

EASEMENT, RIGHT-OF-WAY, AND SURFACE USE AGREEMENT

11/14
August 24, 2017
WS
BKS

This Easement, Right-of-Way and Surface Use Agreement ("**Agreement**") is entered into and effective this ~~7th~~ day of July 2017, by and between William W. Schneider and Barbara K Schneider (herein the "**Owner**"), whose address is 1408 Willow Way, Windsor, CO 80550 and **Bison Oil & Gas II, LLC**. ("**Operator**"), with offices at **518 17th Street, Suite 1800, 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:

Township 8 North, Range 60 West, 6th P.M.
Section 14: All

Containing 640.00 acres, more or less

Weld County, Colorado (herein the "Owner's Property")

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 adjacent Owner's Property.

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

A. Operator desires to drill, complete, operate, produce and maintain oil or gas wells (the "Wells") on two pad sites (the " Pad Sites"), access roads and pipeline rights of way located and depicted on Exhibit A, attached hereto and incorporated herein, the subsurface locations of which may be located under the E1/2E1/2 of Section 14, Township 8 North, Range 60 West of the 6th P.M., Weld County, Colorado, subject to the rights of subsurface use of other third parties who own interest in the minerals to such real property. In order for Operator, its agents, consultants, successors or assigns to explore, permit, survey, obtain consents and waivers, develop, drill, construct, complete, recomplete, 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, if any) ("**Access Roads**") as depicted on Exhibit A, hereto, underground pipelines, infrastructure, equipment, underground appurtenances and production facilities located on the two Pad Sites 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**"). This Agreement sets forth the Parties' rights and obligations regarding the Operator's limited development and use of Owner's Property. The Owner herein grants to Operator the exclusive right of use and occupancy of the Pad Sites and the non-exclusive rights to use and occupy the Access Roads, Pipeline rights of way and limited subsurface pore space all as herein provided, and reserves to Owner the exclusive right of use, occupancy and enjoyment of the balance of Owner's Property.

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

A. Owner hereby grants, assigns, and conveys to Operator, its successors and assigns and each of their agents, employees, contractors and subcontractors, an exclusive easement and right-of-way on, over and across the Pad Sites, as described and depicted on Exhibit A, for the purpose of drilling, completing, operating, securing, producing, evaluating, deepening, reworking, equipping, maintaining, plugging and abandoning of Wells and production facilities Owner grants Operator the right to drill, complete, operate and maintain Wells on the Pad Sites that produce oil, natural gas, produced liquids, and associated hydrocarbons from lands other than the Owner's Property. Owner additionally grants, assign and conveys to Operator, it successors and assigns and each of their agent, employees, contractors and subcontractors a non-exclusive temporary construction right of way and easement around the Pad Sites as depicted on Exhibit A with red lines.

B. Owner hereby grants, assigns and conveys to Operator, its successors and assigns and each of their agents, employees, contractors and subcontractors the non-exclusive right of way for constructing, using and maintaining Access Roads described and depicted on Exhibit A, for purposes of access to and from the Pad Sites.

C. Owner hereby grants, assigns and conveys to Operator, its successors and assigns and each of their agents, employees, contractors and subcontractors the non-exclusive right of way for constructing, using and maintaining and locating, constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing the underground flow lines and gathering lines and underground appurtenant facilities for the purposes as described and located as depicted on Exhibit A, including ingress and egress to and from the Pad Sites and over and across such Pipeline Right of Way for the purpose set forth above.

D. Owner further grants Operator a subsurface easement through the E1/2E1/2 of Section 14, Township 8 North, Range 60 West of the 6th P.M., Weld County, Colorado 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 Owner's Property. The subsurface easement is subject to subsurface easement that the owners of the minerals and it assignees may hold and is without any warranty, express or implied. The subsurface easement is also limited to wells on properties lying East of Owner's Property.

