

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

This Agreement for Settlement of Surface Damages and Grant of Rights and Waivers ("SDA") is entered into on July 20, 2015, by and between Ken Burough ("Surface Owner"), whose address is 13767 County Road 8, Fort Lupton, CO 80621 and Kerr-McGee Oil & Gas Onshore LP ("KMG"), with offices at 1099 18th Street, Suite 1800, Denver, Colorado 80202, covering certain lands (the "Lands") situated in Weld County, Colorado, described as follows:

[Township 1 North, Range 66 West of the 6th P.M.

Section 17: part of the SE/4SE/4, more particularly described as Lot B of Corrected Recorded Exemption No. 1471-17-4-RE-2499 at Reception No. 2763721 filed in the records of the Clerk and Recorder's Office of Weld County, Colorado]

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

1. Compensation; Release of All Claims

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

2. Acknowledgement of Rights and Easements of KMG

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

3. Grant of Additional Rights and Easements

Surface Owner grants to KMG the following:

(i) the right to drill on the Lands oil and gas wells that produce and drain oil, gas and hydrocarbons from lands other than the Lands and to locate, construct, use, and maintain surface equipment related to such wells on the Lands, including, but not limited to, wellheads, associated production equipment, flowlines, compressors and facilities related to transportation of oil and natural gas from such wells; and

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

In addition, Surface Owner hereby grants and conveys to KMG and its successors and assigns, non-exclusive, perpetual subsurface easements through the Lands for the placement of wellbores for the purpose of drilling, operating and producing oil and gas wells that produce and drain hydrocarbons from other lands. Upon request of KMG or its successor and assigns, Surface Owner agrees to execute, acknowledge and deliver to KMG and its successor and assigns separate subsurface easements reflecting the foregoing grant on the form attached to this SDA and labeled Attachment 2.

4. Pipeline Easement and Right-of-Way

Surface Owner agrees to negotiate in good faith with Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gatherer designated by KMG the location of an easement and right-of-way on the Lands for the construction, use, maintenance, and replacement of pipelines for the transportation of hydrocarbons and water from the Lands and other lands, and associated electric power lines, data transmission lines and equipment. Surface Owner agrees that the pipeline easement and right-of-way will be on the form attached to this SDA and labeled Attachment 3.

5. Waivers

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

As provided in COGCC Rule 318A or any successor rule or amendment adopted by the COGCC, or in any rule or ordinance of a local jurisdiction, relating to the location of wells within the Greater Wattenberg Area (GWA),

Surface Owner hereby consents to, and waives its right to protest or object to surface well locations that are outside of designated GWA windows and surface well locations that are more than 50 feet from an existing well.

Surface Owner further understands and acknowledges that COGCC rules and regulations govern the distance between a wellhead and public roads, production facilities, buildings, building units and surface property lines, among other things. To the fullest extent possible, Surface Owner hereby waives all setback requirements in COGCC Rules 603 and 604 and any successor rules or amendments, including Exception Zone setbacks and any other state or local setback requirements or other laws, requirements or regulations that would prohibit or interfere with the rights of KMG and its successors and assigns to explore for and produce oil and gas from the Lands or other lands.

Surface Owner acknowledges that KMG and its successors and assigns may cite the waivers in this SDA in order to obtain exceptions and variances from the COGCC or from any other state or local body having jurisdiction over oil and gas operations. Surface Owner agrees that this SDA satisfies any requirement for a consent to an exception or variance signed by the surface owner, Building Unit Owner (as that term is defined in the COGCC Rules and any successor rules or amendments), homeowner or the like and agrees that KMG and its successors and assigns may provide a copy of this SDA to the COGCC or to any other state or local body in satisfaction of such requirement. In addition, Surface Owner agrees to execute and deliver to KMG and its successor and assigns all consents and waivers requested, including waivers required from Building Unit Owners, homeowners and the like.

