

EASEMENT, RIGHT-OF-WAY, AND SURFACE DAMAGE AGREEMENT

This Easement, Right-of-Way and Surface Damage Agreement ("**Agreement**") is made and entered into this 17th Day of October, 2016, by and between John and Jill Shonka ("**Owner**"), whose address is 216 10th Street, Windsor, CO 80550, and Extraction Oil & Gas, Inc. ("**Operator**"), with offices at 370 17th Street, Suite 5300, Denver, CO 80202 sometimes referred to each as a "**Party**," or collectively as the "**Parties**."

WITNESSETH:

For and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Owner is the surface owner of certain lands located in Weld County, Colorado as more specifically described as follows ("**Lands**"):

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

**Section 5: Part of the W/2 of the NE/4 more particularly described as Lot B of Recorded Exemption No. 0807-05-1-RE-3303 recorded June 7, 2002 at Reception No. 2959092
County of Weld, State of Colorado**

Operator, and/or its affiliates, owns a working or other interest in oil and gas leases covering all or portions of the Lands or lands pooled or included in a spacing unit therewith or lands adjacent thereto (each a "**Lease**," collectively, the "**Leases**").

Operator desires to drill (or cause to be drilled), complete, operate and maintain oil and/or gas wells (the "**Wells**") on the Lands and/or the Leases covering the Lands the subsurface locations of which may be under lands other than the Lands. In order for Operator to explore, develop, drill, construct, complete, produce, maintain, rework, and operate the Wells and facilities limited to an access road ("**Access Road**"), pipelines, well heads, and other facilities (each a "**Facility**," collectively, the "**Facilities**") listed in Extraction's facility layout drawing Exhibit A, it is necessary that Operator enter and utilize a portion of the Lands.

1. SURFACE EASEMENT AND RIGHT-OF-WAY; SUBSURFACE EASEMENT.

A. Owner acknowledges and understands that Operator, as owner or lessee of the oil and gas estate for the Lands, owns an easement and right-of-way that burdens the Lands. Operator, its successors and assigns, and each of their agents, employees, contractors and subcontractors, may exercise the right, privilege and easement for the purpose of drilling, completing, operating and maintaining Wells on the Lands, constructing, using and maintaining Access Roads and locating, constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing the Facilities and all necessary appurtenant facilities, for the purposes specified in this Agreement, and including the rights of ingress to and egress from the Facilities across the Lands all as provided in this Agreement.

B. Owner grants Operator the right to drill, complete, operate and maintain Wells on the Lands that produce and drain oil, natural gas and associated hydrocarbons from lands other than the Lands and lands pooled with the Lands.

C. Owner further grants Operator a subsurface easement through the Lands for the purpose of drilling, completing, operating and maintaining oil and gas wells that may produce and drain oil, natural gas, and associated hydrocarbons from lands other than the Lands and lands pooled with the Lands.

D. Owner further grants Operator the right to gather to the Lands and transport from the Lands oil, natural gas and associated hydrocarbons produced from the Lands and lands other than the Lands and lands pooled with the Lands, and to transfer/assign such right to a third party gatherer.

E. In exchange for the execution of this Agreement by Owner, Operator relinquishes any and all rights to future SURFACE occupancy on the Lands that exist or may be inferred through its minerals ownership or lease rights. Operator does not relinquish future rights to access its mineral rights or leasehold rights through the subsurface of the Lands.

2. **LOCATION.** The locations of Wells, the Access Roads to the Well sites and Facilities to be constructed on the Lands are depicted on Exhibit A and are agreed to by Owner. Subject to the notice provided for in Paragraph 9 below, Operator may commence the operations contemplated by this Agreement at such time(s) as it deems appropriate. Material changes to the designated operating areas may be made by Operator with the written consent of Owner in a separate agreement, which consent may be withheld in the sole and absolute discretion of Owner. "Materials changes" include, without limitation, any changes proposed outside of the Temporary OGOA as depicted on Exhibit A during

drilling, completion and interim reclamation operations and outside of the Permanent OGOA as depicted on Exhibit A after the Wells have been drilled and completed to include initial production and interim reclamation has been completed.

Operator agrees not to use any more of the surface of the Lands than is reasonably necessary to conduct its operations. The locations of the Permanent and Temporary Oil and Gas Operations Areas ("Permanent OGOA" and "Temporary OGOA"), access roads, thirteen wellheads, and gas lift equipment are depicted on Exhibit "A" attached hereto and by this reference made a part of this Agreement.

Operator's operations on the Lands will be conducted pursuant to the terms of the Leases, this Agreement, the rules and regulations of the Colorado Oil & Gas Conservation Commission ("COGCC"), applicable Colorado statutes and case law, and any applicable federal statutes and case law, provided that this Agreement does not create in Owner a private right to enforce the rules and regulations of the COGCC.

