

## AGREEMENT AND OPTION SURFACE USE AGREEMENT

This Agreement and Option Surface Use Agreement ("Agreement") dated effective December 19, 2016 (the "Effective Date"), is entered into by and between Jamaso LLC, whose address is 4100 E. Mississippi Ave, Suite 500, Glendale, Colorado 80246 ("Owner") and Bison Oil & Gas LLC ("Company"), whose address is 999 18<sup>th</sup> Street, Suite 3370, Denver, Colorado 80202. Owner and Company may be referred to individually as a "Party" and collectively as the "Parties."

**WHITNESSETH;** Owner hereby grants Company an exclusive non-revocable option (the "Option") to enter into the Surface Use Agreement ("SUA") attached hereto as Exhibit "A" and made a part hereof, and Letter Agreement ("LA") attached hereto as Exhibit "B" and made a part hereof, covering a portion of the land owned by Owner generally located in Arapahoe County, Colorado, and as generally depicted on Exhibit C (the "Oil and Gas Operation Area"):

1. Consideration. The consideration for the grant of the Option is \_\_\_\_\_ which amount shall be paid to Owner on or before the Effective Date and shall immediately be non-refundable to the Company and shall not be applied to the Agreement Price (as defined in Section 4 below). In the event the Company does not exercise the Option, this Agreement shall automatically terminate and Owner may keep the \_\_\_\_\_ free and clear.
2. Option Term. The Option shall be in force for a period of \_\_\_\_\_ from the Effective Date of this Agreement (the "Option Period"). The Option Period may be extended by the Owner and Company if agreed to in writing. In the event the Company has not exercised the Option prior to the expiration of the Option Period by providing written notice to Owner as provided in Section 7 of this Agreement, this Agreement shall automatically terminate and the Parties shall have no further obligations under this Agreement, except those which specifically survive the termination of this Agreement.
3. Performance. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ the Company shall have the right to exercise the Option, by providing written notice to the Owner as provided in Section 7 of this Agreement (the "Notice"). Should the Company not timely exercise the Option by providing Notice as provided in Section 7 below, this Agreement, including the SUA and LA shall automatically terminate and the Parties shall have no further obligations to each other under this Agreement, except those which specifically survive the termination of this Agreement.
4. Agreement Price. Should the Company exercise the Option, the "Agreement Price" to be paid by the Company to the Owner for the rights and privileges granted in the SUA and LA shall be \_\_\_\_\_
5. Ability to Access Surface and Survey. Company and Owner understand and agree that from the Effective Date of this Agreement until the expiration of the Option Period, Company will have the right at its sole cost and expense to access the Oil and Gas Operation Area for purposes of staking and surveying potential well pads, roads and lines. Company agrees to notify Owner of its intent to conduct staking and surveying operation at least two days prior to those operations. Company shall promptly restore the Oil and Gas Operation Area and any surrounding area impacted to

impacted to substantially its previous state in the event any testing is done. Company shall cause any individual or entity authorized by Company to engage in physical inspection of the Oil and Gas Operation Area to carry commercial general liability insurance covering such activities in and about the Oil and Gas Operation Area, with a limit of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit per occurrence against: (1) claims for personal injury liability including, without limitation, bodily injury, death or property damage liability; (2) operations of independent contractors engaged by Company for services or construction on or about the Oil and Gas Operation Area; and (3) worker's compensation insurance for all of their respective employees in accordance with the law of the State of Colorado. Before entering the Oil and Gas Operation Area, Company shall present a certificate of such insurance (or endorsement to the policy, as applicable) naming Owner as an additional insured for the coverage under (1) and (2), in form reasonably acceptable to Owner. The Company's obligations under this Section shall expressly survive the Closing or earlier termination of this Agreement.

6. Indemnity. Company, its successor and assigns shall indemnify, hold harmless, and defend Owner from and against all suits, claims, demands, liabilities, obligations, and causes of action (including, but not limited to, mechanics' and materialmen's liens and all reasonable attorneys' fees and costs) arising from Company's or its agents activities on the Oil and Gas Operation Area, and that may at any time be brought or made by any person, firm, corporation, or other entity for death of or injuries to any person and/or for damages of any kind (including environmental damages) to the Property including but not by way of limitation, employees and property of Owner or Company, arising out of or incidental to or in any way connected with Company's operations on the Property, except to the extent attributable to the gross negligence or willful misconduct of Owner. The Company's obligations under this Section shall expressly survive the Closing or earlier termination of this Agreement.
7. Exercise of Option. To exercise the Option, the Company shall provide the Notice to Owner prior to the expiration of the Option Period, which Notice shall be sent by overnight delivery to the following address:

Jamaso LLC  
4100 E. Mississippi Ave, Suite 500  
Glendale, Colorado 80246  
Attention: Andrew R. Klein

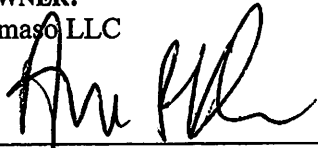
If the Notice is not received by the Company prior to the expiration of the Option Period, this Agreement shall automatically terminate and the Parties shall have no further obligations to each other, except those which expressly survive the termination of this Agreement.

