

SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT (this "Agreement") is made and entered into this **8th day of September, 2014** by and between **Wootten Investments, a Colorado Limited Partnership**, (hereinafter referred to as "Surface Owner") and **Discovery Natural Resources LLC**, a Delaware limited liability company, (hereinafter referred to as "DISCOVERY").

DISCOVERY is the owner of a certain Oil and Gas Lease ("Subject Lease") covering the lands described on Exhibit "A", attached hereto and by this reference made a part hereof (said lands of Subject Lease hereinafter referred to as "Leased Premises"). Surface Owner warrants it is the record owner of the surface of the lands described on Exhibit "A".

This Agreement is intended to cover one specific 3.2 acre drillsite located on the lands described on Exhibit "A" (hereinafter described as the "Property"). Operations include, but are not limited to, the drilling, testing, completing, re-completing, re-working, re-entering, pumping, producing and maintaining of said well located on the Property ("Operations"). The drillsite includes access and utilization of the Leased Premises for Operations on the Property ("Drillsite"). A map of the Drillsite location and access road is described on Exhibit "B" attached hereto. Access to the Drillsite location will be made from County Road LL. DISCOVERY and Surface Owner have agreed DISCOVERY will pay Surface Owner \$\$\$\$\$\$0, said payment to be made \$\$\$\$\$\$0 upon signing and the balance paid prior to the commencement of drilling operations. In consideration of such payment and in consideration of the covenants and obligations set forth herein, DISCOVERY and Surface Owner agree as follows:

1. The Drillsite payment constitutes the full and entire consideration to be paid by DISCOVERY for the use of the surface and all damages (except as provided in Paragraph 4 hereof) to the land associated with Operations on said Drillsite located on the Property. The payment is for all damages to the Property incurred by Surface Owner and any and all tenants of Surface Owner, including but not limited to, damages to growing crops, sod, damage to croplands, removal, transportation and care of livestock, construction of access roads, preparation and use of the Drillsite area, preparation and use of reserve pits, and construction, installation, and maintenance of production equipment and facilities such as flow lines, gas pipelines, separators, tank batteries, and compressors necessary for the production, transportation and sale of oil, gas and other materials produced from the Property. DISCOVERY will use its best efforts to utilize no more than approximately **3.2 acres** of surface during the initial drilling, testing and completion phase of said well. As soon as practicable after DISCOVERY is complete with its drilling, testing and completion efforts for said well, DISCOVERY will reduce the surface location to a size appropriate for any subsequent Operations contemplated for said well. With respect to the construction, installation and maintenance of production equipment necessary for the production, transportation and sale of

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oil, gas and other materials exclusively produced by or used for production from said well located on the Property, DISCOVERY may exercise the rights granted by this Agreement at any time and from time to time without further or additional consideration being payable to Surface Owner. Notwithstanding the foregoing and to the contrary, in lieu of compensation for actual damages, DISCOVERY will pay Surface Owner the sum of \$**\$\$\$** per rod for new roads constructed by DISCOVERY on the Property other than the access road to said Drillsite. The location of any new roads will require Owner's written consent, which consent shall not be unreasonably withheld or delayed. DISCOVERY agrees to repair and/or maintain any existing roads on the Property which are used by DISCOVERY at its sole expense; however, DISCOVERY will not pay Surface Owner any additional monies for repairing and/or maintaining these existing roads. DISCOVERY shall repair any damages to the roads it uses on the Property caused by DISCOVERY's Operations on the Property, and agrees to maintain said roads to the reasonable satisfaction of Surface Owner. DISCOVERY also agrees to install a perimeter fence for said Property. Should the Drillsite location require the relocation of an existing water line providing water to the premises, DISCOVERY agrees to relocate said water line, at its expense, to a location agreed upon by the parties.