4. CONDUCT OF OPERATIONS.

Operator's operations on the Lands will be conducted pursuant to the terms of this Agreement and the rules and regulations of the Colorado Oil & Gas Conservation Commission ("COGCC"), 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. In addition, and not by way of limitation, Operator shall:

- i. Prior to commencement of ditch operations, remove and stockpile all topsoil from the excavated area;
- ii. Replace the topsoil of the surface; after the pipeline has been installed and the ditch backfilled;
- iii. Bury in the ditch all rocks and excess excavated material or remove the same from Owner's property.
- iv. Water settle and pack the back fill of the trench and fill and refill any areas where the surface has subsided; and
- v. Generally restore the surface to the condition that existed prior to Grantee's operations.

The covenants of this section are continuing and are applicable to any use of surface during the term of this Agreement.

5. 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, which consideration is agreed to be and constitutes full, complete and final consideration for settlement and complete satisfaction for any and all detriment, depreciation, injury, or damage of any nature to Owner's Property, except as herein provided. Subsequent operations related to the Wells including but not limited to refracs, recompletions, deepening, or re-drilling, except in case of emergency, shall require prior notice to Owner. **ADDITIONAL SURFACE USE PROVISIONS, ACCESS ROADS, AND FACILITIES.**

With respect to its operations on Owner's Property, Operator and Owner will comply with the following provisions:

A. Access Roads:

- (i) 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.

B. New Roads:

New Roads constructed by Operator shall be limited to approximately thirty (30) feet in width and located as described and depicted on Exhibit A. Operator shall be responsible for maintaining all New Roads, at Operator's sole cost and expense. Should Operator damage any fence or gate, Operator shall immediately repair the same to Owner's reasonable specifications at Operator's own expense.

C. Pipelines:

All Pipelines shall be buried at a depth of 48 inches and Operator shall, when reasonably practical, place all Lines in the same trench and overlap the Roads by at least 15 feet. Operator may install as many Lines in a trench as it desires. The Property disturbed during installation, maintenance, or replacement of any Line shall be limited to approximately ninety (90) feet in width, reverting to forty (40) feet in width upon completion of installation, maintenance or replacement operations.

D. Reservation of Owner – Road and Pipeline Rights of Way:

Owner, his agents, designees, permittees, and assignees reserve rights to the surface and below the surface of the Road and Pipeline rights of way and have the right to use and enjoy the area covered by such rights of way at any time during the term of this Agreement for any purpose including the right to grant other easements and rights-of-way over, through and across such rights of way so long as such use of other easements and rights-of-way do not materially interfere with Operator's use and enjoyment of the rights granted herein. Owner shall not build, construct, or permit to be built or constructed, any permanent structure or obstruction, or impound water or any substance, or change the grade on or over the rights of way. Operator and their assigns shall be permitted to construct fences, roads, water lines and distribution systems, power transmission lines, pipelines, communication lines and other non-structural permanent facilities on, over, along, through and across such rights of way so long as the use of such rights of way by Owner does not materially interfere with Operator's use of its roads and pipeline.

E. Surface Restoration:

Upon permanent cessation of Operator's operations on Owner's Property all areas thereof occupied or utilized by Operator will be restored by Operator to their condition immediately prior to operations as close to its original state as is reasonably practicable, and according to COGCC regulation.

F. Other:

(i) Operator will install culverts that may be necessary to maintain drainage and irrigation in a manner equivalent to conditions upon Owner's Property immediately prior to operations as nearly as is reasonably practicable.

(ii) If by reason of the negligence of the Operator in the conduct of its operations pursuant to this Agreement or the Leases, there is damage to personal property of the Owner, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation systems, and for which Owner has not been previously compensated under this Agreement, 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 Lands that are not necessary for continued operations of the Wells will be removed and disposed away from Owner's Property 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 shall be fenced if requested by Owner. 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) Operator agrees to fence off the perimeter of the well sites with temporary fencing if reasonably requested by Owner. Operator will also install cattle guards or gates where reasonably necessary.

(vi) Operator agrees to maintain or rebuild the fence along the entire Eastern Property line of Owner's Property.

(vii) Operator is responsible for any CRP penalties or loss of Owner's compensation under Owner's current or future CRP Contracts that owner may incur as a result of its operations on Owner's Property. Operator will pay to Owner the amount of loss incurred upon notice and verification of such amount by Owner. The current CRP Contract provides for payment \$32.04 per acre per annum. The Operator will pay the \$32.04 per acre per annum penalty for a 10 year period in one consolidated payment upon commencement of its operations in which it breaks ground and disturbs the CRP.