6. Notice to Future Owners

Surface Owner shall provide notice to all buyers and assignees of an interest in the Lands (or any portion thereof), including all builders, property owners, property owners' associations, and special districts, (each, a "Future Owner") of the existence of this SDA, the grants and waivers contained herein and the fact that Surface Owner has agreed to the amount of compensation for surface damages, for the grant of additional rights and easements and for the agreements and waivers in this SDA. In addition, Surface Owner will notify Future Owners that, as successors in interest to Surface Owner, Future Owners will assume the obligations undertaken by Surface Owner pursuant to this SDA, including the obligation to execute and deliver waivers to KMG and its successors and assigns and to provide notice to subsequent Future Owners. It is expressly understood and agreed by Surface Owner and KMG that the waivers, notice requirements and the obligations assumed by Future Owners as set forth in this SDA are, and shall be construed to be, covenants that run with the Land. As a condition to any sale or assignment of the Lands (or any portion thereof) by Surface Owner and its successors and assigns, Surface Owner and its successors and assigns will require that the buyer or assignee agree to provide to KMG and its successors and assigns all waivers required in the preceding section of this SDA.

7. Assignment

KMG may assign this SDA in whole or in part.

8. Binding Agreement

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

9. Counterpart Signatures

This SDA may be executed in any number of counterparts, each of which shall be deemed an original instrument but all of which together shall constitute one and the same instrument.

The undersigned have executed this SDA on the date first above written.

Surface Owner

By:

Name: Ken Burough

Title: Surface Owner

Kerr-McGee Oil & Gas Onshore LP

By:

Ronald H. Olsen

Agent & Attorney-in-Fact

SS
AGW

ACKNOWLEDGEMENTS

STATE OF Colorado)
)
COUNTY OF Weed)ss
)

The foregoing instrument was acknowledged before me this 20th day of July 2015, by Ken Burrough.

Witness my hand and official seal.

Alexandra G Weaver
Notary Public

My commission expires 11/21/2017

ALEXANDRA G WEAVER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134072565
COMMISSION EXPIRES NOV. 21, 2017

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

This instrument was acknowledged before me this 28 day of July 2015, by Ronald H. Olsen, Agent & Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, on behalf of said limited partnership.

Witness my hand and official seal.

Leslie Miranda
Notary Public

My commission expires

LESLIE MIRANDA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144038677
COMMISSION EXPIRES OCT. 03, 2018

ENR
5884
721

2763721 04/25/2000 02:02P JA Suki Tsukamoto
1 of 1 R 10.00 D 0.00 Weld County CO

SCALE: 1" = 100'

