

SURFACE USE AGREEMENT

This Agreement is made and entered into between James P. Trott, Sr., Trustee of the JET Family Trust, whose address is 18425 Wagon Tail, Mead, CO 80542 Co-Trustees and each of its successors, herein referred to as "Owner", and Swan Exploration, Inc, A Colorado corporation, whose address is 8100 E. Maplewood Avenue, Greenwood Village, CO 80111 and its successors, herein referred to as "Operator", hereby agree to this Surface Use Agreement "SUA" as follows:

WITNESSETH:

WHEREAS, Owner has ownership of certain land(s) located in Weld County, Colorado, identified as follows:

Lot A and Lot B of Amended Recorded Exemption No. 1061-07-4-AMRE-4571, according to the map recorded August 2, 2010 at Reception No. 3708898, together with all mineral rights, said Lots A and B being a part of the North Half of the South East One Quarter of Section 7 of Township 4 North, Range 68 West of the Sixth Principal Meridian, County of Weld, State of Colorado, containing a gross area of 77.841 acres more or less.

Also known by street and number as: Undeveloped land, Berthoud, Colorado 80513.

and containing [77.841] acres, more or less. Hereafter the "Subject Lands."

WHEREAS, Owner utilizes the Subject Lands for farming and agriculture; and

WHEREAS, Owner's overall objective is to preserve the Subject Lands, vistas and maintain the Subject Lands primarily for residential and agricultural purposes; and

WHEREAS, Owner wishes to insure, through testing and other measures, that water sources, water quality, and the Subject Lands are protected and not adversely impacted by Operator's exploration and production activities; and

WHEREAS, Owner and Operator have separately entered into an oil and gas lease covering the Subject Lands; and.

WHEREAS, Owner and Operator desire to enter into an agreement to provide for the expeditious development of the oil and gas resources without delay and without the expense of bonding and litigation and agree that avoidance of such delay in development is a principal inducement for Operator to enter into this Agreement; and

WHEREAS, the parties intend by this Agreement to define and assign responsibilities with regard to the activities discussed herein associated with the exploration, capture, production, storage and transportation of oil and/or gas on and across the Subject Lands; and

WHEREAS, Owner and Operator desire to enter into an agreement which will govern Operator's use of the Subject Lands for the purpose of Operator's exploration for, development and production of oil and/or gas that may be discovered pursuant to its oil and gas leases in a fashion which will preserve the residential, equestrian and agricultural use of the Subject Lands while allowing for the reasonable production of oil and/or gas.

WHEREAS, absent written permission, the parties agree that Operator will be excluded from Oil and Gas Operations as to the Surface of Lot B, (See, Lot A and Lot B of Amended Recorded Exemption No. 1061-07-4-AMRE-4571, according to the map recorded August 2, 2010 at Reception No. 3708898) and,

WHEREAS, the parties agree that Oil and Gas Drilling Surface Operations will be limited to Lot A as shown on said Amended Recorded Exemption No. AMRE4571, dated August 2, 2010, and per Exhibit A attached hereto and incorporated herein, and per a Location Plan for the Oil and Gas Operations Areas, to be agreed to between the parties at least 60 days before the commencement of operations. And whereas the parties agree that subsurface directional drilling may be conducted under the surface of Lot B from operations conducted on Lot A.

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

SECTION 1- OPERATOR'S RIGHTS

1.1 Grant of Easement. Owner hereby grants Operator, its employees and designated agents, a non-exclusive easement ("Easement") in the easement areas depicted on Exhibit A attached hereto and incorporated herein by reference, and/or per a Location Plan for the Oil and Gas Operations Areas, to be agreed to between the parties at least 60 days before the commencement of operations, to enter upon and use the Subject Lands for the purpose of drilling, staking, completing, equipping, producing and operating oil and gas wells on Operator's leasehold under the Subject Lands and Operator's leaseholds or other oil and gas rights under neighboring lands (as may be authorized by the applicable third parties). Such Easement includes the right to construct, install and maintain an access road, power lines, and flowlines to gather and transport oil or gas from the well sites to the Tank Battery in the location depicted on Exhibit A and/or per said Location Plan for the Oil and Gas Operations Areas. The Easement does not include or confer a right to access or occupy any portion of the Subject Lands other than the easement areas designated on Exhibit A or per said Location Plan for the Oil and Gas Operations Areas and the easement areas may be used only for the purposes specifically set forth in this Agreement.

1.2 Wells. The rights granted to Operator hereunder shall cover operations related to the drilling and producing of oil and gas wells pursuant to the Operator's oil and gas lease covering the Subject Lands as well as other lands contiguous to or within a logical spacing or pooling area to the Subject Lands.

