

# ACCESS, SURFACE DAMAGE AND EASEMENT AGREEMENT Weld County, Colorado

THIS AGREEMENT is made and entered into this 24<sup>th</sup> day of MARCH, 2013, by and between **Nelson Ranches, Inc.** whose address is **58900 Weld County Road 382, Grover, CO 80729**, hereinafter referred to as "Grantor," whether one or more, and **Whiting Oil and Gas Corporation**, whose address is **1700 Broadway, Suite. 2300, Denver, CO 80290-2300**, hereinafter referred to as "Grantee," collectively referred to as "Parties."

## SURFACE LEASE AREA

**WHEREAS**, Grantor is the surface owner of the following described lands in **Weld County, Colorado**:

**Township 10 North, Range 58 West, 6<sup>th</sup> PM**  
**Section 21: ALL**

(Hereinafter referred to as the "Lands"). Grantee desires to lease a portion of the Lands consisting of 800 (eight hundred feet ) south of the northern border of said Section 21, extending to the east and west borders of Section 21, comprising approximately ninety-seven acres and more fully described on the attached **Exhibit A**, referred to herein as "Surface Lease Lands."

**WHEREAS**, Grantee desires to enter onto and cross the Lands for the purpose of drilling multiple oil and/or gas wells:

## TERMS AND CONDITIONS

**NOW THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows, *(including Addendum "A" which is hereby incorporated by reference- addition if needed)*:

- I.** Grantor does hereby grant, assign, transfer and convey to Grantee and its assigns or agents the right to locate an access road across the Lands and shall have the unrestricted right to move and install pipelines, derricks, drilling tools, vehicles and all other machinery and equipment necessary or incident to the drilling, testing, completion and operation of an oil and/or gas well(s) at any location staked for the drilling of an oil or gas well or used as a production facility ("Drill Site"). No Drill Site shall be located on the Lands except for the Surface Lease Lands. Upon completion of the installation of pipelines, Grantee shall file of record with Weld County a survey of such pipeline location, a copy of which shall be furnished to the Grantee. The term of this Agreement for such pipelines and operations related to such pipelines shall be ninety-nine (99) years. The term of this Agreement for any operations not related to such pipelines shall be thirty (30) years.
- II.** Grantor does hereby grant, assign, transfer and convey to Grantee the Lands for an easement and right of way to utilize the subsurface strata in exploring for and producing oil, gas and other minerals located on or under the Lands or adjacent nearby lands. Grantor agrees to execute such additional easements or agreements to effectuate such subsurface easement as requested by Grantee. The term of this Agreement for such subsurface use shall be ninety-nine (99) years.
- III.** Grantee shall pay to Grantor the sum of \_\_\_\_\_ for the Surface Lease Lands, which shall remain in effect for a period of thirty (30) years. Such payment shall be reduced by prior payments totaling \_\_\_\_\_ made under the Access and Surface Damage Agreement dated 20<sup>th</sup> day of October, 2012.  
Grantee SHALL have an option to renew this Agreement with respect to the Surface Lease Lands for an additional ten (10) year period by paying Grantor \_\_\_\_\_ for each producing oil and/or gas well located on the Surface Lease Lands at the end of the initial thirty year term of this Agreement. This payment is for full settlement and satisfaction of all damages including, but not limited to, exploration, drilling, stimulation, completion, re-stimulation, re-completion, deepening, reworking, equipping, production, maintenance, plugging and abandoning operations for the well(s) together with the installation, operation and maintenance of the associated pipelines, access roads and production facilities, including without limitation, as all of the foregoing may be related to directional, horizontal or lateral wellbores unless otherwise specifically provided herein. **Prior to commencement of actual operations of**

**constructing or reconstructing the access road on the Lands or Drill Site on the Surface Lease Lands, the sums, settlement and payments agreed to in this Section III are due and payable in accordance with the payment terms specified above.** The exercise or non-exercise of this option shall not affect the term of the 99-year pipelines easement described in Section I above.