8. Closing. Closing shall occur within ten (10) business days of Company's timely sending the Notice to Owner of its intent to exercise its option. At Closing, Company shall deliver to Owner the entire Agreement Price in the form of a company check, and both Parties shall deliver the fully executed SUA and LA.
9. Exclusive Rights. Owner agrees that by entering into this Agreement they grant Company the option to enter into an SUA and LA for the Oil and Gas Operation Area, and from and after the Effective Date the Owner shall not convey, encumber, or lease any of the Oil and Gas Operation Area in a way that may materially and negatively affects Company's operations contemplated herein, without the prior written consent of Company, not to be unreasonably withheld, conditioned or delayed.

10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns
11. Default. In the event of default by either of the Parties hereto, the Parties agree that they may be subject to action for specific performance of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year as written in the acknowledgements to be effective as of the Effective Date.

**OWNER:**  
Jamaso LLC



By: Andrew R. Klein  
Title: Manager

**COMPANY:**  
Bison Oil & Gas LLC

By: John Austin Akers  
Title: CEO

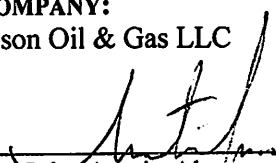
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**OWNER:**  
Jamaso LLC

\_\_\_\_\_  
By: Andrew R. Klein  
Title: Manager

**COMPANY:**  
Bison Oil & Gas LLC

  
\_\_\_\_\_  
By: John Austin Akers  
Title: CEO

## **EXHIBIT "A"**

### **SURFACE USE AGREEMENT**

This Surface Use Agreement ("**Agreement**") is entered into and effective this December 8, 2016 by and between Jamaso LLC ("**Owner**"), whose address is 4100 E. Mississippi Ave, Suite 500, Glendale, Colorado 80246, and Bison Oil & Gas, LLC. ("**Operator**"), with offices at 999 18<sup>th</sup> Street, Suite 3370, 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:

1. **OWNERSHIP.** Owner is the surface owner of certain lands more particularly described as follows:

THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 4 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, EXCEPT ANY PART OF THE LAND LYING WITHIN EXISTING ROADS, COUNTY OF ARAPAHOE, STATE OF COLORADO,

EXCEPT THEREFROM THOSE PORTIONS CONVEYED TO THE CITY OF AURORA, COLORADO, A MUNICIPAL CORPORATION IN SPECIAL WARRANTY DEED RECORDED JANUARY 27, 2005 UNDER RECEPTION NO. B5012441 AND SPECIAL WARRANTY DEED RECORDED FEBRUARY 25, 2008 UNDER RECEPTION NO. B8022077 (the "**Lands**").

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

2. **OIL AND GAS OPERATIONS ON THE LAND.**

A. Operator desires to drill, complete, operate, produce and maintain oil or gas wells (the "**Wells**") on a portion of the Lands, the subsurface locations of which may be under lands other than the Land. The surface location of the Wells shall be limited to the Oil and Gas Operation Area, defined in Section 4, and as generally depicted on Exhibit "A" attached hereto. In order for Operator, its agents, consultants, successors or assigns to explore, permit, survey, obtain consents and waivers, develop, drill, construct, complete, recomple, produce, maintain, rework, equip, deepen, stimulate, re-stimulate, assess, evaluate, inspect, test, update, upgrade, operate, secure, and transport production from the Wells and all facilities associated therewith including, but not limited to, access roads (including existing roads on the Oil and Gas Operation Area) ("**Access Roads**"), pipelines, infrastructure, equipment, surface appurtenances and production facilities including but not limited to emission control devices, vapor recovery towers, vapor recovery units, flowlines, gathering lines, transmission lines, temporary above ground water lines, temporary above ground completion fluid pipelines, separators, tank batteries, MLVTs, LACT units, electrical lines, utility lines and any other facilities or property necessary for Operator to conduct operations on the Wells (each a "**Facility**," collectively, the "**Facilities**"), Owner recognizes it is necessary that Operator, its agents, consultants, successors or assigns enter and utilize all or a portion of the Oil and Gas Operation Area in order to operate and maintain the Wells and Facilities. Owner and Operator desire to mitigate any surface damage to the Lands and to set forth their agreements with respect to future operations on the Lands, to accommodate operations and development of the surface, and to provide for cooperation between the Parties and the mutual enjoyment of the Parties' respective rights in and to the Oil and Gas Operation Area. This Agreement sets forth the Parties' rights and obligations regarding the development and use of the Lands by Owner and operations conducted by Operator. Notwithstanding anything to the contrary contained in this Agreement, the Operator's use of the Lands shall be limited to the Oil and Gas Operation Area.

