or breach within 30 days notice from Owner, then Owner may terminate the Right-of-Way granted herein. Upon the request of Owner thereafter, Operator shall execute a recordable release of this Agreement. At termination of the Right-of-Way granted herein, the Right-of-Way granted herein shall revert to Owner whether or not Operator executes a release. All indemnity and other obligations of Operator hereunder which are performable after termination shall survive the termination of this Right-of-Way.

3. Weed Control. Operator shall be responsible for controlling all noxious weeds on the Well Pads. Operator shall also be responsible for preventing such noxious weeds from spreading to any portion of the Property adjacent to those areas.

4. Erosion Control. Operator shall be responsible for controlling all erosion of soils at any Well Pad and/or the Access Road that is caused by the activities of Operator or its employees, contractors, sub-contractors, or agents.

5. Drill Cuttings. The Operator will manage and dispose of drill cuttings in accordance with COGCC regulations and other applicable federal and state regulations. Owner shall grant Operator the right to place drill cuttings from the Wells drilled on the Well Pad at a location depicted on the Exhibit "A" or at a location mutually agreed upon between Owner and Operator. Owner also does hereby agree that, as allowed by federal and state regulations, Operator may manage and dispose of drill cuttings at locations offsetting the Property.

6. Reclamation.

6.1. Initial Reclamation. Within two (2) years after initial disturbance to the Well pads or Right-of-Way, except for areas required for current operations such as the Access Road, the wellhead(s), permanent facilities, and room for future workover operations, Operator shall restore all disturbed areas in accordance with this subsection 6.1. Such restoration shall commence promptly following completion of the Wells and establishment of equipment on the Well Pads and/or the Access Road, as the case may be.

Operator shall make available copies of a site-specific reclamation plan along with copies of each Application for Permit-to-Drill (COGCC Form 2), including any conditions of approval for all Wells on the Property, prior to commencement of construction operations with heavy equipment. All interim and final reclamation goals shall be included in the site-specific reclamation plan.

Additional disturbance of native or previously reclaimed areas shall be minimized. If any subsequent disturbances of surface areas are undertaken at any time, the same reclamation and re-vegetation obligations apply.

6.2. Final Reclamation. Final reclamation shall return the entire site as close as reasonably possible to its original topography, and shall be complete and successful within one (1) year after the last Well is plugged and abandoned. However, if at the end of the one (1) year period Operator has not completed a successful reclamation because of events beyond its control, Owner agrees to grant Operator in writing a reasonable extension of time to achieve a successful reclamation. Upon final termination of operations, Owner may request culverts, Access Roads, and fencing to be left in place, in which case they shall thereafter belong to Owner.

7. Termination. The right to erect, drill, and maintain the Well Pads and Wells shall terminate; (i) upon the termination of the Lease due to permanent cessation of production of all Well or Wells drilled from the Well Pads; or (ii) upon completion of final reclamation.

8. Default. The occurrence of any one or more of the following events, if not remedied during the applicable cure period, shall constitute a default and breach of this Agreement and aforementioned Lease.

8.1. The failure by Operator to observe or perform any of the covenants, conditions, or provisions of this Agreement and/or Lease to be observed or performed by Operator, where such failure shall continue for a period of thirty (30) days after written notice thereof by Owner and Operator; provided, however, that if the nature of Operator's default is such that more than thirty (30) days are reasonably required for its cure, then Operator shall not be deemed to be in default if Operator commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

8.2. The making by Operator of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Operator of a petition for involuntary bankruptcy, or a petition of reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Operator, the same is dismissed within sixty(60) days) or the appointment of a trustee or a receiver to take possession of substantially all of Operator's assets located at the property or of Operator's interest in this Agreement, where possession is not restored to Operator, respectively, within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Operator's assets located at the Property or of Operator's interest in this Agreement, where such seizure is not discharged in thirty (30) days.