1.3 Termination of Rights. This Surface Use Agreement and Operator's obligations

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hereunder will terminate upon the last to occur of: (a) termination of Operator's oil and gas lease or; (b) upon complete reclamation and restoration of the surface according to the standards prescribed herein and by the state or federal rules, regulations and statutes as well as approval of such reclamation by state and/or federal authorities which have jurisdiction over such reclamation.

1.4 Non-Exclusive Rights. The rights granted by Owner to Operator are nonexclusive, and Owner reserves the right to use all access roads and reserves all surface and subsurface (excluding oil and gas as provided for in said Oil and Gas Lease) uses of the Subject Lands and the right to grant successive easements on or across the Subject Lands on such terms and conditions as Owner deems necessary or advisable. Any access or use rights granted to any third parties before or after the effective date of this agreement shall not unreasonably interfere with Operator's exercise of its rights and responsibilities as provided herein. Owner agrees to advise Operator in writing of any written approval granted by Owner for the use of roads on the Subject Lands by others so that Operator may assess the other users for maintenance though Operator shall not assess Owner or farm tenant for any maintenance for such use of roads for any reason. Operator shall not assume any liability associated with actions or inactions of any third parties granted access.

SECTION 2 - OPERATIONS ON THE SUBJECT LANDS

2.1 Notification, Consultation and Approval. Operator shall notify and consult with Owner at least 15 days in advance before construction or installation of any facilities contemplated under this Agreement. *No exploration, drilling or production operation, including permanent installations, shall be within 200 feet of any existing building or other improvement, including water well or reservoir, nor within 150 feet of any existing property line, without the written permission of the owner of said improvements.*

2.2 Construction of Flow Lines.

a. The flow lines referred to in this paragraph are not to exceed 3 inches in diameter and shall be located as set forth on the attached Exhibit A map and/or per the Location Plan for the Oil and Gas Operations Areas. Except as otherwise agreed to by Owner, in writing, all such flow lines shall be used only for oil or gas produced from wellheads located on the Subject Lands.

b. Operator shall be responsible for segregating the topsoil, backfilling, repacking, reseeding and recontouring the surface of any disturbed areas so as not to interfere with Owner's operations and shall reclaim such areas to be returned to pre-existing conditions as best as possible with control of all noxious weeds. Operator shall provide Owner with a map or as-built drawing showing the surface location of all flow lines, transmission lines, and power lines after their installation. All flow lines located by Operator on the Subject Lands shall be buried to a depth of at least four (4) feet below the surface. Operator shall install metal locator strips above all lines installed. All easements for flow lines and power lines shall be limited to twenty (20) feet in width, being ten (10) feet on each side of the centerline of the flow line, except during construction when the easements shall not exceed 50 feet in width.

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c. Subject to certain conditions as described herein, if Operator fails to use any flowline for a period in excess of five (5) consecutive years, the flowline shall be deemed abandoned and Operator shall take the actions necessary to clean up, mitigate the effects of use, including purging any remaining oil or gas from the flow line and render the flow line environmentally safe and fit for abandonment in place. The pipeline easement granted herein which has been deemed so abandoned shall thereon terminate and revert to Owner, and Operator shall execute and file the necessary releases to terminate said easement in the county land records.

d. Owner hereby gives notice to Operator that there may be stock and domestic waterlines on the Subject Lands, some of which are buried. The Operator agrees that any areas disturbed to depths deeper than the stock water lines will be covered with a minimum of four (4) feet of dirt in order to prevent freezing or damage.

2.3 Power Lines.

a. Except as otherwise provided, or as otherwise agreed to by Owner, in writing, all power transmission lines built by Operator will be buried below plow depth and or constructed so as to cause the least possible interference with Owner's existing or future agricultural and residential use or operations. Existing power lines need not be relocated.

b. To the maximum extent possible, Operator shall use power from any existing power lines that currently cross the Subject Lands.

c. At such time as Operator desires to abandon any buried power line located on the Subject Lands, it shall notify Owner of such desire, and Owner shall have sixty (60) days within which to make a written election to take over such power line for Owner's own use. If Owner elects to take over a power line, Owner shall assume all liability, costs and reclamation obligations associated therewith, and Operator shall have no further liability, nor responsibility for costs or reclamation for the power line, or that portion thereof, which Owner elects to take over. Owner shall promptly file all necessary notices or applications. If Owner does not elect to take over a power line, Operator shall continue to assume all liability, costs and reclamation obligations associated therewith, and Owner shall have no liability, nor responsibility for costs or reclamation for the power line. In the event Owner does not elect to take over a power line, Operator shall de-energize said power lines as soon as reasonably practicable.

