

AMENDED SURFACE USE AGREEMENT

This Amended Surface Use Agreement ("Amended Agreement"), is made and entered into this 19th day of April, 2017 by and between Cactus Hill Ranch Company, a Colorado Corporation, whose address is 38990 State Highway 257, Fort Collins, CO 80524 ("Owner"), and Extraction Oil & Gas, LLC, a Delaware limited liability company, whose address is 370 17th Street, Suite 5300, Denver, Colorado 80202 ("Successor Operator").

WITNESSETH:

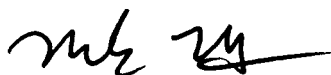
WHEREAS, on January 16, 2015 Owner and Bayswater Exploration & Production, LLC entered into a Surface Use Agreement; and

WHEREAS, a Memorandum of said Surface Use Agreement was recorded in Weld County, Colorado on January 16, 2015 as Reception Number 4076258; and

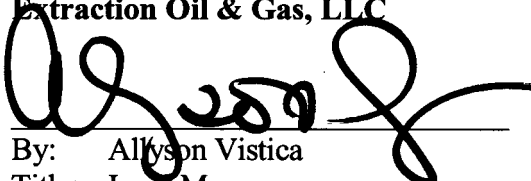
WHEREAS, the above named Successor Operator acquired the interests of Bayswater Exploration & Production, LLC in and to the above referenced Surface Use Agreement.

NOW, THEREFORE, Owner and Successor Operator for good and valuable consideration hereby delete Exhibit "A" in its entirety and replace it with the attached "Amended Exhibit "A".

Owner:
Cactus Hill Ranch Company


By: Nels Nelson
Title: President

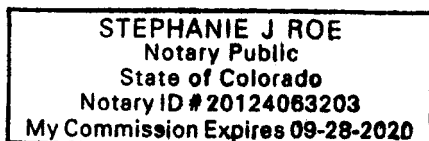
Operator:
Extraction Oil & Gas, LLC



By: Allyson Vistica
Title: Land Manager

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before this 19th day of April, 2017 by Nels Nelson, as President on behalf of Cactus Hill Ranch Company, a Colorado corporation.

WITNESS my hand and official seal.
My commission expires: 9/28/2020





Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 19th day of April, 2017, by Allyson Vistica, as Land Manager on behalf of Extraction Oil & Gas, LLC, a Delaware limited liability company.

WITNESS my hand and official seal.
My commission expires: 10/04/2017



Notary Public

ANDREW STOUT
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134064176
COMMISSION EXPIRES OCT. 04, 2017

Amended Exhibit "A"

Attached to and made a part of that Surface Use Agreement dated January 16, 2015, between
Cactus Hill Ranch Company and Bayswater Exploration & Production, LLC

Operator's oil and gas activities to be located within the lands described below:

Township 7 North, Range 67 West, 6th P.M.

Sec. 16: That part of the SW/4 lying south of the Water Supply and Storage Company canal right-of-way and the NW/4.

Sec. 17: E/2 of the SE/4, and the NE/4 lying north and east of the canal of the Water Supply and Storage Company as described in Quit Claim Deed recorded in Book 250, Page 349 of the Weld County Records, Colorado.

Weld County, Colorado

SURFACE USE AGREEMENT

This Surface Use Agreement ("**Agreement**") is made and entered into this 16th day of January, 2015, by and between Cactus Hill Ranch Company, a Colorado Corporation, whose address is 38990 State Highway 257, Fort Collins, CO 80524 ("**Owner**"), and Bayswater Exploration & Production, LLC, whose address is 730 17th St Ste 610 Denver, CO 80202 ("**Operator**"); 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 located in Weld County, Colorado as more specifically described as follows ("**Lands**"):

Township 7 North, Range 67 West, 6th P.M.

Sec.16: That part of the SW/4 lying south of the canal right-of-way and the NW/4 and SW/4 lying north of the canal right-of-way.