3. **DAMAGES.** The Parties acknowledge that Operator will provide Owner with certain good and valuable consideration as set forth in and according to the terms of that certain Letter Agreement by and between Owner and Operator of even date prior to the commencement of drilling operations. The compensation provided herein shall release and discharge Operator, its agents, contractors and employees from all ordinary claims, losses, demands and causes of action for damage to the Lands including any loss of market value of the Lands that may be or are claimed to be attributable to Operator's operations, loss of and damage to crops, and use of the Lands, hereafter arising as a result of Operator's operations and other activities conducted pursuant to this Agreement including marketing operations on the Land. This compensation does not cover damages or losses which are caused by any breach of this Agreement, for Environmental Claims, Operator's unreasonable use of the Land, or the negligence of Operator, its agents, contractors and employees. This compensation does not cover damage to livestock, buildings, or improvements (including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation systems) personal property, or injuries to persons. This Agreement also does not relieve Operator from liability due to pollution, spills or discharge of any hydrocarbon or toxic substance or hazardous chemicals or wastes, fracking or from leaks or breaks in Operator's pipelines. Operator will compensate and hold Owner harmless for any losses or actual damages including attorney's fees and costs incurred by Owner as a result of any such loss or damage, breach of this Agreement, for Environmental Claims, unreasonable use of the Land or the negligence of Operator, its agents, contractors or employees. Owner will notify Operator of any items damaged after the Wells have been drilled and completed and Operator will repair or replace such items after consultation with the Owner within 15 days of occurrence, unless otherwise agreed to by the Owner and Operator.

4. **FACILITIES.** Operator agrees to limit facilities on surface location to well heads, underground pipelines, underground electric lines, pigging unit and artificial lift equipment (gas injection and linear rod pumps). Gas injection and pigging unit sheds will be no greater than 10 feet high and linear rod pumps will be as low profile as practicable with a maximum height of 28 feet. Other artificial lift systems may be used if they are less visible, create less noise than linear rod pumps, and is agreed to by both parties which agreement shall not be unreasonably withheld by Owner.

5. **ADDITIONAL SURFACE USE PROVISIONS, ACCESS ROADS, FENCES AND FACILITIES.**

With respect to its operations on the Lands, Operator will comply with the following provisions:

A. **ACCESS ROADS:**

(i) The only right of way for oil and gas access to the OGOA is designated on Exhibit A. The existing driveway leading from Weld County Road 74 to the Lands is not to be used by oil and gas traffic.

(ii) Operator will maintain existing and newly constructed roads used by Operator to a level sufficient for its operations on the Lands, which maintenance may include ditching, graveling, blading, mowing grass to avoid fire danger, installing and cleaning the cattle guards depicted on Exhibit A, maintaining storm water control devices or Best Management Practices ("BMPs"), dust control, and spraying for noxious weeds. This work will be done at such reasonable times as reasonably necessary for Operator's operations and as Owner may request if Operator fails to maintain as provided herein. Owner will have no responsibility for road maintenance

(iii) The surface of all roadways will be made of compacted gravel, will not exceed twenty-three (23) feet in width for traveled surface and will comply with applicable laws.

(iv) **Dust Control.** Operator will control dust from all roadways through the application of an appropriate dust suppressant.

(v) *Gates*. If requested by Owner, access to the Lands of Owner from the Access Road or from any adjoining land, will be controlled by a swinging metal gate in addition to a cattle guard as depicted on Exhibit A.

(vi) *Culverts*. Properly sized culverts will be placed in low areas for proper drainage.

(vii) *Off-Road Travel*. No off-road travel is permitted, particularly off-road travel that has the effect of widening the road or area of damage.

(viii) *Weeds, Trash*. Operator will keep roads used by it free of weeds, debris, and litter, and will conduct periodic pickup of trash caused by its operations, contractors or employees, if requested by Owner.

(ix) *Non-Exclusive*. The use and construction of roads by Operator on the Right-of-Way is a non-exclusive use, and Owner may allow other parties to use said roads and make a charge therefor. However, Operator will have the right to assess other users of the roads for oil and gas operations for their share of maintenance work performed by Operator.

(x) *Signage*. If requested by Owner, Operator will place an appropriate sign or signs on the Access Road designating it as a "private road", and to assist Owner in the control of the use of such road by unauthorized users. The size and color of such signs will be subject to Owner's reasonable approval.

(xi) *Locks*. Owner may lock gates across its private roads, provided that Operator will have the right to place its own locks on such gates.

B. *PIPELINES*:

(i) *Location and Depth*. All pipelines authorized under this Agreement will be located within the OGOA or the Right-of-Way. Except as otherwise agreed, all pipelines will be at least forty-eight (48) inches below the surface of the ground at the date of construction and will be constructed in such a manner to safely permit Owner to traverse the surface over which the pipelines are constructed but Owner shall not construct permanent roads and utilities over such pipelines.

(ii) *Reclamation*. Operator shall remove and store the topsoil separately in cultivated areas for the full width of the pipe trench and replace the topsoil on the top of the backfill over the pipe trench to the extent possible as part of the initial pipeline construction procedures. Topsoil shall be replaced and re-seeded in cultivated and agricultural areas, and any excess earth resulting from installations by the Operator shall be removed from the Lands at the sole expense of the Operator. All trenches will be fully reclaimed and reseeded to the reasonable satisfaction of Owner. If pipeline trenches settle, Operator shall fill in, repack, and level such trenches with additional clean topsoil upon request by Owner.