2. DISCOVERY is prohibited from using explosives on the Property without the prior written consent of the Surface Owner.
3. Should an onsite pit become necessary for Operations, DISCOVERY shall ensure that only water-based, bentonitic drilling fluids and associated drill cuttings be directed into said onsite pit. If required by the Colorado Oil and Gas Conservation Commission ("COGCC"), DISCOVERY shall install a pit liner prior to use. DISCOVERY shall remove and dispose of pit liner at an approved commercial facility prior to closure of the onsite pit. DISCOVERY shall test drill cuttings prior to the closure of the onsite pit to ensure compliance with COGCC regulations. After fluid evaporation is complete, DISCOVERY shall mix cuttings with the original pit contents prior to closure.
4. If, by reason of DISCOVERY's Operations on the Property, there is damage to personal property located on the Property, or if there is damage to the Property caused by the negligence of DISCOVERY, or use of the Property by DISCOVERY that is not associated with reasonable and normal Operations, such as damage to structures, fences, culverts and cement ditches, such damage shall be repaired or replaced by DISCOVERY or DISCOVERY shall promptly pay Surface Owner for reasonable actual out-of-pocket costs incurred by Surface Owner to make such repairs or replacements.
5. As between Surface Owner and DISCOVERY, Surface Owner shall have no liability for the release or discharge by DISCOVERY, its contractors or agents, of oil, gas or any other substance on or under the Leased Premises, except as any such release or discharge is caused in whole or in part by Surface Owner, Surface Owner's tenant, licensees, invitees, or agents, and DISCOVERY will indemnify and hold Surface Owner harmless from and

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- against all costs and expenses (including reasonable attorneys' fees) for any such release or discharge by DISCOVERY.
6. This Agreement constitutes written consent of Surface Owner for DISCOVERY to proceed with Operations of said Drillsite to be located on the Property. Surface Owner acknowledges and agrees that DISCOVERY has consulted in good faith with Surface Owner as to its proposed operations. Accordingly, Surface Owner expressly waives all notice requirements under COGCC rules including, but not limited to, notice of operations with heavy equipment. Further, Surface Owner expressly waives its right to consult with DISCOVERY under COGCC rules.
 7. Except as otherwise provided in Paragraph 4 hereof and except for cases of unreasonable surface use and/or negligence by DISCOVERY, Surface Owner, for itself, and its successors and assigns, does hereby release, relinquish and discharge DISCOVERY, its successors and assigns from all claims, demands, damages and causes of action past and present, that Surface Owner may have by reason of the occupancy of the Property and for the drilling of said well and all other damage or injury to the Property caused by Operations of the well, and Surface Owner accepts the above payments on behalf of itself and all tenants of Surface Owner as full compensation therefore. If a tenant or any other party is entitled to compensation for surface damages caused by DISCOVERY's operations, such party shall be paid by Surface Owner and not by DISCOVERY.
 8. Surface Owner agrees to keep confidential this Agreement and all negotiations leading up to or relating to this Agreement. Surface Owner shall not copy or distribute this Agreement or disclose the substance hereof or the nature of such negotiations to others outside of DISCOVERY unless required to do so by law; provided, however, Surface Owner shall provide a copy of this Agreement to any potential successor or assignee of Surface Owner prior to the closing of any sale of all or any portion of the Property. In the event DISCOVERY establishes that Surface Owner did not maintain the confidentiality of this Agreement, it is expressly understood that the maximum damages which may be obtained against Surface Owner for such breach of confidentiality shall be limited to actual damages not to exceed \$1,000.00 inclusive of attorney fees and costs. This damage limitation shall be binding upon the parties and their respective successors and assigns.
 9. Notwithstanding any provision herein to the contrary, this Agreement does not amend the Subject Lease. In the event that any provision of this Agreement conflicts with the Subject Lease, the Subject Lease shall prevail.
 10. DISCOVERY will, subject to any instance of force majeure, clean up and reclaim the surface surrounding a well and Drillsite that was disturbed during drilling operations within twelve (12) months from completion of the drilling of the well.
 11. All notices and other communications required or permitted under this Agreement shall be in writing, and unless otherwise specifically provided, shall be delivered personally, or by regular mail, facsimile, delivery service, or email, provided such email notice is followed up by notice sent via regular

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mail, to the addresses set forth below, and shall be considered delivered upon the date of receipt. Each party may specify its proper address or any other post office address within the continental limits of the United States by giving notice to the other party, in the manner provided in this paragraph, at least ten (10) days prior to the effective date of such change of address. Notices shall be delivered to the parties as follows:

DISCOVERY NATURAL RESOURCES LLC

410 17TH Street, Suite 900
Denver, Colorado 80202
Telephone: (303) 893-5073
Facsimile: (303) 573-0386
Attn.: Greg Ryan
Email: greg.ryan@discoverynr.com