- IV.** The Initial Compensation shall be applied to the first eight (8) wells drilled in the reference section noted above. For each additional well Grantee shall pay \_\_\_\_\_ prior to spudding of the additional well.
- V.** Grantor warrants that Grantor is the owner of the entire Lands subject to this Agreement and that no one who is not a party to this Agreement is entitled to object to this Agreement or entitled to payment for use of or normal damage to the Lands for which payment is made pursuant to this Agreement.
- VI.** Except in cases of unreasonable surface use and/or negligence by Grantee, Grantor, for itself and its successors and assigns, shall and does hereby, in consideration of the money paid pursuant to this Agreement, release, relinquish and discharge Grantee from all claims, demands, damages and causes of action that Grantor may have by reason of the drilling of any well and all other damage or injury to the Lands or other property caused by the drilling, completion, recompletion, reworking, re-entry, production, operation and maintenance of the well and Grantee's presence on the Lands, and Grantor accepts the money as full compensation therefor.
- VII.** Grantor hereby agrees that by its payment of money under this Agreement that Grantee has fully complied with the applicable governmental regulations and statutes, if any, relating to the settlement of the damages contemplated herein, and this Agreement may be presented to the Colorado Oil and Gas Conservation Commission ("COGCC") as proof of that fact.
- VIII.** Grantor shall notify Grantee of any change of surface ownership, and no change of ownership of Grantor's interest shall be binding on Grantee until Grantee has been furnished with notice of said change of ownership.
- IX.** Cattle guards or gates will be constructed, if requested by Grantor, at all places where they go through. The existing fences and gates will be kept closed at all times except when opened for passage of traffic. Grantee will fence the Land upon Grantor request with a barbed or woven wire type fence, to include the use of H braces in the corners, at cattle guards or where needed along the fence line, a cattle guard will be installed at each point of entry to the Drill Site
- X.** Grantee shall install and maintain, at its sole cost and expense, all fences around wells in compliance with COGCC or State rules and regulations. The fence material may be upgraded at Grantor's option and expense, so long as the upgrade complies with COGCC and local rules and regulations, and Grantee consents to such upgraded fence. Grantor shall not unreasonably refuse Grantee's request to upgrade the fence material.
- XI.** Grantee shall install and maintain, at its sole cost and expense, all gates and locks reasonably necessary for the security of wells or facilities at Drill Sites. Such gates and locks shall be the standard gates and locks used by Grantee.
- XII.** If there is any fill used for roads constructed across any drainage, then culverts will be used for the free flow of water through said drainage.
- XIII.** If the access road departs from existing established roadways and new construction is required, topsoil will be segregated and stockpiled for replacement during reclamation activities.
- XIV.** Any road constructed across the Lands shall not exceed thirty-three feet (33') in width without the prior approval of Grantor, and Grantor may use such access roads to the extent they do not enter onto a Drill Site.
- XV.** Unless Grantee intends to use a Drill Site for additional operations within the next 12 months, then upon completion of a well as a dry hole or in the event any well hereunder is plugged and abandoned, and at the request of Grantor, the Drill Site and any newly constructed road will be restored to the condition it was in prior to commencement of operations insofar as reasonably possible. Any existing roads and the improvements thereto that are constructed by Grantee shall be left in a good and useable condition for the continued use by Grantor, at Grantor's option.
- XVI.** Grantee will use its best efforts to control weeds, debris, trash and dust along its road access and around the Drill Site area. Exposed soils, if needed, will be covered in a manner to help prevent dust and erosion.

**XVII.** Grantee hereby agrees and waives any notice of intent to commence operations that might otherwise apply under COGCC or other rules.

**XVIII.** When the word "Grantee" is used in this Agreement, it shall also mean the successors and assigns of Grantee and shall include Grantee's employees, agents, affiliates, contractors, subcontractors and/or purchasers.

**XIX.** Both the Grantor and Grantee may assign this Agreement.

**XX.** This Agreement shall be binding upon the Parties hereto, their heirs, successors and assigns, and shall run with the Lands.

**XXI.** This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof. This Agreement may only be amended, modified, or supplemented by a written instrument signed by all the Parties expressly stating that such instrument is intended to amend, modify or supplement this Agreement.