(iii) *As-Built Survey*. Promptly after the installation of a pipeline, Operator, at its sole expense, will provide Owner with a survey prepared by a Colorado licensed surveyor showing the "as-built" depth and location of the pipeline(s). As-Built surveys of piping and flowlines located within the permanent OGOA are not required.

(iv) *Permitted Uses*. The pipelines permitted by this Agreement are limited to and include only pipelines used solely in connection with the 13 wells listed in Exhibit A. Easements for pipelines that, in whole or in part, transmit oil or gas not exclusively produced from the Lands or lands pooled therewith are subject to separate agreements between Owner and the third party transmission company or third party pipeline contractor.

(v) *Abandonment and Reclamation*. If Operator fails to use any pipeline for a period in excess of twenty-four (24) consecutive months, the pipeline will be deemed abandoned. Upon the abandonment or other permanent cessation of use of a pipeline, Operator will reclaim the affected portions of the OGOA in accordance with the provisions of Section 6 of this Agreement.

C. *POWER LINES*: any power lines constructed by operator on the OGOA or right-of-way will be constructed and maintained to the following specifications:

(i) *Location*. Operator will cause power lines serving the OGOA to be constructed within the Road Right of Way identified and approved pursuant to Exhibit A of this Agreement. In the event that alignment is not possible, the electric lines will be a minimum distance allowable to the north of the pipeline.

(ii) *Cost.* The cost of running power to the Facility will be solely borne by Operator.

(iii) *Underground.* To the extent permitted by applicable laws, power lines serving the OGOA may initially be installed above ground. Within two (2) months after the last Well drilled on the Lands has been placed in production or as soon thereafter as is reasonably practicable, all power lines constructed by or for Operator downstream of the independent power company's meters will be buried, and all power line trenches will be fully reclaimed and reseeded to the reasonable satisfaction of Owner. Buried power lines outside of the permanent OGOA will be installed at least thirty-six (36) inches below the surface of the ground and will be constructed in such a manner to safely permit Owner to construct roads and utilities over such power line in such locations as may be designated by Owner and approved in writing by Operator, such approval not to be unreasonably withheld. If Owner constructs a road or utility over or under the power lines, Owner will be responsible for and indemnify Operator from and against any damage thereto resulting from the operation and maintenance of any such road(s) or utility.

(iv) *Grant of Easement.* Owner hereby grants permission for any local electric company to raise, move, and/or install utility lines within the Right-of-Way when requested by Operator in connection with the OGOA. Owner will execute a utility easement with such local electric company as necessary to comply with this provision. Should Owner desire to modify the form of agreement provided by the electric company, Owner will negotiate in good faith directly with the electric company.

D. *OPERATIONS:* Operator's operations on the OGOAs and right-of-way will be conducted according to the following specifications:

(i) *Maintenance.* Operator will at all times keep the OGOA and Right-of-Way safe and in good order, free of noxious weeds, litter and debris, and will spray for noxious weeds upon reasonable demand by Owner or as required by Applicable Laws.

(ii) *Hazardous Materials.* Operator will implement best management practices to avoid the spill, release or discharge of any pollutants, contaminants, chemicals, solid wastes, or industrial, toxic or hazardous substances or wastes on the Lands. Any such spill, release or discharge, including of oil, gas, grease or solvents, that occurs on the Lands will promptly be remediated in compliance with applicable laws. Any spill of oil, grease, solvents, chemicals, or hazardous substances on the Lands that are reportable to regulatory authorities under applicable law or regulations will be promptly reported to Owner by telephone, fax, or e-mail.

(iii) *Vegetation.* Operator will remove only the minimum amount of vegetation necessary for the construction of roads, well locations, and other facilities. Topsoil will be conserved during excavation, stockpiled and reused as cover on disturbed areas to facilitate regrowth of vegetation.

(iv) *Living Quarters.* No living quarters will be constructed upon the Lands, except that drilling crews and geologists or service personnel may use temporary living quarters during drilling, completion, or reworking activities.

(v) *Fencing and Cattle Guards.* Operator agrees to fence off the perimeter of the permanent OGOA with permanent wrought iron fencing that is six (6') feet tall. Operator will also install cattle guards and/or gates at the locations depicted in Exhibit A and where reasonably necessary in the future as determined by both parties. All cattle guards and fences installed by Operator will be kept clean and in good repair and will become the property of Owner when Operator has conducted final reclamation on the Lands.

(v) *Gates.* Operator and its employees, agents, and contractors will leave all gates located on the Lands as they found them; gates found closed are to be closed; gates found open are to be left open. Gates installed exclusively for access to the OGOA will be kept closed and locked at all times, except during periods of continuous operations within the OGOA.

(vi) *Firearms, Recreational Activities, Animals.* None of Operator's employees, agents, or contractors, or any other person under the direction or control of Operator will be permitted to carry firearms or any other weapon on the Lands and such persons will not hunt or engage in recreational activities on the Lands. No dogs will be permitted on the Lands at any time. Operator will notify all of its contractors, agents, and employees that no dogs, firearms, weapons, hunting, or recreational activities will be allowed on the Lands. Notwithstanding the foregoing, this provision does not apply to law enforcement units or personnel, whether on or off duty, who may serve as security contractors for Operator. None of Operator's employees, agents, or contractors, or any other persons

under the direction or control of Operator, will possess or be under the influence of alcohol or drugs that are illegal under federal law while on the Lands.

