

MANAGEMENT SERVICES AGREEMENT

between

GREAT WESTERN OPERATING COMPANY, LLC

and

GREAT WESTERN PETROLEUM, LLC

DATED September 4, 2013

MANAGEMENT SERVICES AGREEMENT

This Management and Services Agreement ("Agreement") is made effective as of September 4, 2013 ("Effective Date"), by and between Great Western Operating Company, LLC, a Colorado limited liability company whose address is 1700 Broadway, Suite 650, Denver, CO 80290 ("Contractor"), and Great Western Petroleum, LLC, a Delaware limited liability company whose address is 1700 Broadway, Suite 650, Denver, CO 80290 ("Company"). Contractor and Company may be referred to individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, Company desires to engage Contractor to provide services, including but not limited to the services set forth on the attached Exhibit A, incorporated by this reference (the "Services") to Company and to Company's subsidiaries (collectively the "Subsidiaries" and each a "Subsidiary") with respect to the operated and non-operated oil and gas assets within the following counties in Colorado: Weld, Adams, Arapahoe, Douglas, Morgan, Boulder, Broomfield, Elbert, Larimer, Denver, Cheyenne and Washington ("Contract Area").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises, the respective agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Contractor and Company, for itself and on behalf of the Subsidiaries, hereby agree as follows:

1. **Engagement:** The Company hereby engages Contractor to provide the Services, on an exclusive basis, and Contractor hereby agrees to provide the Services in accordance with the terms contained herein, subject to the following: In the event: (a) the Company fails to pay the Management Fee and/or (b) ActOil Colorado, LLC, a Delaware limited liability company fails to pay a capital contribution due to the Company under the Company's Limited Liability Company Agreement, dated September __, 2013 (the "LLC Agreement"), and (c) either or both of such failures to pay (collectively, the "Default") are not cured within thirty (30) days after the Company or TIAA LLC (whichever is applicable) receives written notice from Contractor describing the Default, then in such case, Contractor shall have the right and option to suspend the Services until such time as the Default is cured.

2. **Compensation:** Company shall pay one hundred percent of Contractor's costs to provide the Services, including general and administrative costs (the "Management Fee"), provided however Contractor shall not duplicate third party charges that have been directly submitted to and paid by Company or its Subsidiaries. The general administrative costs shall include, but are not limited to, salaries, office rent, supplies, legal, travel, and third-party vendor services including costs associated with services provided by Contractor's affiliates (e.g., IT, HR, etc.). Contractor shall estimate the Management Fee on an annual basis for each calendar year or portion thereof during the term of this Agreement and Company shall pay the estimated amount in advance on a prorated monthly basis. The actual Management Fee shall be determined and reconciled with the estimated payments at the end of each calendar year. Any amount due as a result of the reconciliation from the prior year shall be paid with the

in the performance of the Services, which shall be of suitable quality and workmanship for their intended purposes, in accordance with Company's specifications; (e) shall abide by all of Company's policies, rules, guidelines and procedures applicable to the Services, including, without limitation, those related to safety, substance abuse, environmental conditions and conflict of interest; and (f) will not employ any employee whose employment violates applicable labor laws.

For purposes of this Section 4, "compliance with applicable laws, rules, orders and regulations" includes without limitation, conducting the Services in accordance with applicable safety regulations, precautions, and procedures and by employing all necessary protective equipment and devices required by government agencies, municipalities, or otherwise.

IN NO EVENT SHALL CONTRACTOR HAVE ANY LIABILITY FOR LOSSES SUSTAINED OR LIABILITIES INCURRED BY COMPANY EXCEPT SUCH AS MAY RESULT FROM GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. EXCEPT TO THE EXTENT THAT A CLAIM BY COMPANY OR BY ANY THIRD PARTY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CONTRACTOR, COMPANY WAIVES AND RELEASES ALL CLAIMS AGAINST OR INCURRED BY COMPANY INCURRED OR DIRECTLY CAUSED BY CONTRACTOR OR ITS REPRESENTATIVES IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT, AND COMPANY AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS CONTRACTOR FROM AND AGAINST ALL SUCH CLAIMS.