**XXII.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall be considered one and the same document.

**XXIII.** If at any time subsequent to the date hereto any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of the other provisions of this Agreement.


**XXIV.** The Parties to this Agreement shall also execute a Memorandum evidencing the execution of this Agreement. Said Memorandum of Agreement may be recorded in the appropriate County Recorder's Office to provide notice of the existence of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be made effective as of the day and year first written above.

**GRANTOR: Nelson Ranches, Inc.**

  
By: Eugene Nelson, President

**GRANTEE: Whiting Oil and Gas Corporation**

  
By: David M. Seery, Vice President-Land


ACKNOWLEDGEMENTS

STATE OF COLORADO )  
COUNTY OF Weld ) ss.

On this 24<sup>th</sup> day of March, 2013, before me, a Notary Public, personally appeared **Eugene Nelson, President**, a duly Authorized Agent of Nelson Ranches, Inc., on behalf of the corporation.

WITNESS my hand and official seal the day and year first above written.

( S E A L )

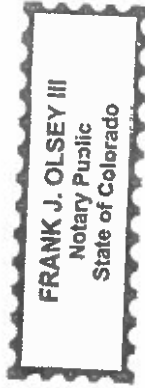
  
NOTARY PUBLIC  
My Commission Expires: 10/11/14


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

On this 8<sup>th</sup> day of April, 2013, before me, a Notary Public, personally appeared **David M. Seery, Vice President-Land**, a duly Authorized Agent of **Whiting Oil and Gas Corporation**, on behalf of the corporation.

WITNESS my hand and official seal the day and year first above written.

( S E A L )



  
NOTARY PUBLIC  
My Commission Expires: 8-31-2014



**MEMORANDUM OF ACCESS, SURFACE DAMAGE AND EASEMENT**  
**AGREEMENT**

Pursuant to the terms of that certain unrecorded Access, Surface Damage and Easement Agreement dated effective the        day of **March, 2013** by and between the undersigned, and subject to the conditions set forth therein, **Nelson Ranches, Inc.** ("Grantor") with an address at **58900 County Road 382, Grover, CO 80729**, and **Whiting Oil and Gas Corporation** ("Grantee") with an address at **1700 Broadway, Suite 2300, Denver, CO 80290-2300**, agreed to the location of Wells and payment for damages to the surface of Land connected with the access to and the drilling, construction, completion, recompletion, reworking, re-entry, production, maintenance and operations of Wells and associated pipelines, tank batteries and other facilities or property of Operator associated with the wells and located on the following Land:

**Township 10 North, Range 58 West, 6<sup>th</sup> P.M.**  
**Section 21: ALL**

This Memorandum of Access and Surface Damage Agreement is executed by Grantor and Grantee and placed of record in **Weld County, Colorado** for the purpose of placing all persons on notice of the existence of the Agreement.

In witness whereof this instrument is executed effective the 24<sup>th</sup> day of March, 2013.

GRANTOR: **Nelson Ranches, Inc.**

Eugene Nelson Pres  
By: **Eugene Nelson, President**

GRANTEE: **Whiting Oil and Gas Corporation**

David M. Seery  
By: **David M. Seery, Vice President - Land**

**ACKNOWLEDGEMENTS**

STATE OF **COLORADO**

COUNTY OF **WELD**

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared **Eugene Nelson**, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its **President** and acknowledged to me that he executed the same as the free and voluntary act and deed of such corporation, for the use and purposes therein set forth

Given under my hand and seal of office, this the 24<sup>th</sup> day of March, 2013.

My Commission Expires:

10/11/14

Sharon D. Rosta  
Notary Public:

Address:

21800  
N. Steele Avenue, CO, 80742

STATE OF **COLORADO**

COUNTY OF **DENVER**

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared **David M. Seery**, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its **Vice President - Land**, and acknowledged to me that he executed the same as the free and voluntary act and deed of such corporation, for the use and purposes therein set forth.

Given under my hand and seal of office, this the 8<sup>th</sup> day of April, 2013.

My Commission Expires: 8-31-2014

Nancy Olson  
Notary Public:  
Address: 80205



**COPY**