(vii) *Fire.* Operator will take all reasonable steps to prevent fire and to promptly extinguish fire caused by its operations. Operator will fully and promptly compensate Owner for all damages caused by fire arising out of Operator's operations, including, without limitation, any charges incurred by Owner for fire suppression and the replacement of fences and other property damaged or destroyed by fire.

(viii) *Dust.* Operator will conduct dust suppression in such areas and at such times as Owner reasonably requests or as required by Applicable Laws.

(xi) *Lighting.* Light sources during drilling and completion operations will be directed downwards and away from occupied structures where possible. Lighting shield devices will be installed on all of the more conspicuous lights subject to safety considerations as Operator deems appropriate but Operator will provide low ground lighting on the rig floor. Most lighting will be below the sound wall. Operator will place no permanent lighting on the Lands during production phase of the operations.

(xii) *Noise Mitigation.* Operator will construct a sound wall around the temporary OGOA prior to commencing its operations and shall provide and comply with a noise mitigation plan prescribing noise limits or mitigation procedures to be followed during drilling and completion operations within the OGOA. If, at the time of production, the Lands have been developed for residential or commercial use, Operator will consult with Owner on the noise mitigation plan and if necessary, revise the plan to accommodate the current adjacent land use. During oil and gas production, the linear rod pumps will be maintained to achieve manufacturer's noise specifications.

(xiii) *Flaring.* Except during initial flowback of a well, or during upset or emergency conditions, Operator will not utilize direct venting or open flaring for the purpose of removing natural gas or other vapors.

(xiv) *Waste Management.* There will be no pits of any kind on the Lands. All drilling muds and any waste fluids will be removed from the site and taken to a licensed facility for its disposal or reuse.

(xv) *Storage.* The OGOAs and Right-of-Way will not be used for storage of construction materials, equipment or other personal property except as may be incidental to Operator's on-going operations.

(xvi) *Berms.* Operator will install an eight foot (8') dirt berm on the northern, western, and eastern edge of the Permanent OGOA as depicted on Exhibit A. Of the Owner's choosing, fifteen trees with three inch (3") diameter trunks will be placed to the outside of the berm as generally depicted on Exhibit A. Operator and Owner will consult in good faith on the design and construction of the berm and trees.

(xvii) *Trees.* Operator will warranty that the trees live for at least three years after being planted on the Lands. In the event a tree dies during that three-year warranty period, Operator will replant the tree and warranty the new tree for a new three year period. Subject to Owner providing Operator with access to the trees which access is acceptable to Operator, Operator will agree to provide water to the trees during the initial three year period. The amount and rate of watering will be done according to the requirements of the tree, as specified by a qualified arborist.

(xviii) Operator agrees that all trash, refuse pipe, equipment, liquids, chemicals, or other materials brought on the Lands that are not necessary for continued operations of the Wells will be removed and disposed away from the Lands no later than 30 days after the completion of the Wells. No such items will be burned or buried on the Lands.

(xix) Additionally, the well sites shall be kept free and clear of all noxious weeds, unsightly growth and trash either during drilling operations or after completion and production

(xx) All guy line anchors for drilling and completion rigs shall be immediately removed after such work is completed.

(xxi) Operator agrees to use three-phase power for any artificial lift or any other production facilities located on-site.

6. RECLAMATION AND RESEEDING.

A. *Compliance with Laws.* Portions of the Lands disturbed by Operator's activities pursuant to this Agreement will be reclaimed on an interim and final basis in compliance with Commission Rules 1003 and 1004, other Applicable Laws, this Agreement and the Minimum Standards. Except as expressly provided herein, nothing in this Agreement will be deemed to waive or relieve Operator from the obligation of complying with such rules, laws and standards. If Commission Rules contain different time limits for the performance of reclamation work on different categories of real property, the shortest time limit will be deemed to be applicable to the Lands.

B. *Restoration.* Unless Owner otherwise agrees in writing, within the times provided in applicable Commission Rules in connection with Operator's operations on any OGOA or the Right-of-Way, Operator will comply with the following provisions:

(i) Operator will perform interim reclamation in accordance with Commission Rule 1003. Operator will use its best efforts to complete interim reclamation within the time limits prescribed by such rule, without requesting an extension thereof unless a delay is caused by conditions outside of the control of Operator.

(ii) Upon the plugging and abandonment of the last Well in the OGOA, Operator will fully restore and level the surface of the Lands affected by such terminated operations as near as possible to the contours that existed prior to such operations. Operator will use water bars and other measures as appropriate to prevent erosion and non-point source pollution. Unless Owner, in its sole discretion, consents to the abandonment of such facilities in place, pipelines and underground utilities appurtenant to the Wells will be removed and the surface restored. Unless a shorter time is prescribed by Commission Rules, Operator will use its best efforts to complete its work under this subsection within one year after the final plugging and abandonment of the last Well within the OGOA, without requesting an extension thereof unless a delay is caused by conditions outside of the control of the Operator.

