

CONOCOPHILLIPS  
34501 E QUINCY AVE  
BLDG 1  
WATKINS, CO 80137

### SURFACE USE AND COMPENSATION AGREEMENT

This Surface Use and Compensation Agreement ("**Agreement**") is made and entered into effective as of the 16<sup>th</sup> day of October, 2014 ("**Effective Date**"), by and between **Christopher Alan Weller and Laura L. Weller, husband and wife, J/T**, whose address is 37510 E. 6<sup>th</sup> Ave, Watkins, CO, 80137 ("**Grantor**"), and **Burlington Oil & Gas Company LP**, a Delaware Corporation, whose address is Attn: Manager, Real Property Administration, PO Box 7500, Bartlesville, OK 74004-7500 ("**Grantee**").

#### RECITALS

**A.** Grantor owns the surface and mineral estate rights in and to property located in Section 4 Township 4 South, Range 64 West, Arapahoe County, Colorado, as more particularly described and depicted on **Exhibit A**, attached hereto and made a part hereof ("**Property**").

**B.** Grantee owns or operates oil and gas leases and rights and may become holder of other oil and gas leases and rights underlying or in the vicinity of the Property ("**Leases**") and desires to enter on the Property for the purposes of conducting oil and gas operations under or related to the Leases ("**Operations**").

**C.** Grantee desires to obtain the right to use the Property for the purpose of access to and from the Leases and right(s)-of-way related to Grantee's Operations. Grantee's Operations shall be limited to drilling and completing two (2) oil and gas wells (the "**Wells**") on the Property or lands pooled therewith. If Grantee desires to drill additional wells, Grantor and Grantee will negotiate a separate and additional agreement in good faith.

**D.** Landowner plans to fully develop the Land and wishes to set aside an oil and gas operations area for mineral development under the Land and lands pooled therewith.

**E.** Grantor and Grantee desire to stipulate and agree on the rights to be granted by Grantor to Grantee and the compensation and damages to be paid for such rights.

**F.** Grantor and Grantee agree that the use of the term "flowline" in this Agreement pertains to lines used to gather and transport oil, gas, or other produced products from the Wells (intra-lease lines), and the use of the term "pipeline" in this Agreement pertains to lines used to gather and transport oil, gas, and other produced products off the Property (inter-lease lines). Where Grantee desires to locate a pipeline or flowline outside of the Permanent Operations Area, Grantor and Grantee will negotiate a separate and additional agreement in good faith.

#### AGREEMENT

For and in consideration of TEN AND NO/100 DOLLARS (\$10.00), the foregoing recitals and the terms, covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee agree as follows:

##### **1. Surface Access Rights.**

**A. Oil and Gas Operations Areas.** Grantor grants to Grantee and its agents, employees, and others authorized by them an easement and right-of-way upon and across the Property to conduct its Operations ("**Operations Areas**"). The Operations Areas granted consist of the 10-acre area required to drill and complete the Wells (the "**Temporary Operations Area**", identified as the Compensated Disturbance area on Exhibit B)) and the 7.67-acre (approximate) area required thereafter to operate and maintain wells, well pads and associated equipment; locate and maintain access roads; lay, construct, maintain, and remove flowlines (the "**Permanent Operations Area**"). Grantor also grants Grantee an access road right-of-way ("**Access Road**") that may be used to access the operations area from off the property. The Access Road shall be constructed according to Arapahoe County Road standards, and shall be maintained and kept free of noxious weeds, litter and debris by Grantee.