2.4 Wells and Tank Batteries.

a. **Generally.** As located on the attached Exhibit A map and/or per the Location Plan for the Oil and Gas Operations Areas, operator shall be entitled to one well sites with up to 10 wellheads total located on the Subject Lands. Operator shall be entitled to one tank battery site(s) with a maximum of fifteen (15) tanks on said location. Absent agreement to the contrary, the tanks located on the Subject Lands shall only service those wellheads located on the Subject Lands. Any costs or expenses associated with removing the current arena located at the well site shall be by separate agreement and paid for by Operator. To the extent technologically and economically feasible, Operator shall use telemetry to monitor its operations so as to reduce the frequency of travel by Operator's employees, agents, or contractors on the

Subject Lands.



b. **Well Site.** The well site locations shall be as set forth on the attached Exhibit A map and limited to approximately three (3) acres of land during drilling activities and two and one half (2.5) acres thereafter, not including access roads and other easement areas for purposes of calculating location size, unless otherwise agreed to in writing by Owner.

c. **Tank Battery Site.** The tank battery site location shall be limited to fifteen (15) tanks, fifteen (15) separators and other necessary equipment for purposes of the tanks and will be limited to approximately one and one-half (1.5) acres of land. The tank battery site shall be located as set forth on the attached Exhibit A map and/or per the Location Plan for the Oil and Gas Operations Areas.

2.5 **Maintenance.** Operator shall keep the well sites, road, and other areas used by Operator safe and in good order, including without limitation control of noxious weeds, litter and debris. Operator shall conduct periodic trash pickup as deemed necessary. Operator shall comply with state and federal laws, rules and regulations governing the presence of any petroleum products, toxic or hazardous chemicals or wastes on the Subject Lands. All buildings, equipment and facilities placed on the property by Operator shall be painted in tones consistent with the surrounding area.

2.6 **Roads.** Operator will construct one new all weather road as located on the Exhibit A map. The road constructed upon the Subject Lands shall be constructed and used to the following specifications:

a. Except in case of emergencies, NO operations shall be conducted in the mud when activity leaves an impression of two inches in depth unless Operator requires immediate access in its sole opinion and option. Operator agrees, if such immediate access is required during muddy conditions, to repair affected roads as soon as reasonably practicable.

b. The surface of all roadways shall not exceed sixteen feet (16') in width for traveled surface. Improved roads shall be constructed with a two percent (2%) crown from the center of the road to the shoulder to promote positive drainage. Constructed roadway shall be limited to twenty feet (20') from the centerline of each road easement area for fills, shoulders and crossings whenever practicable or unless otherwise dictated by local, state or federal laws or regulations governing such roads. Where requested by Owner, Operator shall install side ditches along roads to transport runoff to appropriate drainage structures.

c. If requested by Owner, access to the Subject Lands of Owner from any County road shall be controlled by a metal, hinged gate in addition to a cattle guard, which gate Operator shall construct and install in accordance with the reasonable specifications of Owner. Operator shall not access Owners Subject Lands from any adjoining landowner's property without prior written approval from Owner, which approval shall not be unreasonably withheld.

d. Operator agrees, if requested by Owner, to place (within reason) an appropriate sign or signs on Owner's roads designating them as "Private Roads, No Trespassing or Hunting" and to assist Owner in the control of the use of such roads by unauthorized users.

The size and color of such signs shall be subject to Owner's approval. Owner may lock gates across its private roads provided that Operator shall have the right to place its own locks on such gates. Owner shall give Operator fifteen (15) days advance notice of Owner's election to lock gates in order that Owner and Operator can consult with each other regarding the type of locks to be used and arrangements for Operator's access

e. Operator shall employ best management practices to suppress dust from Owner's roads.

2.7 Operator's Use of Owner's Improved Roads. In the interests of safety and dust control, Operator and its contractors, agents, and employees shall not exceed 20 miles per hour on improved roads located on the Subject Lands. If livestock is present, the speed limit shall be 10 miles per hour. Livestock and wildlife species, including but not limited to deer, antelope, game birds, and songbirds, shall have the right-of-way on improved roads located on the Subject Lands, and Operator and its contractors, agents, and employees shall come to a stop and give ample time for wildlife and livestock to move from the roadway.

