

Hz SDA
5/10/16

**AGREEMENT FOR SETTLEMENT OF SURFACE DAMAGES
AND GRANT OF RIGHTS AND WAIVERS**

This Easement, Right-of-Way and Surface Damages Agreement ("Agreement") is entered into as of 12 August, 2016, by and between Harlo Paul Johnson and Delsa Dee Johnson ("*Surface Owner*"), whose address is 10487 County Road 8, Fort Lupton, CO 80621 and Kerr-McGee Oil & Gas Onshore LP ("*KMG*"), with offices at 1099 18th Street, Suite 1800, Denver, Colorado 80202, covering certain lands (the "*Lands*") situated in Weld County, Colorado, described as follows:

Township 1 North, Range 67 West of the 6th P.M.

Section 14: part of the SW/4, as described in the Quitclaim Deed recorded in Weld County, Colorado at Reception No. 2881350

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Compensation; Release of All Claims

KMG shall pay to Surface Owner the sum set forth in that certain Agreement Regarding Compensation between Surface Owner and KMG entered into contemporaneously with this SDA, 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's operations on the Lands, including, but not limited to, KMG's drilling and completion operations, its continuing activities for the production and transportation of oil, gas, other hydrocarbons, water or products associated with such operations and activities, use of the surface of the Lands, ingress, egress, access roads, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, electrical lines and equipment, and any and all other reasonable and customary uses of the Land related to all such operations or activities.

2. Acknowledgement of Rights and Easements of KMG

Surface Owner acknowledges and understands that KMG, as owner or lessee of the oil and gas estate in the Lands, owns an easement and right-of-way that burdens the Lands, and that KMG has a continuing right and entitlement to use the surface of the Lands for its operations, including, but not limited to, access, construction, operation, maintenance, repair and replacement of temporary above-ground water lines and completion fluid lines, subsurface flowlines, gathering lines and other pipelines, data transmission lines, electrical lines and related equipment (both subsurface and above-ground) that may be necessary or convenient to its operations on the Lands.

3. Grant of Additional Rights and Easements

Surface Owner grants to KMG the following:

(i) the right to locate on the Lands at locations to be determined by KMG an easement and right of way for above-ground and subsurface utilities for use related to operations on the Lands. Surface Owner agrees that the easement and right-of-way will be on the form attached to this SDA and labeled Attachment 1.

4. Pipeline Easement and Right-of-Way

Surface Owner agrees to negotiate in good faith with Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gatherer designated by KMG the location of an easement and right-of-way on the Lands for the construction, use, maintenance, and replacement of pipelines for the transportation of hydrocarbons and water from the Lands and other lands, and associated electric power lines, data transmission lines and equipment. Surface Owner agrees that the pipeline easement and right-of-way will be on the form attached to this SDA and labeled Attachment 2.

5. Waivers

Surface Owner, for itself and its successors and assigns, hereby waives the right to, and covenants not to, protest or object to the use of the surface of the Lands as provided in this SDA. Furthermore, Surface Owner and its successors and assigns will provide KMG and its successors and assigns with all written waivers and other evidence of support they may reasonably require to obtain permits from the Colorado Oil and Gas Conservation Commission ("*COGCC*") or any local jurisdiction.

6. Assignment

Participants: KMG, KMGG

KMG may assign this SDA in whole or in part.

7. Binding Agreement


The terms of this SDA shall constitute covenants running with the land and shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

8. Counterpart Signatures



This SDA 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 SDA on the date first above written.

Surface Owner

By: 
Name: Harlo Paul Johnson

Kerr-McGee Oil & Gas Onshore LP

By:  
Name: Ronald H. Olsen
Agent & Attorney-in-Fact

Surface Owner

By: 
Name: Delsa Dee Johnson

ACKNOWLEDGEMENTS

STATE OF Colorado)
)ss
COUNTY OF Weld)

The foregoing instrument was acknowledged before me this 11 day of August 2016,
by Harlo P. Johnson.

Witness my hand and official seal.


Notary Public

My commission expires 4/30/19

JEFFREY ALLEN BERGHORN
NOTARY PUBLIC - STATE OF COLORADO
Notary Identification #20154017265
My Commission Expires 4/30/2019

STATE OF Colorado)
)ss
COUNTY OF Weld)

The foregoing instrument was acknowledged before me this 11 day of August 2016,
by Debra D. Johnson.

Witness my hand and official seal.


Notary Public

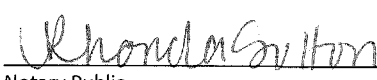
My commission expires 4/30/19

JEFFREY ALLEN BERGHORN
NOTARY PUBLIC - STATE OF COLORADO
Notary Identification #20154017265
My Commission Expires 4/30/2019

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

This instrument was acknowledged before me this 17 day of August 2016, by Ronald H. Olsen, Agent & Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, on behalf of said limited partnership.