LEGEND:
○ DENOTES NO. 4 REBAR AND CAP - SET -
LS NO. 23027

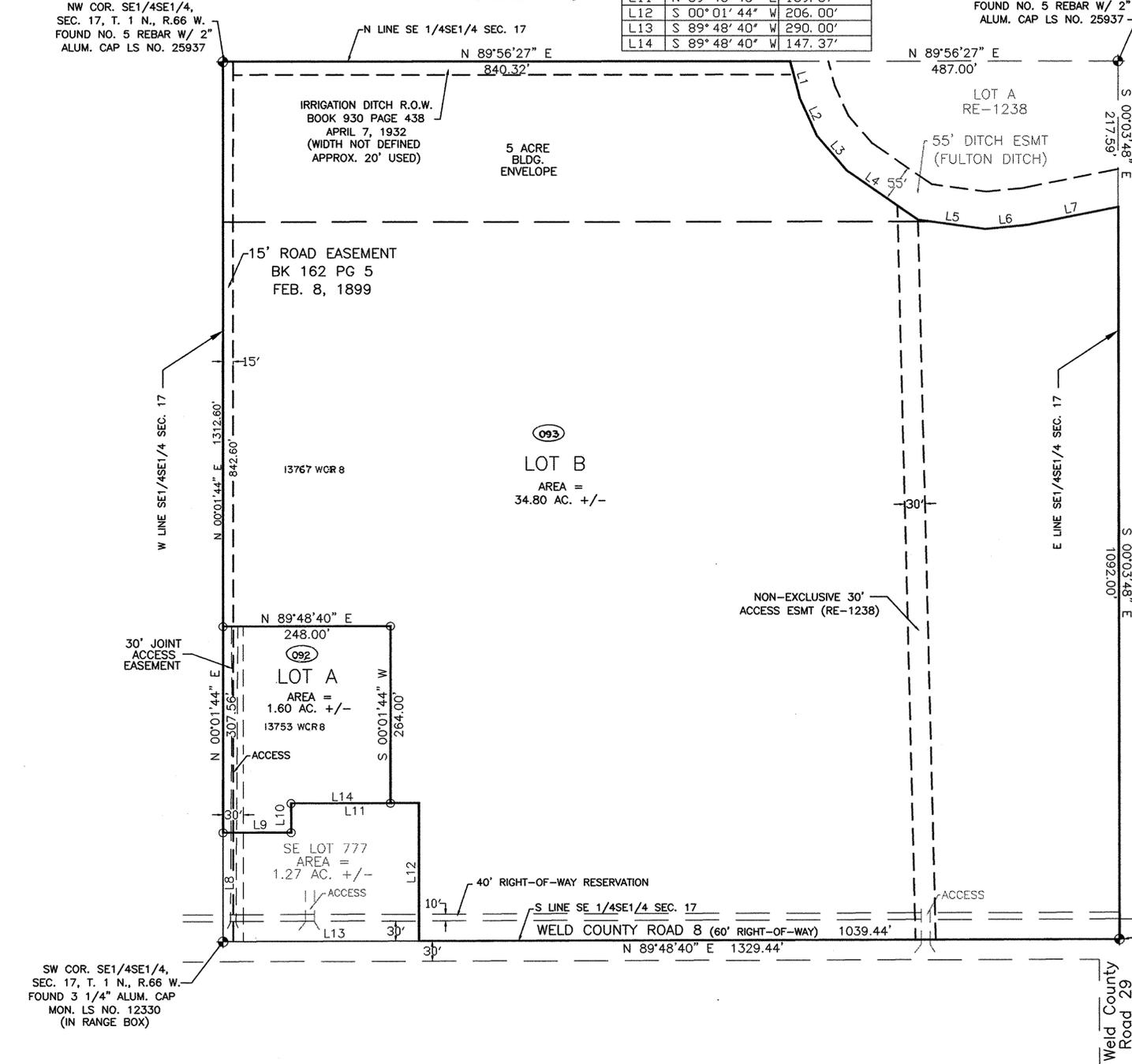
CORRECTED RECORDED EXEMPTION NO. 1417-17-4-RE-2499

PART OF THE SOUTHEAST ONE-QUARTER OF THE
SOUTHEAST ONE-QUARTER SECTION 17, TOWNSHIP 1 NORTH, RANGE 66 WEST
OF THE 6TH P.M., WELD COUNTY, COLORADO

LINE	BEARING	DISTANCE
L1	S 14° 33' 25" E	57.04'
L2	S 24° 14' 10" E	61.15'
L3	S 40° 39' 30" E	69.20'
L4	S 55° 16' 50" E	128.15'
L5	S 82° 14' 20" E	101.05'
L6	N 84° 19' 45" E	62.95'
L7	N 78° 44' 40" E	137.25'
L8	N 00° 01' 44" E	162.45'
L9	S 89° 48' 40" W	100.80'
L10	S 00° 11' 20" E	43.55'
L11	N 89° 48' 40" E	189.37'
L12	S 00° 01' 44" W	206.00'
L13	S 89° 48' 40" W	290.00'
L14	S 89° 48' 40" W	147.37'

NW COR. SE1/4SE1/4,
SEC. 17, T. 1 N., R.66 W.
FOUND NO. 5 REBAR W/ 2"
ALUM. CAP LS NO. 25937

NE COR. SE1/4SE1/4,
SEC. 17, T. 1 N., R.66 W.
FOUND NO. 5 REBAR W/ 2"
ALUM. CAP LS NO. 25937



NOTES:

1. ALL PROPOSED OR EXISTING STRUCTURES WILL OR DO MEET THE MINIMUM SETBACK AND OFFSET REQUIREMENTS FOR THE ZONE DISTRICT IN WHICH THE PROPERTY IS LOCATED. PURSUANT TO THE DEFINITION OF SETBACK IN THE WELD COUNTY ZONING ORDINANCE (ORDINANCE 89, AS AMENDED), THE REQUIRED SETBACK IS MEASURED FROM THE FUTURE RIGHT-OF-WAY LINE.
2. ANY FUTURE STRUCTURES OR USES ON SITE MUST OBTAIN THE APPROPRIATE ZONING AND BUILDING PERMITS.
3. FUTURE DEVELOPMENT ON THE PROPERTY MAY NECESSITATE A LARGER PARCEL THAN WHAT IS DISPLAYED ON THE PLAT IN ORDER TO UTILIZE A SEPTIC SYSTEM. IN ADDITION, A LARGER PARCEL WOULD PROVIDE ADDITIONAL DILUTION AND ATTENUATION OF SEWAGE WASTES WHICH MAY BE BENEFICIAL TO THE ENVIRONMENT.
4. SE-777 WAS APPROVED IN CONJUNCTION WITH THIS RECORDED EXEMPTION FOR THE PURPOSES OF DIVIDING OFF A SECOND SET OF EXISTING IMPROVEMENTS FROM THE PARCEL.
5. PRIOR TO RELEASE OF BUILDING PERMITS THE APPLICANT SHALL SUBMIT EVIDENCE TO THE DEPARTMENT OF PLANNING SERVICES THAT LOTB HAS ADEQUATE WATER SUPPLY OF SUFFICIENT QUALITY, QUANTITY AND DEPENDABILITY. WELL PERMITS #216891 AND #216892 ARE EACH FOR ONE SINGLE FAMILY RESIDENCE. THEY ARE PRESENTLY SERVICING THE HOMES ON LOT A AND THE SE LOT.
6. RIGHT TO FARM COVENANT: WELD COUNTY IS ONE OF THE MOST PRODUCTIVE AGRICULTURAL COUNTIES IN THE UNITED STATES. THE RURAL AREAS OF WELD COUNTY MAY BE OPEN AND SPACIOUS, BUT THEY ARE INTENSIVELY USED FOR AGRICULTURE. PERSONS MOVING INTO A RURAL AREA MUST RECOGNIZE THERE ARE DRAWBACKS, INCLUDING CONFLICTS WITH LONGSTANDING AGRICULTURAL PRACTICES AND A LOWER LEVEL OF SERVICES THAN IN TOWN.

AGRICULTURAL USERS OF THE LAND SHOULD NOT BE EXPECTED TO CHANGE THEIR LONG-ESTABLISHED AGRICULTURAL PRACTICES TO ACCOMMODATE THE INTRUSIONS OF URBAN USERS INTO A RURAL AREA. WELL RUN AGRICULTURAL ACTIVITIES WILL GENERATE OFF-SITE IMPACTS, INCLUDING NOISE FROM TRACTORS AND EQUIPMENT; DUST FROM ANIMAL PENS, FIELD WORK, HARVEST, AND GRAVEL ROADS; ODOR FROM ANIMAL CONFINEMENT, SILAGE, AND MANURE; SMOKE FROM DITCH BURNING, AND MOSQUITOES. THE USE OF PESTICIDES AND FERTILIZERS IN THE FIELDS, INCLUDING THE USE OF AERIAL SPRAYING, DITCHES AND RESERVOIRS CANNOT SIMPLY BE MOVED "OUT OF THE WAY" OF RESIDENTIAL DEVELOPMENT WITHOUT THREATENING THE EFFICIENT DELIVERY OF IRRIGATION TO FIELDS WHICH IS ESSENTIAL TO FARM PRODUCTION.