2.8 Fences. Operator shall construct stock-tight fences around any dangerous area, including any pits where Operator drills wells. Operator shall, at its expense, construct permanent fencing around all wellheads, tanks and other surface facilities. All fencing to be constructed shall be aesthetically pleasing and as approved by Owner which may include a wood privacy fence or other similar type fencing. Maintenance around Operator's surface facilities shall be the responsibility of Operator, and Owner shall not be responsible for damage to such fences or Operator's surface facilities in the event livestock gain access to these areas. Operator shall reasonably repair and/or replace any and all damage done to any fences or gates, or any other improvements of Owner, which result from Operator's operations of the Subject Lands. All fences shall be repaired in a manner consistent with surrounding fences and reasonable and customary ranching practices.

2.9 Improvements, Cultivated Land, Stock Water Pipelines. No existing fences, cattle guards, or other improvements shall be cut or damaged by Operator without the consent of Owner, which consent shall not be unreasonably withheld.

2.10 Non-Disturbance. Operator and its employees and authorized agents shall not disturb, use or travel on any of the land of Owner not subject to this Agreement without Owner's consent.

2.11 Fire. Operator shall take reasonable steps to prevent fire and to promptly extinguish fire. No trash or timber slash will be burned by Operator on the Subject Lands. Any fires caused by Operator's personnel, agents, or assigns arising from the use of the Subject Lands, shall be paid for at the rate of Twenty-Five Dollars (\$25.00) per acre for rangeland burned, including any portion of an acre, *and at the prevailing market rate per bushel for damage /destruction to crop bearing land burned (based on prior production yields)*, including any portion of an acre. In addition, Operator shall reimburse Owner for the reasonable expense of fire suppression incurred by Owner and shall immediately reimburse Owner for any charges assessed to Owner by a local, county, state or federal fire control agency.

2.12 Behavior of Operator's Employees, Agents and Contractors.

a. Operator is authorized to use the easement area solely for purposes of oil and gas exploration, production and development; accordingly Operator has no authority to and Operator shall not permit any of its employees or contractors operating hereunder to, among other things: bring any dog, firearm, explosive device, weapon, alcoholic beverage, or illegal drugs on Owner's property; hunt, prospect for antlers, fossils or antiquities, recreate, consume alcoholic beverages, or carry on any illegal activities on the Subject Lands. In the event Operator discovers any employee, contractor or representative of Operator failing to abide by the terms of this paragraph, Owner shall provide Operator with as much information as possible regarding any individual violating this provision and Operator agrees to take appropriate action regarding such violation.

b. Use of 4-wheelers on the easement areas will be restricted to occasions when surface conditions require their use OR with Owners prior approval. Recreational activities of a 4 - wheeler are forbidden. Operator will notify all its contractors, agents, employees and representatives of this restriction.

2.13 Communication and Contacts Between Owner and Operator.

Notices as provided for herein shall be made in the manner provided for to:

OWNER:

James P. Trott, Trustee of the JET Family Trust
18425 Wagon Tail
Mead, CO 80542

OPERATOR:

Swan Exploration, Inc.
8100 E. Maplewood Avenue, Suite 200
Greenwood Village, CO 80111

2.14 Insurance. All vehicles traveling upon the Subject Lands and owned or operated by Operator, its contractors, agents, or employees shall be covered by automobile liability

Operator and its contractors, agents, and employees using the Subject Lands shall provide Owner with certificates evidencing such insurance at the time of initial construction and any time afterward at Owner's request.

2.15 Equipment Storage and Maintenance; Employee Housing. Operator's equipment shall not be stacked or stored or maintained on the Subject Lands nor shall employees be housed on any of the Subject Lands without the express written consent of Owner and additional compensation paid for such storage. However, rigs may be stacked on the drill site for not more than fourteen (14) days unless weather or mechanical reasons reasonably prevent such removal.

2.16 Operator Representation and Warranty as to Third Party Lands. Operator represents and warrants to Owner that, for any oil and gas produced pursuant to this Agreement from lands other than the Subject Lands, the Operator has, or will timely have, all necessary rights to explore, develop and produce oil and gas from such other lands.

2.17 Owner's Right to Use or Relocate Easement Area and Facilities. Owner retains the right to relocate portions of the easement area and/or Operator's facilities at its expense. Owner may use the easement areas as desired; provided, however, that any uses or improvements within the easement area shall not impair Operator's use and Owner shall bear the expense of mitigating any new overlapping use.

3.2 Payment Limitation. The payments herein provided are acknowledged as sufficient and in full satisfaction for damages caused or created by the reasonable and customary entry, rights of way, operation and use of the roads and well sites, but do not include damage to livestock, growing crops, buildings or improvements or injuries to persons or to damage or destruction to Owner's water wells or water supply, or to water rights / interests with respect to third parties who may have legal rights to water or use thereof emanating from said land, or other amounts that may be due hereunder.