9. Remedies in Default. In the event of any such default or breach by Operator not timely cured, Owner may at any time thereafter, with or without notice or demand, and without limiting Owner in the exercise of a right or remedy which Owner may have by reason of such default or breach:

9.1. Terminate Operator's right to possession of the Property by any lawful and peaceful means, in which case this Agreement shall terminate and Operator shall immediately surrender possession of the Property to Owner. In addition, Owner shall be entitled to recover from Operator all damages incurred by Owner by reason of Operator's default including, but not limited to, the cost of recovering possession of the Property, the cost of reasonable and necessary reclamation, and reasonable attorneys' fees.

9.2. Pursue any other remedy now or hereafter available to Owner under the laws or judicial decision of the State in which the Property is located.

9.3. The parties stipulate that the exclusive venue for such action shall be the City and County of Denver, Colorado, or Garfield County, Colorado, at Owner's option and the laws of the State of Colorado shall govern any dispute.

#### 10. General Provisions.

10.1. Consultation. Operator shall consult with Owner regarding all significant operations involving Operator's use of the Property. Operator shall notify Owner at least seven (7) days prior to beginning any work on the Property involving heavy equipment, including but not limited to drilling, excavating, cutting roads, or laying pipes by email, telephone, and/or facsimile.

10.2. Environmental Studies. Owner consents to ingress and egress onto and across the Property by Operator, its employees, consultants, or agents for the purpose of environmental studies, surveys, and sampling; including surface water, groundwater, wildlife, and vegetation required by the COGCC regulations or other federal and state regulations, as such regulations may be amended from time to time, or pursuant to conditions of approval for any federal or state permit.

10.3. Surveys & Plans. Prior to construction, Operator shall provide Owner with COGCC well permits and applications, as well as surveys and plans of the Well Pad site. Operator shall provide an "As-Built" survey upon completion of the Access Road.

10.4. Liability of Operator. Operator shall be liable for any injury to persons, property, or livestock caused by or incident to the operations of Operator, its agents, employees, contractors, or subcontractors on the Property, or any extraordinary damages due to spills of materials, explosions, or any other harmful activity of Operator. Operator shall indemnify and hold harmless Owner from and against any and all liability, damages, costs, expenses, fines, penalties, and fees (including without limitation reasonable attorney and consultation fees) incurred or asserted against Owner arising from or regarding or relating to the operation of the Well or use of the Well Pad or Right-of-Way by Operator, its agents, employees, contractors, subcontractors, or invitees. Such indemnification shall extend to and encompass, but shall not be limited to, all claims, demands, actions, or other matters which arise under the common law or other laws designed to protect the environment or public health or welfare. Operator shall, at Owner's option, defend Owner or reimburse Owner as expenses are incurred for Owner's defense against any claims, demands, actions, or other matters, whether brought or asserted by federal, state, or local governmental bodies or officials, or by private persons, which are asserted pursuant to or brought under any such laws. All of Operator's obligations stated in this Section 10.4 shall survive termination of this Agreement to the extent provided in Section 10.15.

10.5. Regulations. No part of this Agreement shall be construed to relieve Operator from any or all COGCC regulations, present and future.

10.6. No Off-Site Substances. Operator shall not store or dispose of on the Property any soil, waste, or other substance generated off the Property. Operator is allowed to temporarily store substances needed for the drilling, completion, and production operations of the Wells on the Well Pad and will be removed once each operation is complete.

10.7. Prohibited Items. Operator shall not be permitted to have, or allowed, firearms, crossbows, pets, alcohol, or illegal drugs on the Property.

10.8. Insurance. Operator shall keep its operations insured, or comply with applicable self-insurance laws and regulations, for automobile, liability, and workmen's compensation insurance, and for any damages incurred on the Property. A current and valid Certificate of Insurance shall be on file in the Owner's office at all times.

10.9. Operator Liens. Operator shall, at its sole expense, take all necessary steps to remove any operator's liens or similar encumbrances resulting from the activities of Operator and/or its agents on the Property promptly after becoming aware of the existence of such lien or encumbrance, and shall indemnify and hold harmless Owner from and against any and all liens, claims, demands, costs, and expenses, including, without limitation, attorney fees and court costs, in connection with or arising out of any work done, labor performed, or materials furnished. Should such lien or encumbrance not be cured within thirty (30) days then such occurrence shall constitute a breach of this Agreement and the aforementioned Lease.