6. DEFAULT AND RIGHT TO CURE.

In the event of alleged default by Operator in the payment of any Compensation 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 60 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 60 days of Owner's notice, or if the alleged default is of a nature that cannot be cured within 60 days, then if Operator commences curing the alleged default within that 60 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.

7. INDEMNITY/RELEASE.

Owner hereby releases and agrees to hold harmless Operator, its agents, successors and assigns from any and all liability and further payment, other than what has been provided in this Agreement, for damages on the Pad Sites and road and pipeline rights of way which arise from, out of or in connection with the Operator's operations on the Lands, but only as to those operations described in and permitted by this Agreement, and for those operations which the Compensation Amount has been paid and received by Owner pursuant to this Agreement.

Operator hereby releases and agrees to hold harmless Owner from any and all liability arising from Owner's non-negligent operations on the Lands.

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 Owner's Property that may be asserted by any of Operator's agents, employees, subcontractors, contractors or persons entering upon the Owner's Property at the request of Operator; with the exception of any claims, damages, and causes of action that arise from Owner's gross negligence or willful and wonton misconduct.

8. WAIVER OF COGCC NOTICES AND OTHER REGULATORY MATTERS.

A. 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. 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. 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. 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. 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. Owner grants consent to locate the Wells greater than 50 feet from an existing well pursuant to COGCC Rule 318A.c. 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.

9. 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
 William W. Schneider &
 Barbara K. Schneider
 1408 Willow Way
 Windsor, CO 80550
 Phone: 970-460-9080

Operator
 Bison Oil & Gas II, LLC
 518 17th Street, Suite 1800
 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 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.

10. 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.

11. RECORDING.

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

12. ENTIRE AGREEMENT.

Except for that certain Letter Agreement 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.

13. LETTER AGREEMENT.

The Owners 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.

14. 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 OGOA. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement.

15. 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 or lands pooled or unitized therewith or as otherwise provided herein. No act or failure to act on the part of the Operator shall be deemed to constitute an abandonment or surrender of this Agreement or of any part of it, except upon recordation by Operator of an instrument specifically terminating this Agreement. 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.

16. 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.

17. 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.

18. 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.

19. SUCCESSORS.

This Agreement constitutes an easement, right-of-way, and 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 agents, consultants, affiliates, administrators, trustees, heirs, executors, successors or assigns.

20. 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).

ACKNOWLEDGMENTS

Operator:
Bison Oil & Gas II, LLC

Owner:

By: [Signature]
Name: Austin Akers
Title: CEO

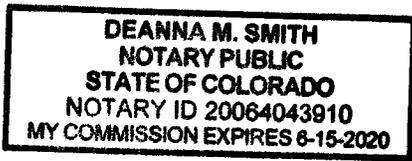
By: [Signature]
Name: William W. Schneider
By: [Signature]
Name: Barbara K. Schneider

STATE OF COLORADO)
)ss.
COUNTY OF Weld)

The foregoing instrument was acknowledged before me on this 31 day of Aug, 2017, by William W. Schneider and Barabara K. Schneider.

Witness my hand and official seal.

My commission expires: 6-15-2020



(SEAL)

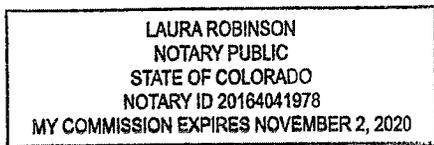
[Signature]
Notary Public

STATE OF COLORADO)
)ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me on this 24 day of August, 2017, by Austin Akers, acting as CEO on behalf of Bison Oil & Gas II, LLC.