(iii) In lieu of restoration pursuant to Subsection (ii) immediately above, Owner, in its sole discretion, may direct Operator in writing not to reclaim specific areas, such as roads or utilities, that Owner desires to utilize for its future use of the Lands.

C. *Revegetation.* Unless otherwise agreed by Owner, all areas disturbed by Operator's activities will be reseeded with suitable grasses or crops approved by Owner which approval shall not be unreasonably withheld. In the absence of direction from Owner, no reseeded will be required on any access roads existing as of the date of this Agreement or roads designated by Owner for retention. It will be the duty of Operator to ensure that a growing ground cover is established upon disturbed soils and Operator will reseed as necessary to fulfill that obligation. If Owner so requests, Operator will construct and remove fences for the purpose of temporarily excluding livestock from newly seeded areas.

D. *Weed Control.* It will further be the duty of Operator to inspect and control all noxious weeds as may become established within areas used or disturbed by Operator, and those areas within 100 feet of the permanent OGOA ("Weed Control Area") subject to Owner providing Operator with access to the Weed Control Area which access is acceptable to Operator. Operator will inspect Weed Control Areas from time to time and as Owner will reasonably request in order to determine the growth of ground cover and/or noxious weeds. Operator will reseed ground cover and control noxious weeds from time to time to the extent necessary to accomplish its obligations hereunder. Operator recognizes that this will be a continuing obligation during the duration of this Agreement and Operator will reseed ground cover and/or control noxious weeds until areas disturbed by Operator are returned to as near a condition as existed prior to construction.

7. DEFAULT AND RIGHT TO CURE. In the event of alleged default by Operator in the payment of any of the sums hereinabove provided to be made, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Owner will notify Operator by phone and by certified mail, return receipt requested, of the alleged default. Unless otherwise specified in this document, Operator will have 30 days from receipt of the written notification in which to dispute or otherwise respond to the notification before Owner may allege default. If Operator remedies the alleged default within 30 days of Owner's notice, or if the alleged default is of a nature that cannot be remedied within 30 days, then if Operator commences the remedy of the alleged default within that 30 day period and diligently pursues such remedy, then no default shall be deemed to have occurred.

Except as otherwise agreed in writing, no waiver by Owner of any breach by the Operator of any of its obligations, agreements, or covenants hereunder will be deemed to be a waiver of any subsequent or continuing breach of the same, nor will any forbearance by Owner to seek a remedy for any breach by the Operator be deemed to be a waiver by Owner of its rights or remedies with respect to such breach.

It is agreed Owner's exclusive remedy for a breach or default by Operator of the terms of this Agreement is an action for compensatory damages and that Operator shall be liable to Owner for compensatory damages for any such breach or default. The compensatory damages shall in an amount that has been agreed by the Parties or as established by the dispute resolution mechanism provided in Paragraph 17 below. It is also agreed that Operator shall not be liable for or required to pay special, punitive, exemplary, incidental, indirect or consequential damages.

8. INDEMNITY/RELEASE.

Except as expressly provided in this Agreement, Owner hereby releases and agrees to hold harmless Operator from any and all liability and further payment, other than what has been provided in this Agreement, for damages on the Lands which arise from, out of or in connection with the Operator's operations on the Lands, but only as to those operations which are described in and permitted by this Agreement, and for those operations for which payment has been paid by Operator and received by Owner pursuant to this Agreement and the Letter Agreement.

Operator hereby releases and agrees to hold harmless Owner from any and all liability for the consequences of Owner's non-negligent operations on the Lands but not otherwise.

Operator agrees to indemnify and hold Owner harmless from any and all claims, damages and causes of action arising out of and caused by Operator's operations on the Lands that may be asserted by any of Operator's agents, employees, subcontractors, contractors or persons entering upon the Lands at the request of Operator; with the exception of any claims, damages, and causes of action that arise from Owner's gross negligence or willful and wonton misconduct. This includes, without limitation, all losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation attorneys' fees and other costs associated therewith.

Owner agrees to indemnify and hold Operator harmless from any and all claims, damages and causes of action arising out of and caused by Owner's operations/occupancy/use on and of the Lands that may be asserted by any of Owner's agents, employees, subcontractors, contractors or persons entering upon the Lands at the request of Owner; with the exception of any claims, damages, and causes of action that arise from Operator's gross negligence or willful and wonton misconduct. This includes, without limitation, all losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation attorneys' fees and other costs associated therewith.

9. WAIVER OF COGCC NOTICES and other regulatory matters.

Owner hereby waives the following notices and consultations and shall not object or protest any Application for Permit to Drill (Form 2) and Oil and Gas Location Assessment (Form 2A) filed by Operator with the COGCC:

- A. Rule 305.a.: Notice of Intent to Conduct Oil and Gas Operations;
- B. Rule 305.c.(1): Oil and Gas Location Assessment Notice;
- C. Rule 305.c.(2): Buffer Zone Notice;
- D. Rule 305.f.: Statutory Notice to Surface Owners;
- E. Rule 305.h.: Move-In, Rig-Up Notice;
- F. Rule 306.a.: Surface Owner Consultation and Meeting Procedures; and
- G. Any other notice or consultation requirements of the COGCC.