Witness my hand and official seal.


Notary Public

My commission expires May 4, 2020

RHONDA SUTTON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124028159
COMMISSION EXPIRES MAY 4, 2020

Attachment 1

RECORDING INFORMATION ABOVE

GRANT OF EASEMENT

Harlo Paul Johnson and Delsa Dee Johnson (“Grantor”), whose address is 10487 County Road 8, Fort Lupton, CO 80621, in consideration of Ten Dollars (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, grants and conveys unto **United Power (“Grantee”)**, whose address is 500 Cooperative Way, Brighton, Colorado 80603, its successors and assigns, subject to all pre-existing permitted uses, a perpetual easement and the right to construct, operate, maintain, replace, enlarge, reconstruct, improve, inspect, repair and remove electrical and communication facilities for the purpose of transmission or distribution of electricity and appurtenances thereto, as may from time to time be useful to, or required by Grantee, on, over, under, and across the following described property in the County of Weld, State of Colorado to-wit:

Easement description as set forth in Exhibit “A” attached hereto and incorporated herein by reference.

Those facilities will be overhead, underground and / or at grade and may include, but not be limited to, poles, cables, conduits, wire, conductors, transformers, manholes and supports of whatever materials, including braces, guides, and other fixtures or devices used or useful in connection therewith.

Grantee shall have the right of ingress and egress over and across the lands of the Grantor to and from the above described property, and the right to clear and keep cleared all trees and obstructions as may be necessary.

The right and authority of Grantee hereunder may be exercised by its successors, assigns, licensees, contractors and permittees.

Grantor reserves the right to occupy, use, and landscape said easement for all purposes not inconsistent with the rights granted to Grantee so long as said use does not damage or interfere with the Grantee’s facilities or the maintenance, repair and replacement thereof. After the date of this Grant of Easement, Grantor shall not install permanent structures or facilities of any kind on, over, under, or across said easement without the written approval of Grantee.

Grantee shall pay Grantor for any damages to fences, crops, landscaping and personal property caused by the construction and maintenance of Grantee’s facilities. Upon completion of construction, Grantee shall restore the surface of Grantor’s property as nearly as practicable to the same condition that existed prior to construction.

SIGNED AND SEALED BY GRANTOR this ____ day of _____, 2015.

GRANTORS
Harlo Paul Johnson

Delsa Dee Johnson

Attachment 1

STATE OF _____)
)ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by Harlo Paul Johnson.

Witness my hand and official seal.

Notary Public

My commission expires _____

STATE OF _____)
)ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by Delsa Dee Johnson.

Witness my hand and official seal.

Notary Public

My commission expires _____

Attachment 1

EXHIBIT "A"

This Exhibit "A" attached to and made part of that certain Grant of Easement dated the __ day of _____, 2015 by and between Harlo Paul Johnson and Delsa Dee Johnson, whose address is 10487 County Road 8, Fort Lupton, CO 80621, as "Grantor", United Power, Inc., as "Grantee" in and for the easement described below.

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An as-built survey will be completed by a professional land surveyor and placed in this space prior to the document being recorded with the County Clerk.

Attachment 2

RIGHT-OF-WAY GRANT

THIS RIGHT-OF-WAY GRANT ("Grant) is made this ____ day of _____, 2015, from **Paul Harlo Johnson and Dee Delsa Johnson**, whose address is **10487 CR 8, Fort Lupton, CO 80621** ("Grantor," whether one or more), to **KERR-MCGEE GATHERING LLC**, a Colorado limited liability company, whose address is 1099 18th Street, Suite 1800, Denver, Colorado 80202 ("KMGG"). The parties agree as follows:

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants, conveys and warrants unto "KMGG", its successors and assigns, a perpetual right-of-way and easement to survey, construct, maintain, inspect, operate, repair, replace, modify, change the size of, reconstruct, mark, monitor, abandon, remove or relocate and release, at KMGG's election, one or more pipelines, electric power lines, data transmission lines and equipment, and all appurtenances, below and/or above ground, necessary or convenient for the transportation or transmission of oil, gas, petroleum products, water, electricity, electronic data, hydrocarbons and any other substances, whether electronic, fluid, solid or gaseous, and any products, derivatives, combinations or mixtures of any of the foregoing, in, on, over, under, or through the lands situated in Weld County, State of Colorado, being described as follows:

TOWNSHIP 1 NORTH, RANGE 67 WEST, 6TH PM

SECTION 14: Part of the South Half of the Southwest Quarter of Lot B. Recorded Exemption Re-2915 (S ½ of the SW ¼)

The route and course of the right-of-way and easement conveyed hereby ("Right-of-Way Lands") are more particularly described on Exhibit "A" attached hereto and made a part hereof. The Right-of-Way Lands shall also include the Production Facility as more particularly described on Exhibit "A". The parties have agreed that the width of the Right-of-Way Lands up to the Production Facility is seventy five feet (75') during construction, and subsequent to construction the width of the Right-of-Way Lands up to the Production Facility shall be fifty feet (50'). It is agreed that the pipeline(s) and any associated appurtenances may be constructed anywhere within the Production Facility. If there is a deviation in the Right-of-Way Lands as constructed, then Grantor agrees that upon request from KMGG the parties will execute a Notice of Pipeline Location along with an as-built survey plat to amend the description of the Right-of-Way Lands.