**B. Temporary Operations Area.** The Temporary Operations Area shall be used for drilling, completing, and equipping the Wells. Thereafter, only the Permanent Operations Area shall be occupied by the Grantee. Grantee agrees to keep its well sites in good order and free of litter, debris, trash, noxious weeds, and spilled hydrocarbons. In the

event that Grantee does not encounter commercial quantities of oil, gas, or other hydrocarbons at any well location and determines the location to be a "dry hole," Grantee shall promptly fill in, smooth over, and clean up the well site and rights-of-way and shall restore and reseed the area with a seed mix approved by Grantor after replacing topsoil. In the event that any well drilled upon the Property is completed as a commercial producer of oil and/or gas, Grantee shall promptly clean up the well site location and use only so much of the area as is reasonably necessary for its operations, and Grantee shall restore such well location, reseeding the same with a seed mix specified by Grantor. Reseeding referenced in this paragraph shall continue until vegetation has been reestablished.

**C. Location of Operations Areas.** The Operations Areas shall be designed so that the Temporary Operations Area will become a buffer area between the Permanent Operations Area and the Property.

**2. Location of Facilities and Well Pads.** The Temporary Operations Area, Permanent Operations Area, Well locations, proposed permanent Production Equipment and Access Road are shown and described on Exhibit B.

**3. Colorado Waiver of Notice and Consultation.** With respect to the Rules and Regulations ("Rules") of the Colorado Oil and Gas Conservation Commission ("COGCC"), Grantor waives the right to receive notices and/or to comment as set forth in COGCC Rule 305, if the proposed Well operations are aligned with the terms and intents of this Agreement. Grantor hereby also waives any and all rights to consultations and/or meetings as set forth in COGCC Rule 306 under the same conditions. Grantor acknowledges the receipt from Grantee of the information brochure for surface owners described in COGCC Rule 306. Grantor acknowledges and agrees that Grantee has complied with all notice, meeting, comment and consultation requirements of COGCC Rules 305 and 306 for the Wells. Grantor also waives the right to receive any required notice or give consent under the county code of the county in which the Property is located.

**4. Use of Property.** Grantee shall not disturb the Property other than within the Operations Areas and the Access Road. Grantor agrees that it will not plat surface property lines or otherwise use the Temporary and Permanent Operations Areas until Grantee has drilled and completed both Wells. Upon drilling and completion, Grantee shall reclaim the Temporary Operations Area, at which time Grantor will not use the remaining Permanent Operations Area. Grantor expressly acknowledges that this Agreement will be deemed to be specifically applicable to, and to fully satisfy, the obligation of Grantee to reasonably accommodate Grantor's use of the surface of the Property, existing or future, and Grantor waives any statutory or common law claims to the contrary. Further, Grantor acknowledges that Grantee's proposed use of the Property reasonably accommodates the Grantor by minimizing intrusion upon and damage to the Property, and that Grantee has fully complied with Colorado's statutory reasonable accommodation doctrine at Colo. Rev. Stat. §34-60-127, as amended or re-codified. Grantor agrees that Grantee will have the right to fence and will have exclusive use of the well pads located within the Permanent Operations Area, and Grantor specifically agrees not to place or store any personal property or material of any kind on any well pad, including but not limited to placing or storing vehicles, farm equipment, hay or other crops on any well pad.

**5. Compensation.** Compensation for the rights granted hereunder and for damages incurred with respect to Grantee's use of any of the Property for the purposes stated herein, is provided for in a separate unrecorded agreement between Grantor and Grantee signed concurrently with this Agreement. The unrecorded agreement is specific to compensation for 2 Wells, the ten (10) acres covered by the Temporary Operations Area, the approximately 0.6 acres covered by the Access Road, and the cost of landscaping maintenance when the Temporary Operations Area is no longer necessary. It does not include compensation for additional wells, flowline, pipeline, or utility easements, or additional access roads.

**6. Release.** Grantor, for itself and its successors and assigns, acknowledges the receipt and sufficiency of all compensation paid by Grantee pursuant to this Agreement as full and complete settlement for and as a release of all claims for loss, damages or injury to the Property within the Operations Areas or Access Road arising out of Grantee's Operations.

**7. Conduct of Operations.**

**A.** Grantee will conduct its Operations in a safe and workmanlike manner and in compliance with all applicable federal, state or local laws, rules or regulations.