Notwithstanding the foregoing, Operator agrees it will provide an initial notice to Owner after it has submitted a request for an Application for Permit to Drill (Form 2) to the COGCC and at least thirty (30) days in advance notice of commencing any earth moving or excavation operations, including moving in drill or completion rigs or other heavy equipment.

H. Operator will incorporate the applicable provisions of this Agreement into the applicable Form 2A.

I. Owner agrees not to object to the Form 2A, so long as it is consistent with this Agreement, and if consistent with this Agreement, Owner hereby waives any right granted by COGCC rule to comment on the Form 2A (other than to support it), to request an extension of the comment period, to request an onsite inspection pursuant to COGCC policy, and to appeal the approval and issuance of the Form 2A, and any related Form 2 ("Application for Permit to Drill").

J. Owner shall not oppose Operator in any COGCC or other governmental proceedings related to Operator's operations, including, but not limited to, permitting, formation of drilling units, well spacing, well density, pooling, drilling, completion, stimulation, re-stimulation, workovers, deepening and recompleting, provided that Operator's position and contemplated undertakings in such proceedings are consistent with this Agreement. Owner will provide Operator or its

successors and assigns with any and all written support they may reasonably require to obtain permits from the COGCC, other state agency, or any local jurisdiction.

K. Owner grants consent to locate the Wells greater than 50 feet from an existing well pursuant to COGCC Rule 318A(c). Owner grants consent to locate Wells outside of the GWA windows as defined in COGCC Rule 318A (a).

L. Owner waives the COGCC required 150 foot setback from surface property lines.

M. Owner understands that Operator may provide a copy of this Agreement to the COGCC in order to obtain a waiver, exception location, or variance from the COGCC rules or from a local jurisdiction. Owner also agrees that it will not object in any forum to the use by Operator of the Lands consistent with this Agreement and that it will also provide Operator with whatever written support it may reasonably require to obtain permits from the COGCC or any local jurisdiction.

10. **NOTICES.** Notice by either Party will be promptly given, orally if possible (with the exception of the default notice described in Paragraph 8), with subsequent written confirmation (optional) sent by United States mail, postage prepaid and addressed to either Party at the address as designated below; or to such other place as either Party may from time to time designate by notice to the other (Owner agrees to notify any surface tenant that may be affected by Operator's operations on the Lands and Owner may allocate the payments made hereunder with such surface tenant as they shall mutually determine between themselves and Operator shall have no liability therefore):

Owner
John and Jill Shonka
216 10th Street,
Windsor, CO 80550
Telephone: (970) 685-9194

Operator
Extraction Oil & Gas, Inc.
370 17th Street, Suite 5300
Denver, CO 80202
Phone: (720) 557-8300
Attn: Land Department

11. **BINDING EFFECT.** The covenants and conditions herein contained and all of the provisions of this Agreement will inure to the benefit of and will be binding upon the Parties hereto, their respective heirs, representatives, successors or assigns. Owner agrees to contact any and all tenants of Lands or any other third parties utilizing the surface of the Lands that may be affected by Operator's activities on the Lands. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement and Operator's right to utilize the surface of the Lands pursuant to this Agreement for the payment of any consideration, if any, due such third party from Owner.

12. **RECORDING.** The Parties agree Operator may record this Agreement in the real estate records of Weld County, Colorado.

13. **ENTIRE AGREEMENT.** Except for that certain Letter Agreement of even date between Owner and Operator and the Leases, this Agreement contains the entire agreement between the Parties and may not be modified orally or in any other manner other than by agreement in writing signed by all Parties or their respective successors or assigns.

14. **REASONABLE ACCOMMODATION.** Owner acknowledges the use of the Lands by Operator as herein described is in full satisfaction of the requirement that Operator conduct its oil and gas operations in a manner that accommodates Owner. Owner further acknowledges Operator's use of the Lands as provided herein constitutes "reasonable accommodation" by Operator, its successors, and assigns as provided in Colorado Revised Statute 34-60-127.

15. **TERMINATION.** This Agreement will terminate concurrently with the Leases as they relate to Operator's and/or its affiliates rights to explore, drill, and produce oil, natural gas, and associated hydrocarbons from the Lands or lands pooled or unitized therewith or as otherwise provided herein. To the extent a moratorium or a restrictive governmental law or regulation prevents a Party from performing operations, this Agreement shall be extended for such period of time that the moratorium or restrictive governmental law or regulation is in place. Notwithstanding the termination of this Agreement, Operator may access the Lands to plug and abandon the Wells and to reclaim the Lands as provided in this Agreement and the Leases and for such other purposes as necessary to comply with the rules and regulations to Operator's operations.

16. **COUNTERPARTS.** This Agreement may be executed by facsimile or electronic mail, in counterparts, each of which will be considered an original and enforceable against either Party.