Sec.17: E2 lying South and West of the right of way of the ditch of the Water Supply and Storage Company as described in Quit Claim Deed recorded in Book 250, Page 349 of the Weld County Records, Colorado Except a strip of land 50 feet in width conveyed to Fort Collins Development Railway Company by Warranty Deed recorded November 20, 1907 in Book 269 at Page 257 and except the following deeds to Weld County for road right of ways:

August 14, 1940 in Book 1067 at Page 55

and

October 19, 1951 in Book 1313 at Page 352

and

December 1, 1966 at Reception No. 1497622 in Book 576

Sec.20: Lots A & B of Recorded Exemption No. 0705-20-1 RE-4898 recorded on 10/3/2013 at Reception Number 3968119 of the Weld County Records, Colorado, being in the NE4 of section 20.

Sec.21: A - Lots A & B of Recorded Exemption No. 0705-21-3 RE-4900 recorded on 10/3/2013 at Reception Number 3968122 of the Weld County Records, Colorado, being a portion of the SW/4 of Sec.21.

Sec.21: B - Lots A & B of Recorded Exemption No. 0705-20-1 RE-4899 recorded on 10/3/2013 at Reception Number 3968120 of the Weld County Records, Colorado, being a portion of the NW/4 of Sec.21

Operator, and/or its affiliates, owns a working interest in valid leases covering certain lands in **Sections 16, 17, 20, and 21 of T7N, R67W, 6th P.M., Weld County, CO** (each a "**Lease**," collectively, the "**Leases**").

2. **OPERATOR'S OIL AND GAS OPERATIONS ON THE LANDS.** Operator intends to drill or cause to be drilled oil and/or gas wells, the surface locations of which shall be on the Lands, as depicted approximately on Exhibit "A" attached hereto ("**Wells**"), and the subsurface locations of which may be under other lands than Owner's Lands. In order for Operator to drill, construct, complete, produce, maintain, rework, and operate the Wells and all facilities associated therewith, including, but not limited to, access roads ("**Access Roads**"), pipelines, flow lines, separators, tank batteries, electric lines and any other facilities or property necessary for Operator to conduct operations on the Wells (each a "**Facility**,"

collectively, the "Facilities"), it is necessary that Operator enter and utilize a portion of the surface of the Lands.

Owner hereby grants to Operator, its successors and assigns, and each of their agents, employees, contractors and subcontractors, the right, privilege and easement for the purpose of locating and surveying the Facilities, and for constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing the Facilities and appurtenant facilities, for the purposes specified herein, and including the rights of ingress to and egress from the Facilities across the Lands.

The Parties enter into this Agreement to evidence their entire agreement regarding the payment of surface damages, entry, surface use, and any other matters relating to Operator's use of the Lands.

3. LOCATION. The approximate location of the Wells, the Access Roads to the Well sites and certain other Facilities to be constructed on the Lands are depicted on Exhibit "A". Any material changes to the Wells, Access Roads, and Facilities locations may be made by Operator and updated with a new Exhibit "A" with the consent of Owner, which will not be unreasonably withheld, but will not unduly interfere with Owner's existing use of the surface estate. Operator agrees not to use any more of the surface of the Lands than is reasonably necessary to conduct its operations.

4. CONDUCT OF OPERATIONS. Operator's operations on the Lands will be conducted pursuant to the terms of this Agreement, the rules and regulations of the Colorado Oil & Gas Conservation Commission ("COGCC"), and applicable Colorado statutes and case law.

5. Access Roads. Operator shall construct and maintain Access Roads and associated Facilities & Access Roads prior to the commencement of drilling operations for each such Well. The Amount shall be deemed full and agreed consideration for all damages caused or created by reason of the reasonable and customary ingress, egress, rights-of-way, drilling, completion, production and maintenance operations associated with the Wells and Facilities. Such damages will include, without limitation, damage to growing crops and crop land; the re-seeding, construction and use of access roads; and the preparation and use of the wellsite areas. Any subsequent major operations for said Wells (refrac, recompletion, deepening, redrilling, etc.), except in case of emergency, shall require 10 days prior notice to Owner. Operator shall pay Owner all actual damages caused by said subsequent operations.

