

## SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT (this "Agreement"), effective this 18th day of October, 2016, ("Effective Date") is made by and between JULIUS A. PLUSS and KAUFFMAN BROTHERS LIMITED PARTNERSHIP, a Colorado limited partnership, hereinafter collectively referred to as "Owner," whose address is c/o Matthew Pluss, Senn Visciano Canges, P.C., 1700 Lincoln Street, Suite 4500, Denver, Colorado 80203, and EXPEDITION WATER SOLUTIONS COLORADO LLC, a Delaware limited liability company and EWS #4 DJ BASIN LLC, a Delaware limited liability company, each with an address of 1023 39<sup>th</sup> Avenue Suite E, Greeley, CO 80634 (collectively, "Expedition"). Owner and Expedition are each a "Party" and collectively are the "Parties."

### RECITALS

- A. Owner owns certain lands in Weld County, Colorado, more particularly described on Exhibit A (the "Property").
- B. Expedition owns and operates Class II and Class I saltwater disposal wells in Colorado and Wyoming, primarily for the service of oil and gas operators.
- C. Expedition is under contract with Owner to purchase the Property. Closing on the sale is conditioned on receiving the necessary state and local permits for Expedition to own and operate a saltwater disposal facility and two Class II saltwater disposal wells.
- D. Expedition and Owner seek to enter into this Surface Use Agreement, thereby allowing Expedition to permit two Class II saltwater disposal wells and a corresponding saltwater disposal facility with the relevant regulatory authorities, *provided*, that Expedition shall not have the authority to build or operate said facilities until Expedition closes on the purchase of the Property from owner.

### AGREEMENT

NOW, THEREFORE, in consideration of [REDACTED] dollars and other valuable consideration, the covenants made in this Agreement and the mutual benefits to be derived therefrom, the receipt and sufficiency of which are hereby confessed and acknowledged, the Parties agree as follows:

Section 1. Term. This Agreement, and the rights and benefits granted and created herein shall be effective as of the Effective Date and shall be binding until the first to occur of: (i) the termination of the Purchase and Sale Agreement between Owner and Expedition (the "Contract") or (ii) the conveyance of the Property to Expedition pursuant to the Contract.

Section 2. Grant of Surface Use. Owner hereby grants to Expedition, the right to permit two Class II saltwater disposal wells and related saltwater disposal facilities on the Property (the "EWS #4"). This grant of surface use is solely and explicitly a right to permit the EWS #4, and all construction and operation of the EWS #4 shall only commence if and after Expedition closes on the purchase of the Property from the Owner. This Agreement is not intended to grant unto Expedition any rights to use or occupy the surface or subsurface of the Property unless and until Expedition closes on the Property. Expedition shall be responsible for all processing and costs necessary to obtain such permitting. Owner agrees to cooperate fully with Expedition at no material

cost to Owner during this process. Under no circumstances shall any permits create any financial obligations upon Owner or the Property.

Section 3. Indemnification of Owner. Expedition shall keep the Property free and clear of any liens, including but not limited to mechanic's liens and materialmen's liens, and will indemnify, defend, and hold Owner harmless from all claims and liabilities including reasonable attorneys' fees asserted against Owner as result of the permitting efforts by Expedition, its agents, employees, or representatives. The indemnification obligations of this Section shall survive the termination of the Contract.

Section 4. Non-Merger and Termination. The rights and responsibilities set forth in this Agreement in no way amend or supersede the Contract provided, however, that this Agreement shall terminate and be of no further force and effect upon the termination of the Contract.

Section 5. Governing Law, Jurisdiction, and Venue. It is expressly understood and agreed by and between the Parties that this Agreement and the Agreement shall be governed by and its terms construed under the laws of the State of Colorado. The Parties further expressly acknowledge and agree that jurisdiction and venue for any actions arising out of or in connection with this Agreement and the Easement shall be in District Court, in the County of Weld, State of Colorado. In any civil litigation arising out of this Agreement and the Easement, trial shall be to the Court and each Party waives all rights to trial by jury. Each Party acknowledges and represents that it makes this waiver knowingly, voluntarily, and intentionally and after careful consideration of the ramifications of this waiver with legal counsel.

Section 6. Assignment. This Agreement and the rights granted herein shall not be assignable by either Party.