- B. Grantee will design and construct well locations to provide a safe working area while reasonably minimizing the total surface area disturbed.
- C. At the time any access road is initially constructed, Grantee will install a cattleguard and/or gate at each existing fence line crossed by such access road. All gates shall remain closed except when necessary for vehicles to enter or leave the Permanent Operations Area.
- D. Grantee shall install all noise mitigation measures as required by the Colorado Oil and Gas Conservation Commission or local regulations. In addition, Grantee shall be responsible for instituting procedures during grading or other operations to mitigate to the greatest extent possible dust escaping the Operations Areas. Grantee also shall be responsible for complying with all federal, state and local regulations relating to storm water runoff, sediment, and erosion control and shall obtain storm water permits for all of Grantee's activities.
- E. Grantee will have the right to clear all trees, undergrowth and other obstructions from the Operations Areas and Access Road.
- F. Grantor will not impound water or build, construct, create or install, nor permit others to impound water or build, construct, create or install, any buildings, structures, fences, trees, engineering works, or any obstructions on the Permanent Operations Area and Grantor will not change the grade of the Permanent Operations Area without the express written consent of Grantee.
- G. Grantee's employees, agents, contractors, or person under the direction or control of Grantee shall not park on the Property outside of the Temporary Operations Area during construction, and are permitted to park in the Operations Areas only while conducting operations on behalf of the Grantee.
- H. Grantee may store material ("Material," defined as soil and gravel) excavated from the Operations Areas or Access Road on the well pad to be used for construction or reclamation of the well pad. Grantee also may import Material from off of the Property for construction or reclamation of the well pad. After constructing the well pad, if Grantee determines that there is Material in excess of what is required for reclamation that cannot reasonably be stored on the well pad, then with Grantor's permission Grantee may deliver said excess Material to a location on the Property that is mutually acceptable to Grantee and Grantor. Any such excess Material so delivered will become the sole responsibility of Grantor, and Grantee will have no further responsibility for said excess Material. Should a mutually acceptable location on the Property not be found, then Grantee will remove such excess Material from the Property. For any grading operations top soil shall be stripped and stockpiled, and replaced at the conclusion of operations in each location.
- I. Grantor hereby grants permission for any local electric company to raise, move and install underground utility lines on the Property when requested by Grantee in connection with the Wells. Grantor agrees to execute utility easements with such local electric company as necessary to comply with this provision. Lighting within the Permanent Operations Area shall be limited to that reasonably necessary to illuminate areas for ongoing night-time operations, safety and security.
- J. Any requisite easements to be located outside of the Permanent Operations Area shall be negotiated by Grantor and Grantee in good faith.
- K. Use of the Property shall be limited to facilities that are reasonably necessary to produce, transport, treat, and store oil and gas and other products produced from the Property and lands pooled therewith. No compressors shall be located on the Property, except for wellhead compressors located in the Permanent Operations Areas necessary to transport gas from the Property to the border thereof.
- L. Grantee shall employ the best available equipment to recycle volatile organic compounds from tanks and separators in order to minimize escape of VOC's into the environment. Grantee shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on the Property. Any spill of oil, grease, solvents, chemicals, or hazardous substances on the Property which are reportable to regulatory authorities under applicable law or regulations shall be immediately reported within forty-eight (48) hours to Grantor by telephone, fax, or e-mail, to be followed by copies of written notices

which Grantee has filed with regulatory authorities within five (5) business days after such filing.

M. None of Grantee's employees, agents, or contractors, or any other person under the direction or control of Grantee shall be permitted to carry firearms or any other weapon on the Property and such persons shall not hunt, fish, or engage in recreational activities on the Property. No dogs will be permitted on the Property at any time. Grantee will notify all of its contractors, agents, and employees that no dogs, firearms, weapons, hunting, fishing, or recreational activities will be allowed on the Property, without prior written consent of Grantor. None of Grantee's employees, agents, or contractors, or any other persons under the direction or control of Grantee, shall possess or be under the influence of alcohol, marijuana or illegal drugs while on the Property. Further, Grantee and its employees, agents, or contractors, or any other person under the direction or control of Grantee shall not cut or transport firewood, cut Christmas trees, or remove pine nuts, artifacts and other non oil and gas materials from the Property.