Notwithstanding any provision above, Operator agrees that it shall use its best efforts to specifically avoid operations that disturb the ongoing sheep and cattle ranching (the "Animals," which shall also include any other livestock, poultry, and equines kept on the Lands) and farming operations that are ongoing on the Lands. In the event that Animals, their fields, feed lots, or any structure related to the Animals or the ranching operation must be disturbed or modified in a material manner, then Operator agrees to directly forward the cost of any such modification to Owner. If the Operator's proposed operations require relocation of any Animals in a manner that materially affects the ongoing ranching operation, then the Operator agrees to pay an additional amount, payable ten (10) days before relocation commences, along with the assumption of the actual amounts necessary for the removal, care, and feeding of the Animals during relocation.

6. 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) Access Roads will not exceed 20 feet in width.
- (ii) Operator will maintain all Access Roads in good repair and condition.

B. Surface Restoration:

Upon permanent cessation of Operator's operations on the Lands, all areas thereof occupied or utilized by Operator will be restored by Operator to their original contour as nearly as is reasonably practicable.

C. Dust Mitigation:

(i) Operator shall conduct any and all reasonable efforts to control dust that results from its operations on the Lands.

(ii) Operators shall, at a minimum, spray water and Magnesium Chloride (on gravel and where "applicable and appropriate") on Access Roads at such intervals necessary to control dust and particulates. "Applicable and appropriate" shall also include the keeping of the Land in compliance with all County, State, and Federal (e.g., FDA, EPA, among others) laws that apply to Owner and Owner's operations on the Lands.

D. No Surface Use in Feed Lots:

(i) Operator acknowledges the presence of sheep feed lots located in the NW/4 of Section 21, among other lands;

(ii) Operator agrees that due to the nature of the feeding operation and laws governing the same, that no surface occupancy shall be allowed for any purpose on the sheep feed lots.

E. Drill Cuttings:

(i) Owner shall allow Operator to spread drill cuttings on select portions of the Lands subject to the following:

- (a) At all times, Operator agrees to handle drill cuttings and associated earths with the highest care and in strict compliance with any and all COGCC regulations;
- (b) Operator shall only spread cuttings on an area of the Lands designated by the Owner. If such area is not suitable, then Operator and Owner agree to explore alternatives, including the option not to spread drill cuttings and remove such drill cuttings at Operator's sole expense;

- (c) Operator shall monitor drill cuttings to ensure the drill cuttings are not deemed "oily" or have any other potential unintended environmental impact;
- (d) Operator shall comply with any and all other County, State, and Federal (e.g., FDA, EPA, among others) laws that apply to Owner and Owner's operations on the Lands in dealing with drill cuttings.

F. Other:

(i) Operator will install culverts on the Lands that may be necessary to maintain present drainage and irrigation otherwise affected by its operations on the Lands.

(ii) If by reason of the activities of the Operator, including, but not limited to, drilling, completing, equipping, and operating of the Wells, there is damage to personal property of the Owner, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, feed lots, or irrigation systems, and for which Owner has not been previously compensated pursuant to Paragraph 5, 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 construction and Operator will repair or replace such items after consultation with the Owner within 15 days of occurrence.

(iii) 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.

(iv) During drilling operations the well sites, pits, and any other structure or facility shall be fenced if requested by Owner. After completion of the Wells and in the event of production, all production tanks shall be bermed. 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.

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

(vi) Operator agrees to fence off the perimeter of the well sites with temporary fencing if reasonably requested by Owner. Operator will also install cattle and/or sheep guards and/or gates where reasonably necessary.

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 certified mail, return receipt requested, of the alleged default. 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.

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; however in no event will Operator be liable for consequential damages.

8. **INDEMNITY/RELEASE.** Owner hereby releases and agrees to hold harmless Operator from any and all liability and further payment, other than what has been provided herein, 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 which the Amount has been paid and received by Owner pursuant to this Agreement.

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 premises at the request of Operator.

9. **WAIVER OF 30-DAY NOTICE.** Owner hereby waives the minimum 30-day written notice requirement for operations to begin and any other notice or consultation requirements of the COGCC. Without waiving the foregoing, Operator agrees it will provide an initial notice to Owner after it has submitted a request for permit to drill from the COGCC.