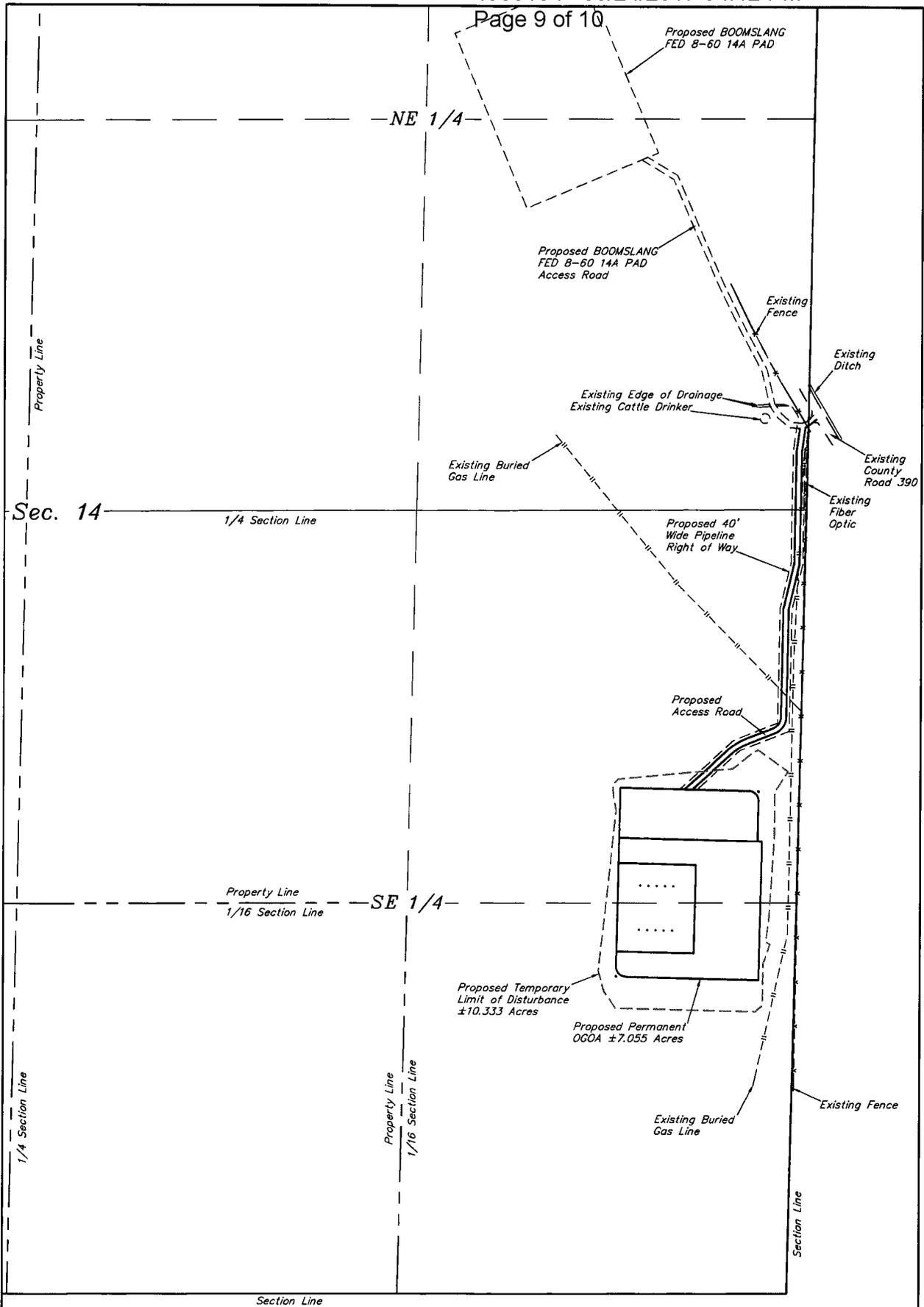
Witness my hand and official seal.

My commission expires: 11/2/2020



(SEAL)

[Signature]
Notary Public



REV: 1 08-23-17 J.J. (REMOVE OPTION "B" ACCESS)