After the initial construction of the pipeline(s) KMGG may require, from time to time, temporary additional work space parallel and adjacent to the Right-of-Way Lands to survey, construct, maintain, inspect, operate, repair, alter, replace, modify, change the size of, reconstruct, mark, monitor, abandon or remove the pipeline(s) together with all appurtenances. Grantor agrees to negotiate in good faith with KMGG to allow KMGG the use of this temporary additional work space.

Grantor represents and warrants to KMGG that Grantor is the sole owner in fee simple of the Right-of-Way Lands, subject to the burden of the Right-of-Way and has full right, power and authority to enter into this Grant.

Any pipelines and/or appurtenances to be constructed underground pursuant to this Grant shall be placed at a depth of not less than 36 inches below the surface of the ground. Grantor agrees not to increase or decrease the surface elevation on the Right-of-Way Lands without KMGG's prior written permission. KMGG shall repair and/or restore any fence on or adjacent to the Right-of-Way Lands removed or severed by KMGG in the course of the operations provided for in this Grant to the condition such fence was in prior to the removal by KMGG. If necessary to prevent the escape of Grantor's livestock, KMGG shall construct temporary gates or fences in those areas affected by KMGG's operations as provided for in this Grant.

KMGG shall level and restore any lands affected by KMGG's operations that may have excessive settling and sufficiently compact the soil within a reasonable period of time after completion of construction to the condition that existed at the time immediately prior to the placement of KMGG's pipeline(s), to the extent reasonably practicable.

Grantor agrees not to build, create, construct or permit to be built, created or constructed, any obstruction, building, fence, reservoir, engineering works or other structures or improvements over, under, on or across the Right-of-Way Lands without the prior written consent of KMGG.

KMGG shall have all rights, privileges and benefits necessary or convenient for the full use and enjoyment of this Grant, including but not limited to, the right of ingress and egress over and across Grantor's lands lying adjacent to the Right-of-Way Lands for any and all purposes necessary and incidental to exercising KMGG's rights hereunder. Grantor hereby agrees that Grantee may, at its option, pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against

Initials _____

Attachment 2

the lands burdened by the Right-of-Way. If Grantee exercises such option, Grantee shall be subrogated to the rights of the party to whom payment is made, and in addition to its other rights, may reimburse itself out of any rentals, royalties, shut-in royalties, or any other amounts otherwise payable to Grantor hereunder.

KMGG shall be obligated to pay for, repair, replace or otherwise compensate Grantor for any damages resulting from KMGG's activities and operations on the Right-of-Way Lands, except for any damage to structures or improvements placed in the Right-of-Way Lands contrary to the terms contained herein; and, Grantor shall pay for, reimburse, indemnify and hold KMGG harmless from any and all claims or damages resulting from Grantor's activities on the Right-of-Way Lands. Grantor shall have the right to use and enjoy the Lands, subject to the rights herein granted.

This Grant cannot be modified, except by an instrument in writing signed by Grantor and an authorized representative of KMGG.

The rights granted herein may be assigned in whole or in part, and the terms, conditions, and provisions of this Grant are a covenant running with the land and shall extend to and be binding upon the successors, and assigns of Grantor and KMGG.

KMGG shall record an original of this Right-of-Way Grant in the records of the County in which the Right-of-Way Lands are located. By recording this Right-of-Way Grant, KMGG shall be deemed to have accepted all of the terms and conditions hereof.

This Grant may be executed in counterparts each of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, Grantor has executed and delivered this Right-of-Way Grant as of the date first above written.

GRANTOR(S):

BY: PAUL HARLO JOHNSON

BY: DEE DELSA JOHNSON

Attachment 2

STATE OF COLORADO)
)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 2015,
by_____.

Witness my hand and official Seal.

My Commission Expires: _____

Notary Public: _____

STATE OF COLORADO)
)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 2015,
by_____.

Witness my hand and official Seal.

My Commission Expires: _____

Notary Public: _____

Attachment 2

EXHIBIT "A"

This Exhibit "A" attached to and made part of that certain Right-of-Way Grant dated the ____ day of _____, 2016, by and between **Paul Harlo Johnson and Dee Delsa Johnson**, as "Grantor", and **KERR-MCGEE GATHERING LLC**, a **Colorado limited liability company**, as "KMGG" in and for the new pipeline described below.

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An as-built survey will be completed by a professional land surveyor and placed in this space prior to the document being recorded with the County Clerk.