SECTION 4 - RECLAMATION

4.1 Reclamation and Restoration. Unless Owner otherwise agrees in writing, upon termination of any of Operator's operations on the Subject Lands or upon drilling or completion of any wells, Operator shall restore and level the surface of the Land affected by such terminated operations as near as possible to the contours which existed prior to such operations. Operator shall use water bars and such other measures as appropriate to prevent erosion and non-source pollution. Where requested, Operator shall restore all private roads, drainage and irrigation ditches disturbed by Operator's operations as near as possible to the condition that existed prior

to such operations. Any surface disturbed by Operator's activities shall be reseeded with native grasses and all noxious weeds eliminated. Any surface facilities no longer in use shall be removed and the surface restored, within two years after the date upon which Operator ceases to use such surface facility. Reclamation upon drilling or completion of any wells shall happen as soon as reasonably practicable but no later than six months after said drilling or completion activities. In addition, Operator shall comply with all requirements in accordance with the prescribed rules and regulations of the Colorado Oil and Gas Conservation Commission.

SECTION 5 - ENFORCEMENT AND RESOLUTION OF DISPUTES

5.1 Default. No litigation shall be initiated by Lessor for damages, forfeiture or cancellation with respect to any breach of default by Lessee hereunder, for a period of at least 60 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to substantially remedy the breach or default within such period. In the event the matter is litigated and there is a final determination that a breach or default has occurred, this lease shall terminate. In any event, the prevailing party shall be entitled to attorney fees and costs.

SECTION 6 - MISCELLANEOUS

6.1 No Warranty. Owner makes no representation or warranty in entering into this Agreement as to any matter of title, condition, suitability for Operator's purposes, or regulatory status of the Subject Lands.

6.2 Indemnification. The Operator shall defend, indemnify and hold the Owner harmless from any damage, injury, claim, judgment or other liability arising, either directly or indirectly, on account of any damage or injury to any person or property resulting from the Operator's use of the subject Subject Lands, including use by Operator's employees, agents, representatives, contractors, contractor's assignees, or other working interest owners.

Environmental Indemnity

a. "**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 interests, 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 materials. Environmental Claims shall not include the costs of 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;

b. Operator shall defend, indemnify, and hold harmless Surface Owner from Environmental Claims relating to its operations on the Property in the exploitation of the oil and gas leasehold interests or oil and gas interests, as the case maybe, and in relation to its ownership and operation of flow line or pipeline easements on the Property and the use of the access road on the Property. Surface Owner shall defend, indemnify and hold harmless the Oil Company from any and all Environmental Claims relating to the Property that arise out of Surface Owner's development of the Property or to the operations of the Surface Owner on the Property.



6.3 Liability for Damage Resulting from Produced Water Operator shall be responsible for complying with the rules and regulations applicable to the removal and/or disposal of waters produced by its operations as established by the State of Colorado and other applicable authorities, and the Operator agrees to indemnify, defend and hold Owner harmless from any claims, demand, judgment or liability arising as a result of damages to persons or property caused by or in connection with the removal or utilization of said water. Nothing in this paragraph shall be interpreted to allow Operator to discharge produced water on Subject Lands, including any leased lands. Nothing herein permits Operator to use free of cost produced water or other water from Subject Lands. In the event that Operator seeks to use said water, Operator shall negotiate with Owner a fair and reasonable price and location.

6.4 Compliance with Law. Owner and Operator shall conduct all of its operations and activities in accordance with all applicable local, state and federal laws, rules and regulations.

6.5 Duty of Good Faith. Owner and Operator agree to cooperate in good faith in the reasonable and expeditious development of Operator's leasehold under the Subject Lands.

6.6 Notice. Notice may be given to either party to this Agreement by depositing the same via certified mail return receipt requested in the United States Mail postage prepaid, duly addressed to the other party at the address set out in section 2.13 of this Agreement, or at such other address as each party may subsequently provide to the other. Such notice shall be deemed delivered when the party posting same in the United States Mail receives the returned mail receipt signed by the other party, or one of its authorized representatives.

6.7 Exhibits. All exhibits referred to herein are attached hereto and hereby incorporated herein for all purposes.

6.8 Memorandum of Agreement. This Agreement shall not be recorded, but either party may record with the County Clerk of the county in which the Subject Lands subject to this Agreement are located a memorandum reciting that the parties have entered into this Agreement which affects the Subject Lands described in attached Exhibit A, as modified from time to time.