BISON OIL & GAS II

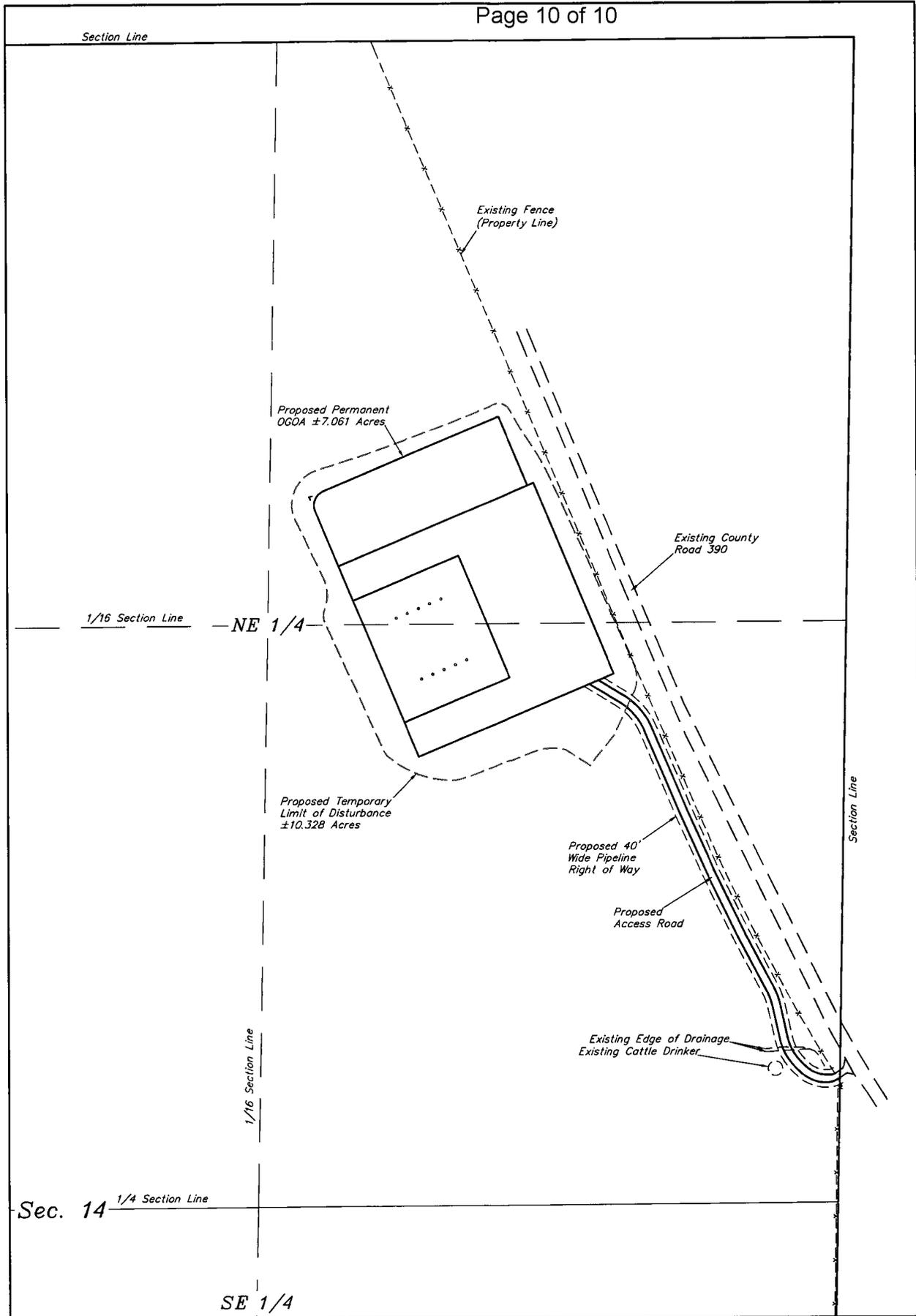
BOOMSLANG FED 8-60 14B PAD
E 1/2 SE 1/4, SECTION 14, T8N, R60W, 6th P.M.
WELD COUNTY, COLORADO

SURVEYED BY	GREG WEIMER, G.B.	08-13-17	SCALE
DRAWN BY	J.J.	08-15-17	1" = 300'
SUA		EXHIBIT	



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017





UELS, LLC
 Corporate Office * 85 South 200 East
 Vernal, UT 84078 * (435) 789-1017



BISON OIL & GAS II

BOOMSLANG FED 8-60 14A PAD
 E 1/2 NE 1/4, SECTION 14, T8N, R60W, 6th P.M.
 WELD COUNTY, COLORADO

SURVEYED BY	JARED CHRISTOPHER	08-11-17	SCALE
DRAWN BY	JJ.	08-15-17	1" = 200'
SUA		EXHIBIT	