N. Where possible, flare gas will be used on site; for example, as fuel for flow back fluids recycle. Flaring in areas of development shall be conducted so as to minimize public concern and visual impact.

O. The smallest reasonable amount of produced oil, petroleum liquids, natural gas or other hydrocarbons shall be retained within the Permanent Operations Area. Grantee shall use its best efforts to remove production as quickly as possible to reduce any potential for fire or explosion at any production site. Grantee agrees that all reasonable precautions possible will be taken to prevent fire on the Property.

P. The compensation discussed herein is acknowledged by the Grantor as sufficient for damages and use of the Property caused or created by the reasonable and customary entry, right-of-way, and operation and use of Access Road and Well sites, but do not include damage to buildings or improvements, or injuries to persons. This agreement does not relieve Grantee from liability due to Grantee's negligence or due to spills, leaks, breaks, or discharges from Grantee's equipment or flowlines. Any pollution or contamination on or below the Property shall be reclaimed to the pre-contaminated condition of the land or groundwater.

Q. Upon well abandonment, Grantee shall remove all equipment and roads within one year of said abandonment and complete reclamation of the Property to its pre-operations condition as nearly as practical.

R. There shall be no above-ground power lines located on the Property.

8. **Ancillary Rights.** In addition to the other rights granted herein, Grantee will be entitled to, and is granted a right-of-way and easement to use the Operations Areas and subsurface of the Property, to the extent Grantor has such a right of conveyance, to drill, complete, produce, deepen, rework, frac, re-frac and recompleting the Wells under and through the Property to reach lands not covered by this Agreement and which Wells have horizontal drainhole locations on lands not covered by this Agreement, or Lands pooled with the Property. There shall be no disposal of oilfield waste on the leased premises and there shall be no wells drilled thereon for injection of produced water, flow back fluids, or other liquid waste.

#### 9. **Reclamation.**

A. As to all disturbed areas affected by Grantee's Operations, whether in the Temporary or Permanent Operations Areas or the Access Road, that are no longer needed or used for construction or operation of any facilities, or upon termination of this Agreement, Grantee will commence operations and continue in a diligent manner to fully reclaim and re-seed areas to a condition as similar as is practicable to that existing prior to the commencement of Grantee's activities, and in accordance with any then applicable federal, state or local laws and regulations, and in accordance with these provisions.

B. Grantee will consult in good faith with Grantor regarding seed mix to be used for reseeded. In the event there is no growth from the reseeded, Grantee shall continue the process until growth is reestablished.

C. Grantee will notify Grantor prior to final reclamation operations on the Property, including plugging and abandonment, and will comply with any federal, state or local notification rules, regulations or requirements. Grantee will use its reasonable efforts to consult in

good faith with Grantor regarding all aspects of final reclamation, including but not limited to timing of such operations, topsoil protection and reclamation of the Property.

- 10. Designated Contact Person.** Grantor and Grantee designate the following as their primary contact person for discussions, consultation and/or notification purposes:

**GRANTOR:**

Christopher Alan Weller and Laura Weller  
37510 E. 6<sup>th</sup> Ave  
Watkins, CO, 80137

**GRANTEE:**

ConocoPhillips Company  
Real Property Administration  
PO Box 7500  
Bartlesville, OK 75005-7500

**And to:**

ConocoPhillips Company  
Property Tax, Real Estate, Right of Way and Claims  
34501 E. Quincy Ave, Building #1  
Watkins, CO 80137

All notices and communications required or permitted under this Agreement will be in writing and addressed as set forth above. Any communication or delivery hereunder will be deemed to have been duly made and the receiving Party charged with notice, whether personally delivered, sent by facsimile transmission, mail or overnight courier, when received. Grantor or Grantee may notify the other of a change in its designated contact person.