6.9 Taxes. Operator shall be responsible for and shall pay all additional taxes that may be assessed against the Subject Lands by reason of any improvements placed thereon by Operator.

6.10 Construction of Agreement. This Agreement shall be construed under the laws of the State of Colorado.

6.11 Binding Effect. This Agreement is binding upon the successors and assigns of the parties.

6.12 Force Majeure. Should Operator be prevented from complying with any

expressed or implied covenants of this Surface Use Agreement, conducting normal operations, or from transporting natural gas or other hydrocarbons there from by reason of scarcity of, or inability to obtain or use equipment or material, or by operation of force majeure, or because of any federal or state law or any order, rule or regulation of a governmental authority then while so prevented, Operator's obligations to comply with such covenant shall be suspended, and Operator shall not be liable in damages for failure to comply therewith; and the express or implied covenant or other provision of the Surface Use Agreement so affected shall be extended while and so long as Operator is prevented by any such cause from conducting normal operations or transportation of natural gas or other hydrocarbons from the leased premises; and the time while Operator is so prevented shall not be counted against the Operator, anything in this Surface Use Agreement to the contrary notwithstanding.

6.13 Survival. The Operator's obligations and responsibilities hereunder shall survive the term of this agreement on a well-by-well basis with regard to the subject Subject Lands, including without limitation, all reclamation obligations and the proper disposal of any hazardous materials.

6.14 Signatures. By signing below, the parties signing acknowledge and represent that each of them has the authority to sign this Agreement and the power to bind both Owner and Operator. The parties further agree that this Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed three (3) originals of this Agreement this 20th day of August, 2012, the EFFECTIVE DATE hereof.

James P. Trott, Sr., Trustee of
the JET Family Trust

By:

James P. Trott Sr.

Trustee

Title

Print name James P. Trott Sr.

Swan Exploration, Inc.

By:

Alex A. Gury

In House Counsel

Title

Print Name Alex A. Gury

ACKNOWLEDGEMENT

STATE OF COLORADO)

COUNTY OF Boulder)^{ss}

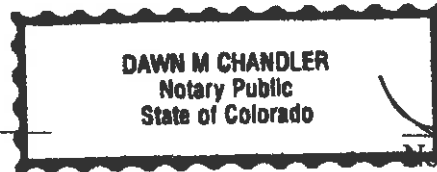
The foregoing instrument was acknowledged before me this 20th day of August, 2012, by James P. Trott, Sr., Trustee of the JET Family Trust and ss Alex A. Gury, to me known to be the identical persons described herein, who executed the within and foregoing instrument of writing and acknowledgement to me that they duly executed the same as their free

and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal.

My commission expires:

7/27/2015



Dawn M Chandler
Notary Public

AMENDMENT TO SURFACE USE AGREEMENT

THIS AMENDMENT TO THAT CERTAIN OIL SURFACE USE AGREEMENT entered into the 26 day of Feb 2014, by and between James P. Trott Sr., Trustee of the JET Family Trust whose address is 18424 Wagon Trail, Mead, CO 80542, hereinafter called Owner (whether one or more); Extraction Oil & Gas, LLC a Delaware limited liability company, whose address is 1888 Sherman Street, Suite 200, Denver, CO 80203, hereinafter called Lessee and successor in interest to that certain Surface Use Agreement between the JET Family Trust and Swan Exploration, Inc., a Colorado Corporation recorded at Reception No. 3884481 on October 29, 2012 in the records of the Weld County Clerk and Recorder, Weld County Colorado.

On August 20, 2013 Owner, named above, executed and delivered to Swan Exploration, Inc., and by assignment to Lessee, named above, a Surface Use Agreement ("SUA"), which is recorded at Reception No. 3884481 in the records of Weld County, Colorado. The above said SUA covers the following lands (the "Lands"):

Township 4 North, Range 68 West of the 6th P. M.

Section 7: Lot A and Lot B of Amended Recorded Exemption No. 1061-07-4-AMRE-4571, according to the map recorded August 2, 2010 at Reception No. 3708898, together with all mineral rights, said Lots A and B being a part of the North Half of the South East One Quarter of Section 7 of Township 4 North, Range 68 West of the Sixth Principal Meridian, County of Weld, State of Colorado, containing a gross area of 77.841 acres more or less.