SURFACE OWNER

Wootten Investments, a Colorado Limited Partnership
Attn: William R. Wootten, General Partner
P. O. Box 1258
Lamar, CO 81052
Telephone: (719) 336-7634
Facsimile: (719) 336-9016
Email: bkwootten@bresnan.net

12. The laws of the State of Colorado, including, but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretations or construction, shall govern this Agreement and all other matters pertaining thereto, without reference to such State's conflict of laws principles, except to the extent the laws of another jurisdiction are made mandatory. In the event of any litigation concerning this Agreement, such litigation shall be conducted exclusively in the county or district court located in Prowers County, Colorado, and the substantially prevailing party shall be entitled to an award of its reasonable attorney fees and costs.
13. This Agreement supersedes and replaces any and all other agreements, either verbal or in writing, between the parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to said subject matter. Each party to this Agreement acknowledges that no inducements, promises or agreements, verbally or otherwise, have been relied upon or made by any party, or anyone acting on behalf of any party, which are not embodied herein and that any other agreement, statement, or promise not contained in this Agreement shall not be valid or binding. There is no implied covenant of good faith and fair dealing in this Agreement, rather it shall be enforced as written.
14. All of the parties obligations and covenants hereunder, whether express or implied, shall be suspended at the time, or from time to time, when compliance with any of the terms of this Agreement is prevented or hindered

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by, or is in conflict with (but not limited to) Federal, State, County or municipal laws, rules, regulations or Executive Order asserted as official by or under public authority claiming jurisdiction, or act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots or other conditions or circumstances not wholly controlled by the parties, and this Agreement shall not be terminated in whole or in part, nor shall the responsible party be held liable for damages for failure to comply with any of the terms of this Agreement should any of the foregoing eventualities occur.

15. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, and shall remain in effect for as long as oil, gas, or other mineral is produced or is capable of producing from the Property.

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Agreed to and accepted the day and year first above written.

SURFACE OWNER:

By: William R. Wootten L.P.

Wootten Investments a Colorado Limited Partnership
William R. Wootten, General Partner

DISCOVERY NATURAL RESOURCES LLC

By: Chuck Rasey

6m Chuck Rasey, Vice President Business Development

EXHIBIT "A"

Attached to and made a part of that certain Surface Use Agreement dated the 8th day of **September, 2014** by and between **Wootten Investments**, as Surface Owner, and **DISCOVERY Natural Resources LLC**.