- 11. Assignability.** This Agreement may be assigned by Grantee without Grantor's consent to any person or entity holding an oil and gas leasehold interest in the Property but may not otherwise be assigned without Grantor's prior written consent, which will not be unreasonably withheld, conditioned or delayed. Failure to respond to a request for consent to assign within 30 days after receipt of the request will be deemed consent to the assignment. Such assignment will act to terminate the assigning party's duties, obligations, and liabilities under this Agreement from and after the effective date of the assignment, with the exception of any monetary obligations accruing prior to such date.

- 12. Binding Effect.** All provisions of this Agreement will be binding on and inure to the benefit of Grantor and Grantee and their heirs, executors, administrators, successors and assigns. Any assignee assumes the role of Grantee under this Agreement.

- 13. Term.** This Agreement will be effective as of the date it is fully executed and will remain in force and effect as to all of the Property for as long as the Wells located on the Property are producing oil and gas, and will remain in effect for a period of 1 year following the final plug and abandonment of the Wells in accordance with COGCC requirements. Grantee is not released from liability for any environmental issues on the Property resulting from Grantees' operations at the end of the term.

- 14. Shall Not Diminish Other Rights.** This Agreement is a clarifying and confirming document and will not be construed as a waiver of any rights Grantee has under any other agreement or instrument pertaining to the Property. If it becomes necessary or desirable to utilize locations different from those agreed upon due to regulatory requirements or otherwise, the parties will in good faith negotiate a modification to this Agreement.

- 15. Indemnity.** Grantee hereby agrees to indemnify, defend and hold Grantor harmless from and against all losses, damages, claims, demands and suits (including court costs and reasonable attorney's fees) that Grantor may incur or be liable for (collectively, "Claims"), to the extent that such Claims result directly from Grantee's exercise of the rights granted hereunder, EXCEPT to the extent any such Claims result from or are attributable to the negligence, gross negligence, willful misconduct or malicious acts (or omissions) of Grantor, its agents, employees, contractors or representatives.

- 16. Force Majeure.** Neither Grantor nor Grantee will be liable to the other for any damages for failure to perform its obligations under this Agreement due to fire, earthquake, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, acts of terrorism, strike or labor disputes and other like casualty or other causes beyond its reasonable control (including but not limited to inability to complete reclamation responsibilities; provided,

however, that such responsibilities will continue but with an extension of the completion deadline), nor for damages caused by public improvements or condemnation proceedings.

**17. Transfer of Grantor's Interest.** No transfer of Grantor's interest, by assignment or otherwise, will be binding on Grantee until Grantee has been furnished with written notice, including copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Grantor. No present or future division of Grantor's ownership as to different portions or parcels of the Property will operate to enlarge the obligations or diminish the rights of Grantee, and all Grantee's Operations may be conducted without regard to such division.

**18. Amendments.** This Agreement may only be amended by the written agreement of both parties.

**19. Headings.** Paragraph headings or captions in this Agreement are for reference and convenience only and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision.

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

**21. Applicable Law.** This Agreement will be governed by and interpreted in accordance with the laws of Colorado, excluding any choice of law provisions that would refer the matter to the laws of another jurisdiction.

**22. Notice of Breach or Default.** An alleged breach or default by Grantee of any obligation under this Agreement or the failure of Grantee to satisfy any condition or limitation contained in this Agreement will not work a forfeiture or termination of this Agreement nor be grounds for cancellation of this Agreement in whole or in part. Grantor will not initiate litigation with respect to any alleged breach or default by Grantee under this Agreement for a period of at least 30 days after Grantor has given Grantee written notice fully describing the breach or default, and if Grantee does not dispute the breach, then only if Grantee fails to remedy or commence to remedy the breach or default within such period.

