

**EASEMENT, RIGHT-OF-WAY  
and  
SURFACE DAMAGES AGREEMENT**

This Easement, Right-of-Way and Surface Damages Agreement ("Agreement") is entered into as of December 4, 2014, by and between George T. Cook ("Surface Owner"), whose address is P.O. Box 375 Hudson, CO 80642, and Kerr-McGee Oil & Gas Onshore LP, ("KMG"), with offices at 1099 18<sup>th</sup> St., Suite 1800, Denver, CO 80202, covering certain lands (the "Lands") situated in Weld County, Colorado, described as follows:

Township 2 North, Range 65 West of the 6<sup>th</sup> P.M.

Section 16: part of E/2; more specifically described in a Special Warranty Deed dated June 13, 2012 and recorded on June 18, 2012 at Reception Number 3853264 as:

Parcel A: Lot C of Recorded Exemption No. 1307-16-4 RE 1961, being located in the Southeast Quarter of Section 16, Township 2 North, Range 65 West of the 6<sup>th</sup> Principal Meridian, County of Weld, State of Colorado, recorded March 5, 1997 at Reception No. 2536436 in Book 1594, Weld County Records; and

Parcel B: Lot B of recorded Exemption No. 1307-16-4 RE 1946, recorded December 17, 1996 in Book 1581 at Reception No. 2525403, being a part of the Northeast Quarter of Section 16, Township 2 North, Range 65 West of the 6<sup>th</sup> Principal Meridian, County of Weld, State of Colorado;

Also known as Parcel No. 130716400033 & Parcel No. 130716100030

For and in consideration of the sum of ten dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees to the terms and provisions set forth as follows:

1. Compensation for Operations: Release of All Claims

KMG shall pay to Surface Owner the sum and perform the obligations set forth in and according to the terms of that certain Letter Agreement by and between Surface Owner and KMG of even date, as full consideration and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of KMG drilling and completion operations on the Lands, and its continuing activities for the production and/or transportation of oil, gas, or other hydrocarbons or products associated with such operations and activities including, but not limited to, surface use, access, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable and customary uses of land related to said operations or activities.

2. Acknowledgement of Right of Way and Easement

Surface Owner acknowledges and understands that KMG, as owner or lessee of the oil and gas estate for the Lands, owns an easement and right-of-way that burdens the Lands, and that KMG has a continuing right and entitlement to construct, own, operate, maintain, repair and replace all flowlines, gathering lines, other pipelines and related equipment that may be necessary or convenient to its operations on the Lands, including but not limited to, constructing, using and maintaining access roads, locations for surface equipment and subsurface gathering lines, pipelines and pipeline interconnections for its operations and activities; provided, however, KMG agrees that it will not construct pipelines in a manner that interferes with existing improvements on the Lands at the time the pipelines are proposed to be constructed.

Surface Owner further agrees that, Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gas gatherer designated by KMG, may exercise the easement rights described herein.

3. Grant of Additional Rights and Easements

Surface Owner grants to KMG the right to drill on the Lands oil and gas wells that produce and drain oil, gas and hydrocarbons from lands other than the Lands and to locate, construct, use, and maintain surface equipment related to such wells on the Lands, including, but not limited to, wellheads, associated production equipment, flowlines, compressors and facilities related to transportation of oil and natural gas from such wells.

4. Waivers

Surface Owner understands and acknowledges that rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC") govern the distance between a wellhead and public roads, production facilities, buildings, building units and surface property lines, among other things. To the fullest extent possible, Surface Owner hereby waives all setback requirements in COGCC Rules 603 and 604 and any successor rules or amendments, including Exception Zone setbacks and any other state or local setback requirements or other laws, requirements or regulations that would prohibit or interfere with the rights of KMG and its successors and assigns to explore for and produce oil and gas from the Lands and to locate wells and production facilities on the Lands.

Surface Owner acknowledges that KMG and its successors and assigns may cite the waivers in this Agreement in order to obtain exceptions and variances from the COGCC or from any other state or local body having jurisdiction over oil and gas operations. Surface Owner agrees that this waiver satisfies any requirement for a waiver, consent to an exception or variance signed by the surface owner, Building Unit Owner (as that term is defined in the COGCC Rules and any successor rules or amendments), homeowner or the like and agrees that KMG and its successors and assigns may provide a copy of this waiver to the COGCC or to any other state or local body in satisfaction of such requirement. In addition, Surface Owner agrees to execute and deliver to KMG and its successor and assigns any additional consents and waivers requested, including waivers required from Building Unit Owners, homeowners and the like, required for the exploration and production of oil and gas from the Lands and the location of wells and production facilities on the Lands.

5. Notification

Surface Owner shall provide notice to all buyers and assignees of an interest in the Lands (or any portion thereof), including all builders, property owners, property owners' associations, and special districts (each, a "Future Owner") of the existence of the waivers in paragraph 4. In addition, Surface Owner will notify Future Owners that, as successors in interest to Surface Owner, Future Owners will be bound by the waivers and will assume the obligations undertaken by Surface Owner pursuant to these waivers, including the obligation to provide notice to subsequent Future Owners. It is expressly understood and agreed by Surface Owner and KMG that the waivers, notice requirements and the obligations assumed by Future Owners as set forth in the waivers are, and shall be construed to be, covenants that run with the Lands. As a condition to any sale or assignment of the Lands (or any portion thereof) by Surface Owner and its successors and assigns, Surface Owner and its successors and assigns will require that the buyer or assignee provide to KMG and its successors and assigns all waivers required in this Agreement.

6. Binding Agreement

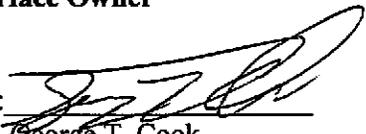
This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

7. Counterpart Signatures

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original instrument but all of which together shall constitute one and the same instrument.

The undersigned have executed this Agreement as of the day first above written.

**Surface Owner**

By: 

George T. Cook

**Kerr-McGee Oil & Gas Onshore LP**

By: 

Ronald H. Olsen

Agent & Attorney-in-Fact



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STATE OF Colorado )  
 )ss  
COUNTY OF WELD )

The foregoing instrument was acknowledged before me this 4 day of DECEMBER, 2014,  
by George T. Cook.

Witness my hand and official seal.

[Signature]  
Notary Public

My commission expires Nov. 12, 2017

**GRANT MICHAEL GERRARD  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20134064647  
COMMISSION EXPIRES NOV. 12, 2017**

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STATE OF Colorado )  
 )ss  
COUNTY OF Denver )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of December, 2014,  
by Ronald H. Olsen, Agent & Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, on behalf of said  
company.

Witness my hand and official seal.

[Signature]  
Notary Public

My commission expires Oct 3 2018

**LESLIE MIRANDA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20144038677  
COMMISSION EXPIRES OCT. 03, 2018**