WELD COUNTY COVERS A LAND AREA OF OVER 4,000 SQUARE MILES IN SIZE (TWICE THE STATE OF DELAWARE) WITH MORE THAN 3,700 MILES OF STATE AND COUNTY ROADS OUTSIDE OF MUNICIPALITIES. THE SHEER MAGNITUDE OF THE AREA TO BE SERVED STRETCHES AVAILABLE RESOURCES. LAW ENFORCEMENT IS BASED ON RESPONSES TO COMPLAINTS MORE THAN ON PATROLS OF THE COUNTY AND THE DISTANCES WHICH MUST BE TRAVELED MAY DELAY ALL EMERGENCY RESPONSES, INCLUDING LAW ENFORCEMENT, AMBULANCE, AND FIRE. FIRE PROTECTION IS USUALLY PROVIDED BY VOLUNTEERS WHO MUST LEAVE THEIR JOBS AND FAMILIES TO RESPOND TO EMERGENCIES. COUNTY GRAVEL ROADS, NO MATTER HOW OFTEN THEY ARE BLADED, WILL NOT PROVIDE THE SAME KIND OF SURFACE EXPECTED FROM A PAVED ROAD. SNOW REMOVAL PRIORITIES MEAN THAT ROADS FROM SUBDIVISIONS TO ARTERIALS MAY NOT BE CLEARED FOR SEVERAL DAYS AFTER A MAJOR SNOWSTORM. SNOW REMOVAL FOR ROADS WITHIN SUBDIVISIONS ARE OF THE LOWEST PRIORITY FOR PUBLIC WORKS OR MAY BE THE PRIVATE RESPONSIBILITY OF THE HOMEOWNERS. SERVICES IN RURAL AREA, IN MANY CASES, WILL NOT BE EQUIVALENT TO MUNICIPAL SERVICES.

CHILDREN ARE EXPOSED TO DIFFERENT HAZARDS IN THE COUNTRY THAN IN AN URBAN OR SUBURBAN SETTING. FARM EQUIPMENT AND OIL FIELD EQUIPMENT, PONDS AND IRRIGATION DITCHES, ELECTRICAL POWER FOR PUMPS AND CENTER PIVOT OPERATIONS, HIGH SPEED TRAFFIC, SAND BURS, PUNCTURE VINES, TERRITORIAL FARM DOGS, AND LIVESTOCK PRESENT REAL THREATS TO CHILDREN. CONTROLLING CHILDREN'S ACTIVITIES IS IMPORTANT, NOT ONLY FOR THEIR SAFETY, BUT ALSO FOR THE PROTECTION OF THE FARMER'S LIVELIHOOD.

7. PRIOR TO THE RELEASE OF BUILDING PERMITS ON LOT A OR B, THE APPLICANT WILL BE REQUIRED TO SUBMIT RECORDED DEED DESCRIBING THE LOT UPON WHICH THE BUILDING PERMIT IS REQUESTED WITH THE BUILDING PERMIT APPLICATION. THE LEGAL DESCRIPTION ON SUCH DEED SHALL INCLUDE THE LOT AND RECORDED EXEMPTION NUMBER.

8. SHOULD NOXIOUS WEEDS EXIST ON THE PROPERTY OR BECOME ESTABLISHED AS A RESULT OF THE PROPOSED DEVELOPMENT, THE APPLICANT/LANDOWNER SHALL BE RESPONSIBLE FOR CONTROLLING THE NOXIOUS WEEDS, PURSUANT TO ORDINANCE 169A.

LEGAL DESCRIPTION:

LOT B RE-1238 PART OF THE SOUTHEAST ONE-QUARTER OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF WELD, STATE OF COLORADO
EXCEPT THAT PART DESCRIBED AS:
THAT PART OF THE SOUTHEAST ONE-QUARTER SOUTHEAST ONE-QUARTER SECTION 17, TOWNSHIP 1 NORTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN DESCRIBED AS:
BEGINNING AT THE SOUTHWEST CORNER SOUTHEAST ONE-QUARTER SOUTHEAST ONE-QUARTER SAID SECTION 17; THENCE, N 00°01'44" E ALONG THE WEST LINE SAID SOUTHEAST ONE-QUARTER SOUTHEAST ONE-QUARTER A DISTANCE OF 162.45 FEET; THENCE, N89°48'40" E A DISTANCE OF 100.80 FEET; THENCE, N 00°11'20" W A DISTANCE OF 43.55 FEET; THENCE, N 89°48'40" E A DISTANCE OF 189.37 FEET; THENCE, S00°01'44" W A DISTANCE OF 206.00 FEET TO THE SOUTH LINE SAID SOUTHEAST ONE-QUARTER SOUTHEAST ONE-QUARTER; THENCE, S 89°48'40" W ALONG SAID SOUTH LINE A DISTANCE OF 290.00 FEET TO THE POINT OF BEGINNING.
CONTAINS 36.40 ACRES MORE OR LESS.