Owners and Lessees or their Assigns agree that the SUA as described above is valid, in force, and in full effect. It is the desire of the Owners and Lessees or their Assigns to amend the SUA by the following terms:

- 1) acquired by Extraction or any entity owned by Extraction or in which Extraction and/or its owners, officers, directors and/or managers have an interest in lands pooled into the drilling and spacing units developed from the Lessor's surface locations and that the Exhibit "A" Surface Use location which was previously not attached by mistake is hereby attached to this amendment as Exhibit "A" SUA PAD SITE.
- 2) Additionally Owner and Lessee agree that this amendment shall not be recorded but instead a memorandum of amendment will be recorded memorializing this amendment and shall be kept at the offices of the Owner and Lessee.

All express and implied covenants of the lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, fracking bans, inability to obtain materials in the open market or transportation thereof, wars, strikes, lockouts, riots, fracking bans and/or moratoriums upon well completions and/or production restrictions, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities.

JET Family Trust

James P. Trott Sr.
James P. Trott Trustee

Extraction Oil & Gas, LLC a Delaware limited liability company

Matt Owens
Matt Owens President

ACKNOWLEDGEMENT

STATE OF Colorado

COUNTY OF Weld

This instrument was acknowledged before me on the 26th day of February, 2014

By James P. Trott Sr.

SEAL
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124054100
MY COMMISSION EXPIRES AUGUST 17, 2016

[Signature]
Notary Public

ACKNOWLEDGEMENT

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2014

By _____

SEAL

Notary Public

MEMORANDUM OF AMENDMENT TO SURFACE USE AGREEMENT

This Memorandum of Surface Use Agreement ("SUA") is made and entered into on the 26 day of February, 2014 by and between James P. Trott Sr., Trustee of the JET Family Trust whose address is 18424 Wagon Trail, Mead, CO 80542, hereinafter called Owner (whether one or more); Extraction Oil & Gas, LLC a Delaware limited liability company, whose address is 1888 Sherman Street, Suite 200, Denver, CO 80203, the "Parties."

WHEREAS, this Memorandum of SUA affects property with the legal description identified as:

Township 4 North, Range 68 West of the 6th P. M.

Section 7: Lot A and Lot B of Amended Recorded Exemption No. 1061-07-4-AMRE-4571, according to the map recorded August 2, 2010 at Reception No. 3708898, together with all mineral rights, said Lots A and B being a part of the North Half of the South East One Quarter of Section 7 of Township 4 North, Range 68 West of the Sixth Principal Meridian, County of Weld, State of Colorado, containing a gross area of 77.841 acres more or less ("Property"),

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Parties as follows:

1. JET Family Trust, (Owner) hereby commit to provide Extraction Oil & Gas, LLC, access to and use of the property pursuant to the SUA entered into by the Parties on the 20 day of August, 2013 ("SUA"), and subsequently assigned to Extraction Oil & Gas, LLC (Lessee) and who hereby commits to compensate the Owner per the terms of the aforementioned SUA and the Amendment thereto, for access to and use of the property in order to perform services as a Well Operator, and other such functions as described in the SUA;

IN WITNESS WHEREOF, the Parties executed this Memorandum of Amendment to the SUA on the date first above written.

Jet Family Trust

James P. Trott Sr.
James P. Trott Trustee

EXTRACTION OIL & GAS, LLC

By: [Signature] President
Title

STATE OF Colorado
COUNTY OF Weld

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this 26th day of February, 2014, by James P. Trott Sr., to me known to be the identical person(s) described herein, and who executed the within and foregoing instrument of writing and acknowledgment to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal.

CLINT BLUM
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124054100
MY COMMISSION EXPIRES AUGUST 17, 2016

[Signature]
Notary Public

STATE OF _____ §
COUNTY OF _____ §

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this 3 day of March, 2014, by Matt Owens, to me known to be the identical person(s) described herein, and who executed the within and foregoing instrument of writing and acknowledgment to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal.

My commission expires: 02/27/2016

Rebecca E. Van Blaricom
Notary Public

REBECCA E VAN BLARICOM
Notary Public
State of Colorado

SECOND AMENDMENT TO SURFACE USE AGREEMENT

THIS SECOND AMENDMENT TO SURFACE USE AGREEMENT is made and entered into this 27th day of July 2015 and is by and between JAMES P. TROTT, SR., TRUSTEE OF THE JET FAMILY TRUST DATED MAY 26, 2010 AND ALL AMENDMENTS THERETO with an address of 18425 Wagon Trail, Mead, CO 80542 ("Surface Owner") and EXTRACTION OIL & GAS, LLC with an address of 370 17th Street, Suite 5300, Denver, CO 80202 ("Operator").