3. **SURFACE EASEMENT AND RIGHT-OF-WAY; SUBSURFACE EASEMENT.**

A. Owner hereby grants to Operator, its successors and assigns and each of their agents, employees, contractors and subcontractors, a non-exclusive right to enter upon the Oil and Gas Operation Area for the purpose of drilling, completing, operating, securing, producing, evaluating, deepening, reworking, equipping, maintaining, plugging and abandoning of Wells, 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 including ingress and egress from the Facilities across the Oil and Gas Operation Area. Prior to commencing any operations, initiating the drilling of any well or initiating the

conduct of seismic activities on the Oil and Gas Operation Area, Operator shall notify Owner and shall consult with Owner as to the location of each Well, Access Road, Facilities, including without limitation, pipelines, power lines, and tank batteries.

B. Owner grants Operator the right to drill, complete, operate and maintain Wells on the Oil and Gas Operation Area that produce oil, natural gas, produced liquids, and associated hydrocarbons from lands other than the Lands and lands pooled with the Lands to the extent allowed under the Leases.

C. Owner further grants Operator a right to use the subsurface through the Lands for the purpose of drilling, completing, operating, re-stimulating, reworking and maintaining oil and gas wells that may produce and drain oil, natural gas, produced liquids and associated hydrocarbons from lands other than the Lands and lands pooled with the Lands to the extent allowed under the Leases.

D. Owner further grants Operator the right to gather to the Oil and Gas Operation Area and transport from the Oil and Gas Operation Area oil, natural gas, produced liquids 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.

#### **4. LOCATION/OIL AND GAS OPERATIONS AREA.**

The locations of Wells, the Access Roads to the Well sites and Facilities to be constructed on the Lands shall all be located within the area shown on Exhibit "A", attached hereto (the "Oil and Gas Operation Area"). No changes to the Oil and Gas Operation Area may be made by Operator without the written consent of Owner, which shall not be unreasonably withheld provided that such changes will not unduly interfere with Owner's existing or anticipated use of the Lands. Operator agrees not to use any more of the surface of the Oil and Gas Operation Area than is reasonably necessary to conduct its operations. This Agreement does not in any way limit the rights of Operator to drill future additional Wells with associated Facilities and Access Roads on the Oil and Gas Operation Area. This Agreement does not in any way limit the rights of the Owner to develop the surface of the Lands located outside of the Oil and Gas Operation Area.

#### **5. CONDUCT OF OPERATIONS.**

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"), and all applicable laws, statutes, rules, regulations, ordinances and similar items, including without limitation all applicable Colorado statutes and case law, and any applicable federal statutes and case law. This Agreement does not create in Owner a private right to enforce the rules and regulations of the COGCC.

#### **6. COMPENSATION AMOUNT.**

The Parties acknowledge that Operator will provide Owner with certain good and valuable consideration, as described in that confidential Letter Agreement of even date herewith, prior to the commencement of drilling operations for each Well drilled which consideration is agreed to be and constitutes full, complete and final consideration for damages and use of the Oil and Gas Operation Area caused or created by the reasonable and customary entry, rights-of-way, and operation and use of the Access Roads and well sites, but do not include damage to livestock, buildings, or improvements, or injuries to persons. This Agreement does not relieve Operator from liability due to Operator's negligence or due to spills or discharges of any hydrocarbon or toxic substance or hazardous chemicals or wastes, or from leaks or breaks in Operator's pipelines. Subsequent operations related to the Wells including but not limited to refracs, recompletions, deepening, or redrilling, except in case of emergency, shall require prior notice to Owner. Operator shall pay Owner actual damages caused by said subsequent operations.

#### **7. ADDITIONAL SURFACE USE PROVISIONS, ACCESS ROADS, AND FACILITIES.**

With respect to its operations on the Oil and Gas Operation Area, Operator and Owner will comply with the following provisions:

##### **A. Access Roads:**

(i) Owner shall provide Operator with continuous access to the Oil and Gas Operation Area, Wells, Facilities and all associated oil and gas operations, equipment and areas associated therewith that are located in the Oil and Gas Operation Area.