17. **DISPUTE RESOLUTION.**

A. In the event of any dispute, disagreement or controversy arising out of, relating to or connected with this Agreement, the Owner and Operator will use reasonable, good faith efforts to settle such dispute or claim through negotiations with each other. If such negotiations fail to produce a mutually acceptable resolution to the matter in dispute, the Parties will submit the same to non-binding mediation before a sole mediator. The mediation will be conducted by the Judicial Arbitrator Group, Inc., 1601 Blake St, Suite 400, Denver, CO 80202 ("JAG"). The matter in dispute will be submitted to mediation within fifteen (15) days of a written demand for mediation from one Party to the other. If the mediation is not successful, the matter in dispute will be submitted for final and binding arbitration by the same mediator to be held no later than thirty (30) days after the conclusion of the mediation, as signified by a written notice from the mediator that mediation has terminated. Within five (5) days of the date of the mediator's notice, any party desiring arbitration will concisely state the matter(s) in dispute, the position of the Party with respect to such matter(s) and the Party's proposed resolution of the same.

B. *Record of Agreement.* During any negotiations conducted pursuant to this Agreement, the Parties will keep and maintain a record of all issues upon which agreement has been reached. To narrow and focus the issues that may need to be resolved in an arbitration proceeding, each of the submittals by the Parties will include all points that have been agreed to by the Parties during their negotiations.

C. *Arbitration.* Any arbitration proceeding will be conducted in accordance with the Uniform Arbitration Act found at C.R.S. §13-22-201 *et seq.* (or a successor statute). The purpose of the arbitrator's role is to produce a final decision of any matter submitted for arbitration to which the Parties' herein agree to be bound. The place of arbitration will be at the offices of JAG in Denver, Colorado.

D. *Arbitrator.* The JAG mediator/arbitrator will, ideally, be possessed of demonstrated experience in matters pertaining to the law of oil and gas development, and, at a minimum, Colorado law of real property governing the use and enjoyment of surface and subsurface estates. If the Parties cannot reach agreement on the choice of JAG mediator/arbitrator within ten (10) days of the original demand for arbitration (or such other time as may be agreed to by the Parties), they will abide by the assignment of JAG mediator/arbitrator made by the JAG Administrator.

E. *Arbitration Standard.* In rendering an award, the arbitrator will consider the principles of mutual accommodation stated in Paragraph 14 and in Colorado law.

F. *Jurisdiction.* For any matter requiring judicial resolution in connection with the arbitration, including the enforcement of any award, enforcement of this agreement to arbitrate, or injunctive relief to preserve the status quo pending arbitration, the Parties agree to the exclusive jurisdiction of the State District Court of the City and County of Denver, Colorado.

G. *Fees and Costs.* The Parties will share equally in the cost of retaining the services of JAG for any mediation or arbitration conducted hereunder and each will be solely responsible for its own costs and expenses of preparing for and pursuing any mediation or arbitration; provided, however, the arbitrator will have the power to award attorneys' and experts' fees to the prevailing party as described below.

H. *Enforcement Costs.* If either party defaults under this Agreement, the defaulting party will pay all costs and expenses, including a reasonable attorney's fee, incurred by the prevailing or non-defaulting party in enforcing this Agreement, with or without litigation. If there is no prevailing party, each Party shall be responsible for their own costs and legal expenses.

18. **GOVERNING LAW AND VENUE.** This Agreement will be governed by, construed and enforced in accordance with the laws of Colorado. Venue shall be deemed to be in Weld County, Colorado.

19. **AUTHORITY OF SIGNATORIES.** The signatories below declare, warrant and represent that they have the authority to enter into this Agreement on behalf of their respective principals, if any.

20. **SUCCESSORS.** This Agreement constitutes an easement, right-of-way, and covenant running with the Lands and will be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective successors, affiliates, administrators, trustees, executors and assigns.

IN WITNESS WHEREOF, the Parties have set their hands, the day and year first written above.

Operator:
Extraction Oil & Gas, Inc.

By: 
Name: Jamison McIlvann
Title: Agent

Owner:
John Shonka

By: 

Owner:
Jill Shonka

By: 

ACKNOWLEDGMENTS ON NEXT PAGE

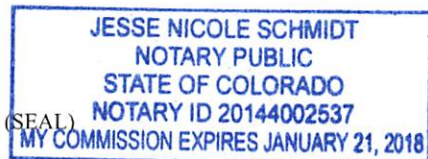
ACKNOWLEDGMENTS

STATE OF Colorado)
COUNTY OF ~~Denver~~ Weld)ss.

The foregoing instrument was acknowledged before me on this 17th day of October, 2015, by Jill Shonka.

Witness my hand and official seal.

My commission expires: 1/21/18



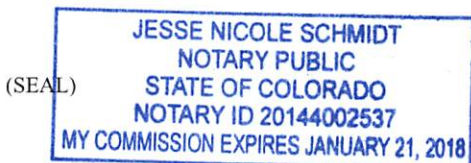
Jesse Schmidt
Notary Public

STATE OF Colorado)
COUNTY OF Weld)ss.

The foregoing instrument was acknowledged before me on this 17th day of October, 2015, by John Shonka.

Witness my hand and official seal.

My commission expires: 1/21/18



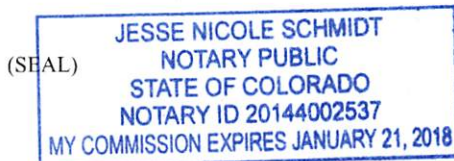
Jesse Schmidt
Notary Public

STATE OF COLORADO)
COUNTY OF Weld)ss.

