

**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 January 24, 2017, by and between DLS Land Company, LLC ("Surface Owner"), with an address of 1125 17<sup>th</sup> Street, Suite 2200, Denver, Colorado 80202 and Kerr-McGee Oil & Gas Onshore LP ("KMG"), with offices at 1099 18<sup>th</sup> Street, Suite 1800, Denver, Colorado 80202, covering certain lands (the "Lands") situated in Weld County, Colorado, described as follows:

**Township 3 North, Range 68 West of the 6<sup>th</sup> P.M.**

Part of Section 27; more specifically described in a Special Warranty Deed dated December 29, 2016 and recorded January 4, 2017 at Reception Number 4267278 in the records of the Clerk and Recorder of Weld County, Colorado; also known as Parcel Number 120727200004.

**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**

By signing this agreement the Surface Owner acknowledges this agreement as full 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 drilling or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said 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 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.

4. **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.

5. Assignment

KMG may assign this SDA in whole or in part.

6. 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.

7. 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.

DLS Land Company, LLC

By: 

Name: Amy E. Serleshen

Title: Assistant Secretary

Kerr-McGee Oil & Gas Onshore LP

By: 

Name: Lindsay N. Jaffee

Title: Agent & Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF Colorado )  
 Cry and COUNTY OF Denver )ss

This instrument was acknowledged before me this 10<sup>th</sup> day of March 2017 by Amy E. Seneshen  
 as Assistant Secretary of DLS Land Company, LLC.

Witness my hand and official seal.

Joanne Gann  
 Notary Public

My commission expires 03/29/2021

**JOANNE GANN**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
**NOTARY ID 19974003863**  
**MY COMMISSION EXPIRES MARCH 29, 2021**

STATE OF Colorado )  
 COUNTY OF Denver )ss

This instrument was acknowledged before me this 14 day of MARCH 2017 by LINDSAY N. JAFFE  
 as AGENT & ATTORNEY-IN-FACT of Kerr-McGee Oil & Gas Onshore LP, on behalf of said  
 limited partnership.

Witness my hand and official seal.

Patrick J. Billadeau  
 Notary Public

My commission expires 1-7-2018

**PATRICK J. BILLADEAU**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
**NOTARY ID 20144000675**  
**COMMISSION EXPIRES JAN. 07, 2018**

# PUTTER 27-5HZ PAD SDA MAP

Township 3 North. Range 68 West of the 6 P.M.

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