(ii) Operator will maintain all Access Roads in good repair and condition, and in accordance with COGCC regulations, state laws, and other applicable regulatory or statutory frameworks and to the reasonable satisfaction of the Owner. The surface of all

roadways, including without limitation the Access Roads, and shall be made of compacted gravel, shall not exceed 24 feet in width for traveled surface. Operator shall control dust from all roadways through the application of an appropriate dust suppressant.

**B. Surface Restoration:**

(i) Unless Owner otherwise agrees in writing or unless otherwise provided in the rules of the COGCC, within six (6) months after termination of any of Operator's operations on the Oil and Gas Operation Area, Operator shall fully restore and level the surface of the lands affected by such terminated operations as near as possible to the contours which existed prior to such operations. Operator shall use water bars and other measures as appropriate to prevent erosion and non-source pollution.

(ii) Unless otherwise agreed by Owner or unless otherwise provided in the rules of the COGCC, all areas disturbed by Operator's activities will be reseeded with suitable grasses or crops selected by Owner, at a reseeding rate determined by Owner, and during a planting period selected by Owner. In the absence of direction from Owner, no reseeding (except for borrow pits) will be required on any access roads existing as of the date of this Agreement. It shall be the duty of Operator to ensure that a growing ground cover is established upon disturbed soils and Operator shall reseed as necessary to accomplish that duty.

(iii) It shall further be the duty of Operator to inspect and control all noxious weeds as may become established within areas used or disturbed by Operator as required by the rules of the COGCC. Operator shall inspect disturbed areas from time to time and as Owner shall reasonably request in order to determine the growth of ground cover and/or noxious weeds. Operator shall reseed ground cover and control noxious weeds from time to time to the extent necessary to accomplish its obligations hereunder. Operator recognizes that this shall be a continuing obligation and Operator shall reseed ground cover and/or control noxious weeds until areas disturbed by Operator are returned to as near the condition as existed prior to construction. If Owner so requests, Operator shall construct and remove fences for the purpose of temporarily excluding livestock from newly seeded areas.

**C. Pipelines:** Any pipelines constructed by Operator on the Oil and Gas Operation Area shall be constructed and maintained to the following specifications:

(i) The top of each pipeline shall be buried at least 48 inches below the surface of the ground and shall be constructed in such a manner to safely permit Owner to construct roads and utilities over such pipeline in such locations as may be designated by Owner.

(ii) Operator shall be responsible for backfilling, repacking, reseeding, and recontouring the surface so as not to interfere with Owner's present or future agricultural operations and its present or planned future development or other use of the Land. If pipeline trenches settle so as to interfere with Owner's irrigation or ranching activities, upon request by Owner, Operator shall fill in, repack, and level such trenches.

(iii) Operator shall provide Owner with a plat showing the "as built" length and location of all pipelines promptly after their installation.

(iv) If Operator fails to use any pipeline for a period in excess of twenty-four (24) consecutive months, the pipeline shall be deemed abandoned and Operator shall promptly take all actions necessary or desirable to clean up and remove the pipeline, or render the pipeline environmentally safe and fit for abandonment in place, and restore the surface. All such cleanup and mitigation shall be performed in compliance with all applicable federal, state, and local laws and regulations.

**D. Power Lines:** Any buried or overhead power lines constructed on the Oil and Gas Operation Area shall be constructed and maintained to the following specifications:

(i) Operator will consult with Owner and with the independent power company supplying power to Operator with respect to the location of overhead power lines prior to construction, and shall obtain Owner's written consent for such locations which consent shall not be unreasonably withheld. Overhead power lines will be constructed so as to cause the least interference

reasonably possible with Owner's visual landscape and Owner's existing and planned future uses of the Land, and, to the maximum extent reasonably possible, overhead power lines will be constructed along fence lines or property lines. All overhead power lines will be located in a manner to minimize or avoid interference with Owner's existing or future uses of the Land. No overhead power line will be located where it will interfere with Owner's existing or planned future uses of the Land planned by Owner at the time of construction of overhead power lines. Owner shall be entitled to receive payment from Operator's electricity provider for overhead power lines.

(ii) Subject to compliance with any guidelines and policies of the power provider, within two months after a well has been placed on production, all power lines constructed by or for Operator downstream of the independent power company's meters shall be buried, and all power line trenches shall be fully reclaimed and reseeded to the reasonable satisfaction of Owner. Buried power lines shall be installed at least 48 inches below the surface of the ground, and shall 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.