This parcel is subject to County Road rights-of-way.

BASIS OF BEARINGS: THE WEST LINE OF THE SOUTHEAST ONE-QUARTER SOUTHEAST ONE-QUARTER SECTION 17, TOWNSHIP 1 NORTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN IS ASSUMED TO BEAR N 00°01'44" E BETWEEN THE FOUND MONUMENTS SHOWN AND DESCRIBED HEREON.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of certification shown hereon.

SURVEYOR'S CERTIFICATE:

I, Curt E. Acklam, a Registered Professional Land Surveyor in the State of Colorado do hereby certify to KEN BURROUGH that this Corrected Recorded Exemption plat was prepared under my personal supervision, that this plat is an accurate representation thereof and the notes shown hereon are a part of this certification. I further certify that the survey and this plat complies with all applicable rules, regulations and laws of the State of Colorado and of the State Board of Registration for Professional Engineers and Professional Land Surveyors. Additional easements of record may not be shown.

Curt E. Acklam - LS no. 23027
(For and on behalf of Acklam & Associates, Inc.)
Job No. Date:



- 1) This Corrected Recorded Exemption Plat was prepared for submission to the Weld County Department of Planning.
- 2) This Corrected Recorded Exemption Plat and the information hereon, may not be used for any additional or extended purposes beyond that for which it was intended and may not be used by any parties other than those to which it is certified.
- 3) This Corrected Recorded Exemption Plat does not constitute a "title search" by Acklam & Associates, Inc. of the property shown and described hereon to determine ownership of this tract of land, compatibility of this description with those adjacent tracts of land, of rights-of-way, easements and encumbrances of record affecting this tract of land.

OWNERS APPROVAL:

I, the undersigned, being the owner in fee of the above described property do hereby subdivide the same as shown on the attached map. I understand that this property is located in an Agricultural Zone District and is also intended to provide areas for the conduct of other uses by right, accessory uses and uses by special review.

Ken Burrough
KEN BURROUGH

State of Colorado)
County of Honno)SS

The foregoing certificate was acknowledged before me this 12 day of April, A.D., 2002. By Ken Burrough.

Witness my Hand and Official Seal.

Notary Public *Sharon K. Marquez*
My Commission Expires: 3/25/03



EASEMENT CERTIFICATE

I DO HEREBY DEDICATE, FOR THE BENEFIT OF THE PROPERTY SHOWN OR DESCRIBED HEREON, EASEMENTS FOR THE PURPOSES SHOWN OR DESCRIBED HEREON.

Ken Burrough
KEN BURROUGH

ACCEPTANCE:

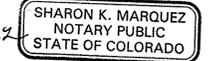
This plat is accepted and approved for filing.

Monica Daniels-Mika, AICP
Department of Planning Services Director

The foregoing certificate was acknowledged before me this 25 day of April, A.D., 2002.

Witness my Hand and Official Seal.

Notary Public *Sharon K. Marquez*
My Commission Expires: 03-23-2003



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CORRECTED RECORDED EXEMPTION - PART OF THE SE1/4SE1/4,
SECTION 17, TOWNSHIP 1 NORTH, RANGE 66 WEST
OF THE 6TH P.M., WELD COUNTY, COLORADO

REVISIONS

ACKLAM ASSOCIATES, INC.
P.O. Box 795 - 1001 East Bridge Street
Brighton, Colorado 80601
303-659-8546

DESIGN: RAR
DETAIL: CEA
CHECK: CEA

PROJ. NO. 9467
BOOK:
PAGE:

SCALE: 1" = 100'
FILE NO. 17-1N7-6LL
DATE: MARCH 21, 2000