The foregoing instrument was acknowledged before me on this 17th day of October, 2015, by Jamison McIlvain as Agent on behalf of Extraction Oil and Gas, Inc.

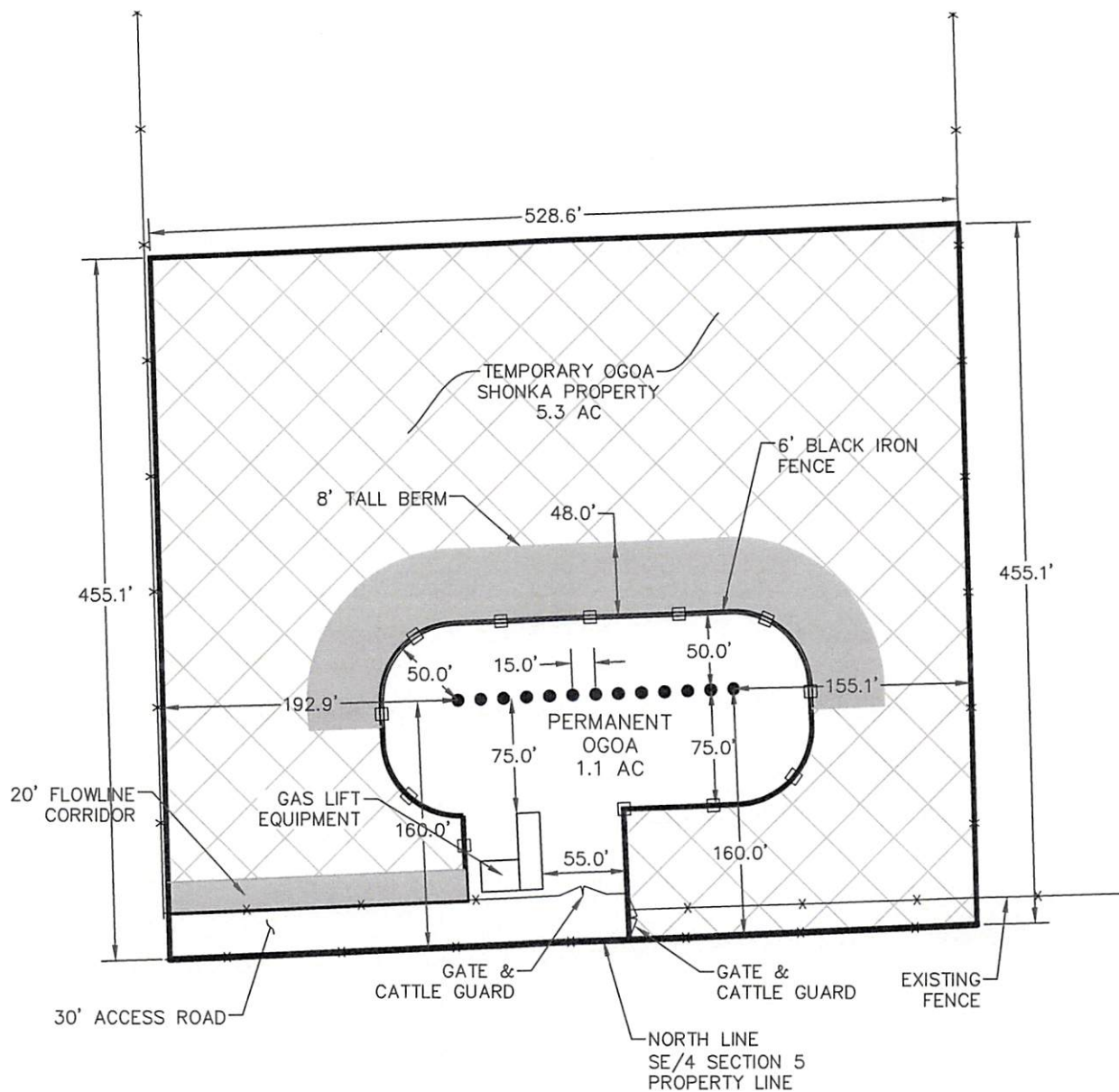
Witness my hand and official seal.

My commission expires: 1/21/18



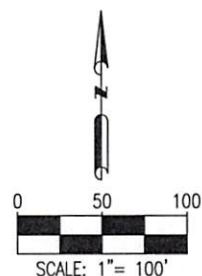
Jesse Schmidt
Notary Public

MICKEY 5-F PAD EXHIBIT A



LEGEND

- = PROPOSED WELL
- x-x-x- = BARBED WIRE FENCE
- = 6' BLACK IRON FENCE
- ∧ = GATE & CATTLE GUARD



PREPARED BY:



FIELD DATE:
09-28-16

DRAWING DATE:
10-07-16

BY:
CSG

CHECKED BY:
MLP

SITE NAME:
MICKEY 5-F PAD

SURFACE LOCATION:
LOT 1 NE 1/4 SEC. 5, T6N, R67W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR:

EXTRACTION
Oil & Gas

— Outline of surface