(iii) Operator agrees that it will not construct overhead power lines that will interfere with irrigation in those portions of the Land which are developed or are being irrigated or cultivated or which may, in the future, be developed or irrigated or cultivated or which are fallow as part of a crop rotation or management program.

**E. Other:**

(i) Operator will install culverts on the Oil and Gas Operation Area that may be necessary to maintain drainage and irrigation in a manner equivalent to conditions upon the Oil and Gas Operation Area immediately prior to operations as nearly as is reasonably practicable.

(ii) If there is damage to personal property of the Owner, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation systems, Operator will repair or replace such items after consultation with and to the reasonable satisfaction of the Owner. Owner will notify Operator of any items damaged after the Wells have been drilled and completed and Operator will repair or replace such items within 30 days of notice, unless otherwise agreed to by the Owner and Operator.

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

(iv) During drilling operations the well sites and any pits shall and other dangerous areas shall be fenced by the Operator. Additionally, the well sites shall at all times be kept free and clear of all noxious weeds, unsightly growth, trash and spilled hydrocarbons during drilling operations and after completion and production.

(v) Operator agrees to fence off the perimeter of the well sites with temporary fencing. Operator will also install cattle guards or gates where reasonably necessary.

(vi) In the event that Operator does not encounter commercial quantities of oil, gas, or other hydrocarbons at any well location and determines the location to be a "dry hole," Operator shall promptly fill in, smooth over, and clean up the well site and rights-of-way and shall restore and reseed the area with a seed mix reasonably approved by Owner after replacing topsoil. All cleanup and restoration activities shall be completed by Operator as soon as the reserve pit has been allowed to dry so that proper backfilling can be accomplished. If the reserve pit is not dry within six months of completion of drilling operations, it shall be pumped dry by Operator and the contents properly disposed of off the Land pursuant to applicable law. In the event that any well drilled upon the Oil and Gas Operation Area is completed as a commercial producer of oil and/or gas, Operator shall promptly clean up the well site location and use only so much of the area as is



reasonably necessary for its operations, and Operator shall restore such well location, reseed the same with a seed mix specified by Owner, and Operator shall keep all well site locations neat, orderly, and clean at all times.

(vii) Operator shall rehabilitate, restore, reclaim, and reseed all disturbed areas caused by Operator's operations within six (6) months after termination of construction activities on such sites, unless inclement weather prevents such rehabilitation and restoration within that time period or within such other time as provided in the then applicable rules of the COGCC.

(viii) Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on the Lands. Any spill of oil, grease, solvents, chemicals, or hazardous substances on the Oil and Gas Operation Area or the Land which are reportable to regulatory authorities under applicable law or regulations shall be immediately (within 24 hours) reported to Owner by telephone, fax, or e-mail, to be followed by copies of written notices which Operator has filed with regulatory authorities within five (5) business days after such filing.

(ix) All surface facilities not subject to safety requirements shall be painted Operator's colors, which shall blend with the natural color of the landscape.

(x) No living quarters shall be constructed upon the Oil and Gas Operation Area, except that drilling crews and geologists or service personnel may use temporary "dog houses" during drilling, completion, or reworking activities.

(xi) None of Operator's employees, agents, or contractors, or any other person under the direction or control of Operator shall be permitted to carry firearms or any other weapon on the Land and such persons shall not hunt, fish, or engage in recreational activities on the Land. No dogs will be permitted on the Land at any time. Operator will notify all of its contractors, agents, and employees that no dogs, firearms, weapons, hunting, fishing, or recreational activities will be allowed on the Land. None of Operator's employees, agents, or contractors, or any other persons under the direction or control of Operator, shall possess or be under the influence of alcohol or illegal drugs while on the Land.

(xii) Operator shall conduct operations and activities on the Oil and Gas Operation Area in accordance with, and shall strictly comply with all existing local, state, and federal laws, rules, and regulations. Operator shall also obtain any permit, consent, license, or other authorization required by law or by any governmental authority having jurisdiction.

(xiii) With respect to any water produced from Wells drilled on the Oil and Gas Operation Area in connection with the production of oil, gas, or other hydrocarbons, Operator agrees to reinject produced water or haul the same away from the Oil and Gas Operation Area and properly dispose of such produced water off the Oil and Gas Operation Area. Operator shall not construct evaporation pits for produced water, but may have a small "emergency pit" during drilling, completion, or reworking operations for produced water purposes.

## **8. DEFAULT AND RIGHT TO CURE.**

In the event of alleged default by Operator in the payment of any amount, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Owner will notify Operator, by certified mail, return receipt requested, of the alleged default. Operator will have 20 days from receipt of the written notification in which to dispute or otherwise respond to the notification before Owner may pursue other remedies of the alleged default. If Operator cures the alleged default within 20 days of Owner's notice, or if the alleged default is of a nature that cannot be cured within 20 days, then if Operator commences curing the alleged default within that 20 day period and diligently pursues such cure, 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.