10. **NOTICE FOR ADDITIONAL OPERATIONS.** Operator will comply with COGCC rules and regulations requiring that advance notice be provided to Owner for subsequent operations on the Wells, including, but not limited to, reworking operations thereto.

11. **NOTICES.** Notice by either Party will be promptly given, orally if possible (with the exception of the default notice described in Paragraph 7), 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

Cactus Hill Ranch Company,
A Colorado Corporation
38990 State Highway 257
Fort Collins, CO 80524
Phone: 970-686-2215
Attn: Mr. Nels Nelson

Operator

Bayswater Exploration & Production, LLC
A Colorado Limited Liability Company
730 17th St, Ste 610
Denver, CO 80202
Phone: (303) 893-2503 x 208
Attn: Mr. Don Barbula

12. **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.

13. **CONFIDENTIALITY.** The Parties agree to keep the terms and conditions of this Agreement confidential and will not disclose such matters to any third party without the advance written consent of the other, or if ordered to do so in a legal proceeding. While the specific terms hereof are to remain confidential between the Parties, Operator or Owner may record a memorandum of this Agreement in Weld County, Colorado.

14. **ENTIRE AGREEMENT.** This instrument 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.

15. **TERMINATION.** This Agreement will terminate concurrently with the applicable oil and gas lease(s) as they relate to Operator(s) and/or its affiliates rights to explore, drill, and produce hydrocarbon from the Lands or lands pooled therewith.

16. **REASONABLE ACCOMMODATION.** Owner acknowledges the right to use of the surface estate of the Lands by Operator as herein described are expressly granted to Operator, its successor, and assigns; therefore Owner further acknowledges Operators use of the surface estate of the Lands as granted herein to Operator shall constitute "reasonable accommodation" by Operator, its successor, and assigns with respect to Colorado revised statute 34-60-127.

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

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. **ATTORNEY'S FEES AND COSTS.** The Parties agree that the prevailing Party in any action resulting from a breach of this Agreement will be entitled to its reasonable attorneys' fees and costs incurred therein.

20. **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.

21. **SUCCESSORS.** This Agreement constitutes a 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.

(signature page follows)

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

Bayswater Exploration & Production, LLC

Cactus Hill Ranch Company

Operator:

Owners:



Name: Lynn S. Belcher
Title: Executive Vice President

Name: Nels Nelson
Title: President

Exhibit "A"

Attached to and made a part of that Surface Use Agreement dated January 16, 2015, between Cactus Hill Ranch Company and Bayswater Exploration & Production, LLC

Operator's oil and gas activities to be located within the lands described below:

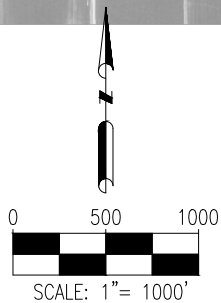
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Weld County, Colorado



WALT 17-E PAD SUA EXHIBIT A



LEGEND

- = PROPOSED DA
- = PROPOSED WELL
- = SUA EXHIBIT A ACREAGE

DISCLAIMER:
THIS PLOT DOES NOT REPRESENT A MONUMENTED LAND SURVEY AND SHOULD NOT BE
RELIED UPON TO DETERMINE BOUNDARY LINES, PROPERTY OWNERSHIP OR OTHER
PROPERTY INTERESTS. PARCEL LINES, IF DEPICTED HAVE NOT BEEN FIELD VERIFIED AND
MAY BE BASED UPON PUBLICLY AVAILABLE DATA THAT ALSO HAS NOT BEEN
INDEPENDENTLY VERIFIED.

 <p>7535 Hilltop Circle Denver, CO 80221 (303) 928-7128 www.ascentgeomatics.com</p>	FIELD DATE: N/A	SITE NAME: WALT 17-E PAD	PREPARED FOR: 
	DRAWING DATE: 06-30-17 BY: CLP CHECKED BY: XXX	SURFACE LOCATION: SW 1/4 SEC. 16 T7N, R67W, 6TH P.M. E 1/2 SE 1/4 AND THE NE 1/4 SEC. 17 T7N, R67W, 6TH P.M. WELD COUNTY, COLORADO	