TO THE EXTENT THAT THE COMPANY SUSTAINS LOSSES OR INCURS LIABILITIES CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CONTRACTOR, AND TO THE EXTENT THAT A CLAIM BY THE COMPANY OR BY ANY THIRD PARTY RESULTS FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CONTRACTOR, CONTRACTOR AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE COMPANY FROM AND AGAINST ALL SUCH LOSSES, LIABILITIES AND CLAIMS.

5. Discharge of Obligations: Contractor shall promptly pay and discharge the costs and expenses incurred in the development and operation of the Contract Area pursuant to this Agreement and shall charge the Company for all costs and expenses as provided in Section 2, above. Contractor shall keep accurate records showing expenses incurred and charges and credits made and received.

6. Protection from Liens: With respect to the Services, Contractor shall pay, or cause to be paid, as and when they become due and payable, all accounts of contractors and suppliers and wages and salaries for services rendered or performed, and for materials supplied on, to or in respect of the Contract Area, and shall keep the Contract Area free from liens and encumbrances resulting therefrom, except for those resulting from a bona fide dispute as to services rendered or materials supplied, including, but not limited to, liens and encumbrances imposed by Contractor.

7. Custody of Funds: Contractor shall maintain for the benefit of Company and each of its Subsidiaries, and have signature authority over, segregated bank accounts. . All funds

11. Miscellaneous

(a) Amendment. This Agreement may not be amended, modified or supplemented except upon the execution and delivery of a written agreement that specifically references this Agreement and is executed by both Parties.

(b) Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either Party hereto without the prior written consent of the other Party; provided that (i) Contractor may assign and delegate certain specified rights and obligations under this Agreement to any affiliates (as referenced in Section 2, above) without the prior written consent of Company, and (ii) Company may (A) pledge and assign this Agreement to a lender as security for the payment and performance of amounts due under any credit agreement and the restriction on assignment shall not apply with respect to any assignment of this Agreement to a purchaser of all of the assets of Company pursuant to any legal process or foreclosure instituted or undertaken by a lender (or assignment to a lender or lenders in lieu of such legal process or foreclosure) with respect to such loan or extension of credit or to the subsequent assignment by a lender following such legal process, foreclosure, or assignment in lieu of legal process or foreclosure and (B) assign its rights, titles, duties and obligations hereunder to any of its affiliates.

(c) Waiver. Any of the terms or conditions of this Agreement which may be lawfully waived may be waived in writing at any time by each Party which is entitled to the benefits thereof. Any waiver of any of the provisions of this Agreement by any Party hereto shall be binding only if set forth in an instrument in writing signed on behalf of such Party. No failure to enforce any provision of this Agreement shall be deemed to or shall constitute a waiver of such provision and no waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

(d) Entire Agreement. This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.

(e) Counterparts. This Agreement may be executed by the Parties 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. Execution can be evidenced by facsimile transmission of signature pages with original signature pages to promptly follow in due course.

(f) Headings. The section and paragraph headings in this Agreement are for reference only and are not intended to qualify the meaning of any section or paragraph of this Agreement.

(g) Severability. If any provision or clause of this Agreement is held to be invalid or unenforceable for any reason, such provision or clause shall be ineffective to the extent of such invalidity or unenforceability; provided, however, that the remaining provisions and clauses will continue in full force without being impaired or invalidated in any way unless such

to pay the Management Fee and/or TIAA LLC's failure to pay its capital contribution under the LLC Agreement. The obligation to pay money due shall only be suspended pursuant to this Section 13 if the Party having such obligation has been directly and adversely impacted by such Force Majeure event.

13. Choice of Law; Venue: THIS AGREEMENT AND ITS PERFORMANCE SHALL BE CONSTRUED, GOVERNED BY, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. For purposes of enforcing any award or determination, or for any other authorized proceeding in court, forum and venue shall be exclusively in the state or federal courts in Denver, Colorado or New York, New York.

IN WITNESS WHEREOF, the each of the undersigned has caused this instrument to be executed by its duly authorized undersigned officer, effective for all purposes as of the Effective Time.