Any damages awarded to either party under this Agreement shall be limited to only the actual damages incurred by such party, and neither party shall be liable for consequential, incidental, punitive,

exemplary or indirect damages in tort or in contract, or under any legal theory, and all such damages are hereby excluded and waived by the Parties and the exercise of the rights of any party hereunder.

#### **9. INDEMNITY/RELEASE.**

Except as to claims arising out of pollution or environmental damage (which claims are governed as provided below) or out of other provisions of this Agreement (which claims shall be governed by the terms of this Agreement), each party shall be and remain responsible for all losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation attorneys' fees and other costs associated therewith (all of the aforesaid herein referred to collectively as "Claims"), arising out of or connected with each such party's ownership or operations or activities on the Lands and Oil and Gas Operation Area, no matter when asserted, subject to applicable statutes of limitations. Each such party shall release, defend, indemnify and hold the other parties, their officers, directors, employees, agents and contractors, successors and assigns, harmless against all such Claims. This provision does not, and shall not be construed to, create any rights in persons or entities not a party to this Agreement, nor does it create any separate rights in parties to this Agreement other than the right to be indemnified for Claims as provided herein. Notwithstanding anything in this Agreement to the contrary, Operator shall compensate Owner for any damage, loss, or claim which Owner sustains because Operator did not act as a reasonable and prudent operator. Upon the assignment or conveyance of a party's entire interest in the Agreement, that party shall be released from its indemnification provided above, for all actions or occurrences happening after such assignment or conveyance.

The foregoing shall not apply to any environmental matters, which shall be governed exclusively by the following:

"Environmental Claims" shall mean all Claims asserted by governmental bodies or other third parties for pollution or environmental damage of any kind, arising from operations on or ownership of the Property or ownership of the oil and gas leasehold interest, whichever is applicable, and all cleanup and remediation costs, fines and penalties associated therewith, including but not limited to any Claims arising from Environmental Laws or relating to asbestos or to naturally occurring radioactive material. Environmental Claims shall not include the costs of any remediation undertaken voluntarily by any party, unless such remediation is performed under the imminent threat of a Claim by a governmental body or other third party;

"Environmental Laws" shall mean any laws, regulations, rules, ordinances, or order of any governmental authority(ies), which relate to or otherwise impose liability, obligation, or standards with respect to pollution or the protection of the environment, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.), the Clean Water Act (33 U.S.C. §§ 466 et seq.), the Safe Drinking Water Act (14 U.S.C. §§ 1401-1450), the Hazardous Material Transportation Act (49 U.S.C. §§ 1801 et seq.), the Clean Air Act, and the Toxic Substances Control Act (15 U.S.C. §§ 2601-2629); and

Operator shall protect, indemnify, and hold harmless Owner from any Environmental Claims relating to the Land, including the Oil and Gas Operation Area or the Lease that arise out of Operator's ownership and operation on the Oil and Gas Operation Area and its operation of any pipeline or Access Road on the Oil and Gas Easement Area. Owner shall fully protect, defend, indemnify and hold harmless Operator from any and all Environmental Claims relating to the land that arise out of Owner's operations on the Land. This indemnity specifically covers the completion or fracturing or refracturing of any well drilled by Operator on the Oil and Gas Operation Area.

The indemnities of the parties herein shall not cover or include any amounts which the indemnified party is actually reimbursed by any third party. The indemnities in this Agreement shall not relieve any party from any obligations to third parties.

To the maximum extent permitted by law, Operator releases and waives and discharges Owner and, if applicable, Owner's officers, directors, employees, agents, successors, and assigns from any and all liability for personal injury, death, property damage, or otherwise arising out of Operator's or its agents' operations under this Agreement or Operator's use of Owner's property, unless such injury, death, or property damage is the result of Owner's negligent acts or omissions or those of its members, officers, directors, employees, agents, successors, and assigns.

#### **10. WAIVER OF COGCC NOTICES AND OTHER REGULATORY MATTERS.**

A. Provided Operator is in compliance with this Agreement, Owner hereby waives the following notices and consultations:

- (i) Rule 305.a.: Notice of Intent to Conduct Oil and Gas Operations;
- (ii) Rule 305.c.(1): Oil and Gas Location Assessment Notice;
- (iii) Rule 305.c.(2): Buffer Zone Notice;
- (iv) Rule 305.f.: Statutory Notice to Surface Owners;
- (v) Rule 305.h.: Move-In, Rig-Up Notice;
- (vi) Rule 306.a.: Surface Owner Consultation and Meeting Procedures;
- (vii) Rule 305.f.(4): Notice of Subsequent Operations; and
- (viii) Any other notice or consultation requirements of the COGCC.