Section 7. Entire Agreement. This Agreement, together with exhibit attached hereto, contains the entire agreement between the Parties with respect to its subject matter. No oral statement or prior written matter shall have any force or effect.

[Signature pages to follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

**OWNER:**

**KAUFFMAN BROTHERS LIMITED PARTNERSHIP**

BY: Mark Kauffman  
MARK KAUFFMAN  
TITLE: Partner

\_\_\_\_\_  
**JULIUS A. PLUSS**

**EXPEDITION:**

**Expedition Water Solutions Colorado LLC**

By: Zach Neal  
Name: Zach Neal  
Title: Chief Financial Officer

**EWS #3 DJ Basin LLC**

By: Zach Neal  
Name: Zach Neal  
Title: Chief Financial Officer

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

**OWNER:**

**KAUFFMAN BROTHERS LIMITED PARTNERSHIP**

**BY:** \_\_\_\_\_

**MARK KAUFFMAN**

**TITLE:** \_\_\_\_\_

*Julius A. Pluss*  
\_\_\_\_\_  
**JULIUS A. PLUSS**

**EXPEDITION:**

**Expedition Water Solutions Colorado LLC**

**By:** *Zach Neal* \_\_\_\_\_

**Name:** *Zach Neal* \_\_\_\_\_

**Title:** *Chief Financial Officer* \_\_\_\_\_

**EWS #3 DJ Basin LLC**

**By:** *Zach Neal* \_\_\_\_\_

**Name:** *Zach Neal* \_\_\_\_\_

**Title:** *Chief Financial Officer* \_\_\_\_\_



## EXHIBIT A

### DESCRIPTION OF THE PROPERTY

#### Legal Description of Parcel for Expedition Water Solutions

A portion of the following described property lying within the W-1/2 of Section 17 and the E-1/2 of Section 18, Township 2 North, Range 63 West, of the 6th Principal Meridian, County of Weld, State of Colorado:

ALL THAT PART OF THE WEST HALF (W 1/2) OF SECTION 17, LYING BETWEEN THE RIGHT OF WAY OF THE SERVICE ROAD OF U.S. HIGHWAY 6 AND THE RIGHT OF WAY OF INTERSTATE HIGHWAY 80 SOUTH (ALSO KNOWN AS INTERSTATE 76 SOUTH); THE EAST HALF (E 1/2) AND THE EAST HALF OF THE WEST HALF (E 1/2 W 1/2) OF SECTION 18, EXCEPTING THEREFROM THAT PART LYING NORTH OF THE NORTH RIGHT OF WAY LINE OF U.S. INTERSTATE HIGHWAY 80 SOUTH (ALSO KNOWN AS INTERSTATE 76 SOUTH) AND SUBJECT TO CONVEYANCES TO THE DEPARTMENT OF HIGHWAYS, STATE OF COLORADO, AS RECORDED SEPTEMBER 24, 1959 IN BOOK 1541 AT PAGES 239 AND 241, OF THE WELD COUNTY RECORDS, ALL IN TOWNSHIP 2 NORTH, RANGE 63 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF WELD, STATE OF COLORADO,

Being more particularly described as follows:

Commencing at the SW corner of said Section 17; thence N47°33'37"E a distance of 2069.32 feet to the easterly line of said property and also being on the westerly right of way line of Weld County Road 398 and the Point of Beginning; thence N23°50'55"E a distance of 2728.07 feet along said westerly right of way line to the East line of the W-1/2 of said Section 17; thence N00°32'28"W a distance of 1411.76 feet along said East line to the NE Corner of the W-1/2 of said Section 17; thence S88°59'56"W a distance of 2519.70 feet along the North line of the W-1/2 of said Section 17 to the southeasterly right of way line of Interstate 80 South as such right of way is described at Reception Number 1313363 (Book 1541 at Page 239) and Reception Number 1313364 (Book 1541 at Page 241) of the Weld County records; thence S43°31'15"W a distance of 3755.84 feet along said right of way line; thence S74°09'39"E a distance of 4174.47 feet to the westerly right of way line of Weld County Road 398 and the Point of Beginning, containing an area of 290.05 acres more or less.

Basis of bearings for the above described parcel is the South line of the East 1/2 of Section 18 having a grid bearing of N89°20'55"E and a grid distance of 2659.92 feet, Colorado State Plane NAD1983, Northern Zone. All Bearings and distances within this description are Grid as listed.