Great Western Operating Company, LLC

By: _____

Name: Thomas G. Mandula
Title: Manager

Great Western Petroleum, LLC

By: _____

Name: Thomas G. Mandula
Title: Manager

EXHIBIT A

Attached to and made a part of that certain Management Services Agreement by and between Great Western Operating Company, LLC and Great Western Petroleum, LLC dated September __, 2013

SERVICES

1. Arrange to acquire, gather, process, reprocess, interpret, and apply certain 2D and/or 3D seismic data (together, the "Seismic Data") prior to drilling new wells in the Contract Area as determined necessary by Contractor.
2. Together with the appropriate Subsidiary or Subsidiaries, negotiate and execute any and all joint operating agreements that a Subsidiary enters into with third parties as needed to develop the Contract Area.
3. Supervise all routine well service operations, as well as repair and maintenance operations, including onsite supervision of the installation or removal of well equipment, pumping of any treating fluid or substance into a well, and other onsite operations performed under contract by a third party or with leased equipment.
4. Cause all wells now or hereafter located in the Contract Area to be pumped and supervise contract or company pumpers, whose services will include, but will not be limited to, gauging tanks, recording well pressure, preparing gauge reports, treating oil, making minor repairs, and reporting unusual or abnormal occurrences.
5. Supervise all completion operations, workover operations, recompletion operations, and any type of remedial operation, whether or not it would ordinarily be considered a normal well service operation. This includes contracting with supervisory personnel for onsite supervision as required and maintaining overall supervision of such personnel through day-to-day contact.
6. Review well performance and prepare, for Company, monthly reports that summarize production. Note and evaluate material changes in production.
7. Prepare and furnish, to any duly constituted authority having jurisdiction over the Contract Area, any and all reports, statements and information that may be required.
8. Provide marketing, gas control and other similar services necessary to sell the products produced from or associated with the Contract Area and cause all production to be delivered to authorized purchaser's facilities as specified in the appropriate division order and verify all quantities of such production so delivered.
9. Dispose of all salt water and other waste materials pursuant to the rules and regulations of federal and/or state regulatory authorities.

furnish Company with the information required to enable Company to make such necessary reports and to pay such taxes or governmental charges.

18. The records to be maintained and retained by Contractor shall include (without limitation): (a) payroll records accounting for total time distribution of Contractor's employees working full- or part-time on the Services (to permit tracing to payroll records and related tax returns), as well as cancelled payroll checks (or signed receipts for payroll payments in cash); (b) invoices for purchases, receiving, and issuing documents, and all other unit inventory records for Contractor's stores stock or capital items; (c) paid invoices and cancelled checks for materials purchased and for subcontractors' and any other third parties' charges (including, but not limited to, equipment rental); and (d) travel and entertainment documentation (including, but not limited to, employee expense reports and Contractor facility usage reports).
- 19 Contractor shall cooperate with Company in a timely manner to provide the documents and reports set forth in Schedule 12.2(c) of the Limited Liability Company Agreement of Company.

EXHIBIT B

Attached to and made a part of that certain Management Services Agreement by and between Great Western Operating Company, LLC and Great Western Petroleum, LLC dated September __, 2013

INSURANCE

For itself and on the Company's behalf, Contractor shall procure and maintain with respect to and for the duration of the Agreement the insurance policies described below (as set forth on the attached "Schedule of Insurance", except as otherwise indicated) with reliable insurers reasonably satisfactory to the Company, and with policy limits not less than those indicated. Reasonable deductibles are acceptable and shall be for the account of the Company.

None of such insurance shall be cancelled, altered, or amended without 30 days prior written notice having been furnished to the Company. Contractor agrees to have its insurance carrier(s) furnish to Company a certificate(s) verifying insurance coverages in accordance with the below requirements. If requested, Contractor will provide the full policy and not just the certificate, to the Company. Limits of coverage required under this Exhibit are in excess of defense (and related) costs.

Contractor shall include Company and its Subsidiaries as named insured on all insurance policies. These policies shall provide primary coverage for claims.

CONTRACTOR'S INSURANCE REQUIREMENTS: See attached "Schedule of Insurance" which is incorporated herein by this reference.