B. Provided Operator is in compliance with this Agreement, Owner 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.

C. Provided Operator is in compliance with this Agreement, Owner hereby waives any right granted by COGCC rule to comment on the Form 2A, 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.

D. Provided Operator is in compliance with this Agreement, Owner shall not oppose Operator, its agents, consultants, attorneys, successors and assigns in any COGCC or other administrative or 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, its agents, consultants, attorneys, successors and assigns with any and all written support they may reasonably require to obtain permits from the COGCC or other applicable governmental body.

E. Owner understands and acknowledges that the COGCC has rules and regulations that apply to the distance between a wellhead and public roads, production facilities, building units, occupied buildings, and surface property lines, among other things. Provided Operator is in compliance with this Agreement, Owner hereby waives its right to object to the location of any Well, Access Roads and Facilities on the basis of setback requirements in the rules and regulations of the COGCC, including, but not limited to, the 150 foot setback from surface property lines and other requirements of rules 603.a.(2), and 604.a, except that the Parties intend to rely upon one or more exceptions of rule 604.b of the rules and regulations of the COGCC relating to property lines and urban mitigation areas or designated outside activity areas, as those terms may change or be defined and amended from time to time. For the operations contemplated by this Agreement, Owner hereby waives the Exception Zone, Buffer Zone, Urban Mitigation Area, and High Occupancy Building setback distances, as required by COGCC rules and regulations.

F. Provided Operator is in compliance with this Agreement, Owner grants consent to locate the Wells greater than 50 feet from an existing well pursuant to COGCC Rule 318A.c. Provided Operator is in compliance with this Agreement, Owner grants consent to locate Wells outside of the GWA windows as defined in COGCC Rule 318A.a.

G. 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.

H. Provided Owner is in compliance with this Agreement, Operator agrees that it will not object, oppose or seek to prevent Owner from (i) obtaining any required permits to develop the Land for residential, commercial, industrial and other uses of any kind as Owner determines from time to time, or (ii) so developing the Land, subject to Operator's rights under this Agreement. Operator agrees to execute and deliver letters of support of and non-objection to such development by Owner as may be requested by Owner from time to time.

## 11. **NOTICES.**

Subject to the terms, conditions, and covenants of this Agreement written Notice by either Party will be promptly served to the other Party by United States mail, postage prepaid and addressed to either Party, or to such other place as either Party may from time to time designate by notice to the other, at the following addresses:

Owner

Jamaso LLC  
4100 E. Mississippi Ave, Suite 500  
Glendale, CO 80246  
303-984-9800

Operator

Bison Oil & Gas, LLC  
999 18<sup>th</sup> Street, Suite 3370  
Denver, CO 80202  
Phone: 720-644-6997  
Attn: Land Department

Owner agrees to notify any surface tenant or other third party that may be affected by Operator's operations on the Lands and Owner may allocate the payments made hereunder with such surface tenant as mutually agreed upon between themselves. Neither this Agreement nor any operations arising hereunder shall create any rights, obligations or liability between Operator and such third parties.

**12. BINDING EFFECT.**

The terms, conditions, covenants, and provisions of this Agreement will inure to the benefit of and will be binding upon the Parties hereto, their respective heirs, agents, representatives, successors or assigns.

**13. RECORDING.**

The Parties agree Operator may record this Agreement in the real estate records of the county in which the Lands are located.

**14. ENTIRE AGREEMENT.**

Except for that certain Letter Agreement and Agreement and Option Surface Use Agreement, both of even date herewith between Owner and Operator, this Agreement contains the entire agreement between the Parties and may not be modified orally or in any other manner other than by written agreement signed by all Parties or their successors or assigns.

**15. LETTER AGREEMENT.**

The Owner and Operator shall execute a confidential Letter Agreement, dated of even date herewith, containing the terms and conditions of the Compensation Amount arising under this Agreement.

**16. REASONABLE ACCOMMODATION.**

Provided that Operator is in compliance with this Agreement, Owner acknowledges uses and operations upon the Oil and Gas Operation Area by Operator under this Agreement are in full satisfaction of the requirement that Operator conduct its oil and gas operations in a manner that accommodates Owner.

**17. ADVICE TO TENANTS.**

Owner agrees to contact any and all tenants of the Lands or any other third parties utilizing the surface of the Lands that may be affected by Operator's activities on the Oil and Gas Operation Area. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement.