10.10. No Warranty of Title. This Agreement is made subject to any and all existing easements, rights-of-way, liens, agreements, burdens, encumbrances, restrictions, and defects in title affecting Property.

10.11. Subrogation of Rights. Operator shall have the right to discharge or redeem for Owner, in whole or in part, any mortgage, tax, or other lien on the Property that could jeopardize Operator's rights under this Agreement, in which case Operator shall be subrogated to that mortgage, tax, or other lien and incident rights.

10.12. Non-Exclusive Use and Reservations. All rights granted in this Agreement are limited to the specific grants described in this Agreement. Owner reserves to itself and its successors and assigns all rights not specifically granted to Operator in this Agreement.

10.13. Notice. Whatever provision is made in this Agreement for the giving, service, or delivery of any notice, statement, or other instrument, such notice shall be given by: (i) personal delivery, or (ii) United States first class mail, postage prepaid, certified, return receipt requested, addressed to the party entitled to receive the same at the address stated in the introductory paragraph; provided, however, that each party may change that party's mailing address by giving to all other parties written notice of change of such address in the manner provided in this subsection 10.13. Mail shall be deemed to have been given, served, and delivered upon the third delivery day following the date of the mailing; personal deliver shall be deemed to have been given, served and delivered upon receipt.

10.14. Authority. Operator represents that it has full authority to commit to this Agreement.

10.15. Survival of Certain Obligations. Operator's indemnification obligations under Section 10.4 and reclaim obligations under Section 6 shall survive the later to occur of: (i) two (2) years after the termination of this Agreement, or (ii) the completion of final reclamation under Section 5.

10.16. Amendments. This Agreement may only be amended by the written agreement of both parties. This Agreement cannot be amended or terminated orally.

10.17. Headings. Section headings or captions contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision.

10.18. Construction. Whenever required by the context of this Agreement, the singular shall include the plural, and vice versa; and the masculine gender shall include the feminine and neutral genders, and vice versa. The provisions of this Agreement have been independently, separately, and freely negotiated by the parties as if drafted by both of them. The parties waive any statutory or common law presumption that would serve to have this Agreement construed in favor of or against either party.

10.19. Applicable Law and Attorney Fees. This Agreement and the rights of the parties under it shall be governed by and interpreted in accordance with the laws of the State of Colorado. In the event of any dispute, the substantially prevailing party as determined by the court shall be entitled to recover its reasonable costs and attorney fees, including post-judgment collection costs, in addition to actual damages.

10.20. Assignment, Heirs, Successors, and Assigns. Operator may assign the rights and Right-of-Way granted herein, either in whole or in part, subject to the terms of this Agreement, and such rights and Right-of-Way shall be covenants running with the land. Subject to any limitations on assignment provided in this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns.

10.21. Recording Memorandum. This Agreement will not be recorded without the consent of both parties. The parties will execute a Memorandum of Surface Use Agreement ("Memorandum") describing the right to the Well Pads and Right-of-Way granted herein. Operator will record the Memorandum in the real property records of Garfield County, Colorado.

10.22. Counterparts. This Agreement may be executed in two (2) or more counterparts which together shall constitute a final agreement.

10.23. Drilling Reports. As provided for in the Lease, Operator shall furnish Owner daily drilling reports, along with completion reports for each well on the Lease drilled under this agreement.

(Intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**OWNER:**

**PUCKETT LAND COMPANY**

By: 

Name: Eric R. Stearns

Title: President

**OPERATOR:**

**WPX ENERGY ROCKY MOUNTAIN, LLC**

By: 

Name: Bryan S. Hotard

Title: Attorney-In-Fact



Exhibit "A"

Attached to and made part of that certain Surface Use Agreement  
dated 24<sup>th</sup> day of FEBRUARY, 2014, by and between  
Puckett Land Company, Surface Owner, and WPX Energy Rocky Mountain, LLC, Operator

Well Name	Well Status	Surface Location	Name of Existing Pad
PA 744-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 543-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 33-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 333-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 433-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 533-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 34-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 534-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 43-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 343-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 443-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35
PA 633-26	Proposed Well	NENE 35-T6S-R95W	PA 341-35