**23. Relationship of Grantor and Grantee.** Grantor and Grantee acknowledge and agree that this Agreement does not create any special relationship between them including, without limitation, that of joint venturers or partners. Nothing in this Agreement will be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principle-agent relationship between Grantor and Grantee for any purpose.

**24. Severability.** If any provision of this Agreement is illegal, invalid or unenforceable under present or future laws applicable to this Agreement, Grantor and Grantee intend that the remainder of this Agreement will remain in full force and effect so as to fulfill as fully as possible their intent as expressed by the then existing terms of this Agreement, including the invalidated provision.

**25. Merger of Prior Agreements.** This Agreement contains the sole and entire agreement and understanding of Grantor and Grantee with respect to the Operations Areas and will supersede all prior agreements, if any, insofar as they pertain to the Operations Areas. All prior discussions, negotiations, commitments and understandings relating to the Operations Areas are merged into this Agreement.

**26. Counterparts.** This Agreement may be executed in two or more original counterparts, all of which together will constitute one and the same Agreement.

**EXECUTED** as of the date of acknowledgement, but this Agreement is effective as of the Effective Date.

GRANTOR:

Christopher Alan Weller and Laura L.  
Weller, husband and wife, J/T

By: Christopher A. Weller

Printed Name:

Title:

Date:

GRANTEE:

Burlington Resources Oil & Gas Company LP

By: BROG GP, LLC, its sole General Partner

By:

Attorney-in-Fact

Name: Brian Calloway

Date:

Printed Name: CHRISTOPHER ALAN WELLES

Title: OWNER

Date: 10/29/2014

By: Laura L. Weller

Printed Name:

Title:

Date:

Printed Name: Laura L Weller

Title: Owner

Date: 10/29/2014

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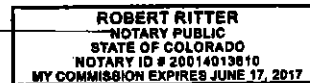
ACKNOWLEDGMENTS

State of COLORADO }  
 County of Doams }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that CHRIS WELLS, whose name as OWNER of the SASO PROPERTY is signed to the foregoing Surface Use and Compensation Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument she, as authorized agent and with full authority, executed the same voluntarily and as the act of said OWNER.

Given under my hand and official seal, this the 16th day of OCTOBER, 2014.

R R  
 Notary Public  
 My Commission Expires 06/17/2017

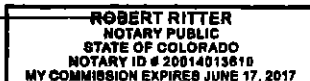


State of COLORADO }  
 County of Doams }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that LOREN WELLS, whose name as OWNER of the SASO PROPERTY is signed to the foregoing Surface Use and Compensation Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument she, as authorized agent and with full authority, executed the same voluntarily and as the act of said OWNER.

Given under my hand and official seal, this the 16th day of OCTOBER, 2014.

R R  
 Notary Public  
 My Commission Expires 06/17/2017



UNOFFICIAL COPY  
 State of Texas }  
 County of Midland }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Brian Callaway, whose name as Attorney In Fact of Burlington Resources Oil & Gas Company LP is signed to the foregoing Surface Use and Compensation Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument she, as authorized agent and with full authority, executed the same voluntarily and as the act of said corporation.

Given under my hand and official seal, this the 4th day of November, 2014.

Daisy Williams  
 Notary Public  
 My Commission Expires 11/25/2018

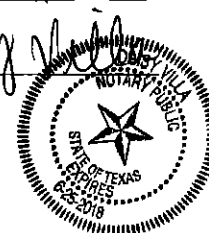




Exhibit A

Attached to and made a part of that certain  
Surface Use and Compensation Agreement  
dated OCTOBER 16, 20 14  
by and between

Christopher Alan Weller and Laura L. Weller, husband and wife, J/T and  
Burlington Resources Oil & Gas Company LP

**UNOFFICIAL COPY**  
Property

A tract in the SE/4 of Section 4, Township 4 South, Range 64 West, Arapahoe County, CO,  
more particularly described in that certain Warranty Deed, at Reception No. B6087379,  
recorded at Arapahoe County Colorado Clerk and Recorder's Office.

**UNOFFICIAL COPY**

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