**18. TERMINATION.**

This Agreement will terminate concurrently with the Leases as they relate to Operator's or its affiliates' rights to explore, drill, and produce oil, natural gas, and associated hydrocarbons from the Lands. To the extent a moratorium or a restrictive governmental law, rule or regulation prevents a Party from performing the operations herein described, 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 any law, rule, or regulation governing Operator's operations. All of Operator's obligations and liabilities under this Agreement shall survive the termination of this Agreement.

**19. 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.

**20. 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 the county where the Lands are located.

**21. 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.

**22. SUCCESSORS.**

This Agreement shall run with the Lands and will be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective agents, consultants, affiliates, administrators, trustees, heirs, executors, successors or assigns.

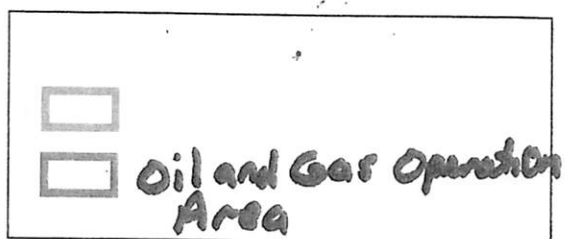
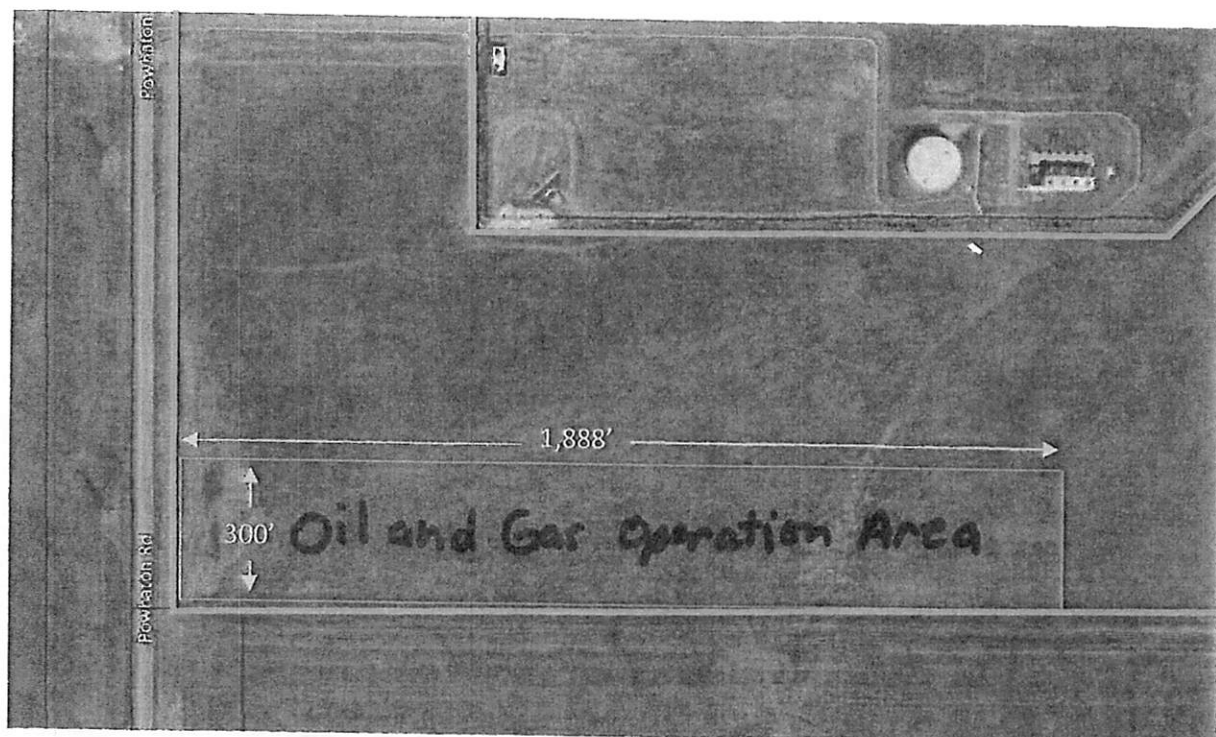
**23. ATTORNEYS' FEES.**

If any action or proceeding is instituted by either party for enforcement or interpretation of any term or provision of this Agreement, the prevailing party pursuant to a final judgment of a court of competent jurisdiction shall recover from the other party, and the other party shall pay, the prevailing party's reasonable attorneys' fees and costs as determined by the court.

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

*(The remainder of this page is intentionally left blank).*

# Exhibit "C"



Surface Map