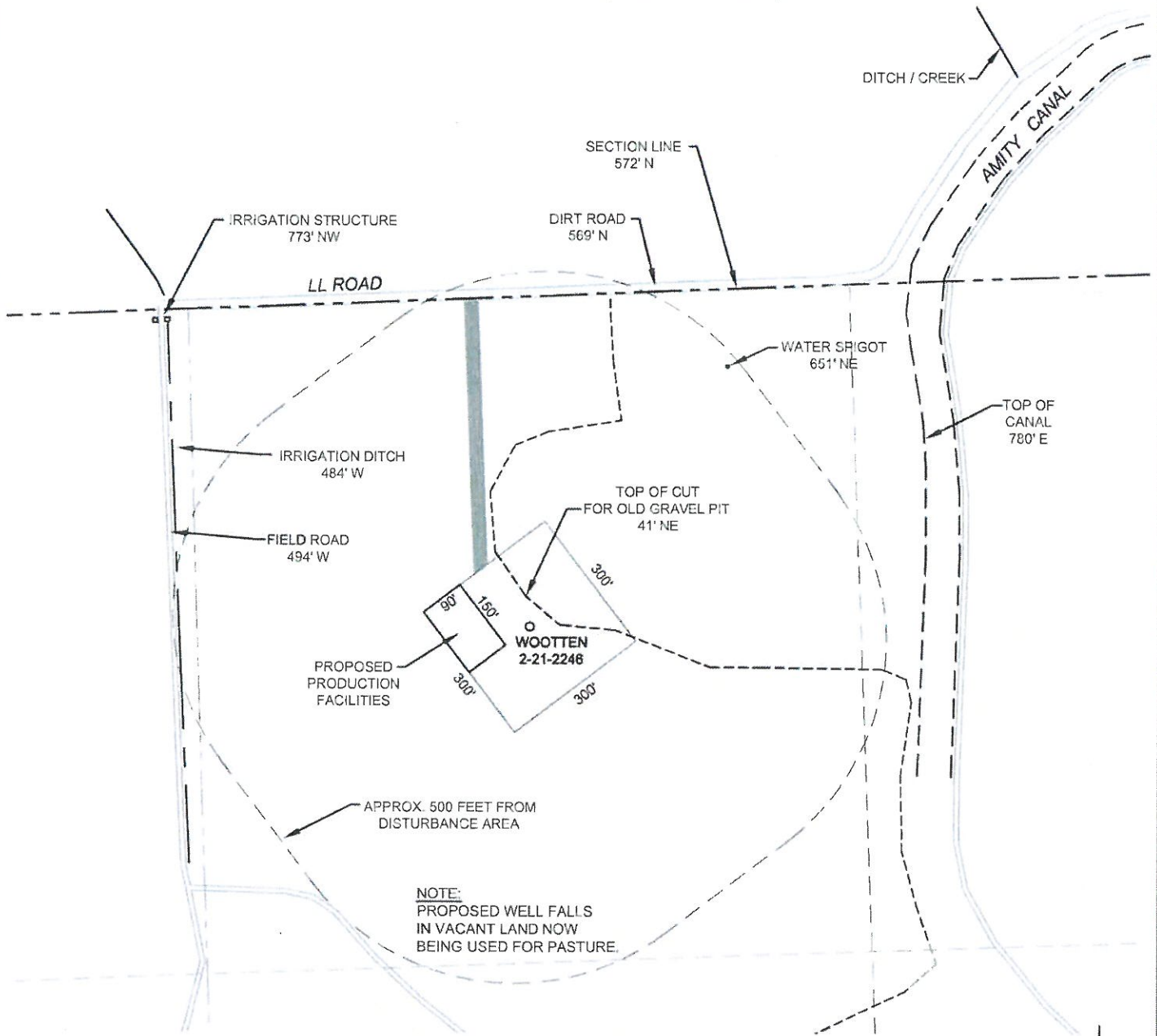
Lessor: Wootten Investments, a Colorado Limited Partnership
Lessee: Land Energy, Inc.
Date: August 31st, 2011
Description: Township 22 South, Range 46 West
Section 21: A tract of land containing 187.47 acres, more or less, lying south of County Road LL and north of the Amity Canal.
Prowers County, Colorado
Recorded: Prowers County Colorado Clerk and Recorder on September 12, 2011
Reception Number 527404

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EXHIBIT "B"

LOCATION DRAWING

SECTION 21, TOWNSHIP 22 SOUTH, RANGE 46 WEST, 6TH P.M.



LEGEND

○ PROPOSED WELL

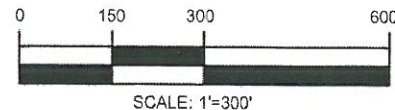
NEAREST CULTURAL ITEMS

BUILDING - 2115' NE
BUILDING UNIT - 2165' NE
HIGH OCCUPANCY BUILDING UNIT - 5280'
DESIGNATED OUTSIDE ACTIVITY AREA - 5280'
PUBLIC ROAD - 569' N
ABOVE GROUND UTILITY - 2000' E
RAILROAD - 5280'
PROPERTY LINE - 780' E

NOTES:

1. ONLY VISIBLE IMPROVEMENTS WITHIN 500 FEET OF THE DISTURBED AREA ARE SHOWN.
2. DISTANCES SHOWN ARE TO THE WELL OR EDGE OF PRODUCTION FACILITIES PAD, WHICHEVER IS CLOSER.
5. THIS IS NOT A MONUMENTED BOUNDARY. THIS EXHIBIT IS INTENDED ONLY TO DEPICT HORIZONTAL DISTANCES OF EXISTING IMPROVEMENTS TO THE PROPOSED WELL LOCATION.

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SAM
SURVEYING AND MAPPING LLC (SAM)
555 Zang St., Suite 210
Lakewood CO 80226
Ph: (303) 988-5852
Fax: (303) 988-2195
EMAIL: SAM@SAM.BIZ

WELL NAME: WOOTTEN 2-21-2246

LOCATION:
SECTION 21, T22S, R46W, 6TH P.M.
PROWERS COUNTY, COLORADO

DRAWN BY:
TK

CHECKED BY:
T. CARLSON

SHEET No
1 OF 1

FIELD DATE
08/27/2014

EXHIBIT DATE
09/03/2014

SCALE:
1"=300'

PROJ. No.
34571

Dwg. No.
WOOTTEN dwg