Whereas, Surface Owner entered into that certain surface use agreement dated August 20, 2012 with Swan Exploration, Inc. which agreement was recorded on October 29, 2012 at Reception No. 3884481 of the real estate records of Weld County, Colorado; and

Whereas, Operator is the successor to Swan Exploration, Inc. as the counter party to Surface Owner in the surface use agreement; and

Whereas, the surface use agreement was amended by Surface Owner and Operator on February 26, 2014 and a memorandum thereof was recorded on March 19, 2014 at Reception No. 4003133 of the real estate records of Weld County, Colorado; and

Whereas, the surface use agreement recited that Surface Owner is the owner of 77.841 acres, more or less, described as Lots A and B of Amended Recorded Exemption No. 1061-07-4 AMRE-4571 according to the map thereof recorded on August 2, 2010 at Reception No. 3708898 of the real estate records of Weld County, Colorado being part of the N/2SE/4 of Section 7, T4N, R68W, 6th PM, Weld County, Colorado (the "Recorded Exemption"); and

Whereas, the surface use agreement limited oil and gas drilling operations to be conducted thereunder to Lot A of the Recorded Exemption and specifically provided that Operator will be excluded from oil and gas operations as to the surface of Lot B of the Recorded Exemption; and

Whereas, Surface Owner and Operator now desire to amend the surface use agreement to limit oil and gas operations to be conducted pursuant to the surface use agreement to Lot B of the Recorded Exemption and to exclude oil and gas operations from being conducted on Lot A of the Recorded Exemption; and

Whereas, the provisions of the surface use agreement dealing with flow lines, power lines, wells and tank batteries and roads will be amended accordingly to limit the location, construction and operation thereof to Lot B of the Recorded Exemption.

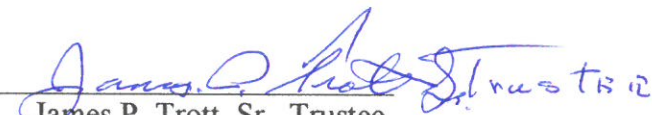
NOW THEREFORE, in consideration of the premises and of the second amendment of the surface use agreement, Surface Owner and Operator agree as follows:

1. Operator agrees not to conduct any oil and gas operations on Lot A of the Recorded Exemption and to limit all such operations to Lot B of the Recorded Exemption. See Lot A and B designations on Exhibit A.
2. Operator plans to drill and complete up to 17 horizontal oil and gas wells at the location labeled as "Temporary Well OGOA" on Exhibit A and to operate those wells at the location labeled as "Permanent Well OGOA" on Exhibit A.
3. Operator will construct, operate and maintain the oil and gas production facilities for the wells at the location labeled "Permanent Production Facilities OGOA" on Exhibit A.
4. Access to and from the Temporary and Permanent OGOAs provided for shall be as set forth on Exhibit A or as provided in an Access Plan to be agreed to between the parties hereto not less than 60 days before the commencement of operations by Operator pursuant to this Second Amendment to Surface Use Agreement.
5. Section 2.13 of the surface use agreement is amended to provide for Operator's address for notice purposes as the address set forth above for Operator.
6. Section 3.1 of the surface use agreement is amended as provided in a letter agreement of even date.
7. Unless amended hereby, the terms of the Surface Use Agreement as amended shall remain in full force and effect.

IN WITNESS WHEREOF, Surface Owner and Operator have executed this Second Amendment to Surface Use Agreement as of the date and year first above written.

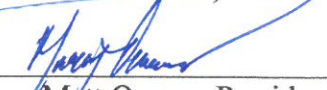
Surface Owner:

James P. Trott, Sr., Trustee of the JET Family Trust Dated May 26, 2010 as Amended:

By: 
James P. Trott, Sr., Trustee

Operator:

Extraction Oil & Gas, LLC

By: 
Matt Owens, President

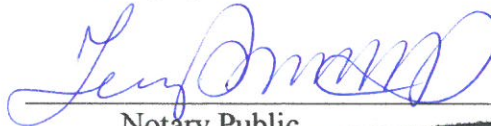
ACKNOWLEDGEMENTS ON FOLLOWING PAGE:

ACKNOWLEDGMENTS

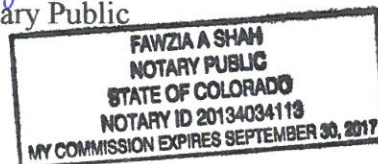
STATE OF COLORADO)
COUNTY OF ~~WELD~~ ^{Boulder})

The foregoing instrument was acknowledged before me this 12 day of ^{Aug} ~~July~~ 2015 by James P. Trott, Sr., Trustee of the JET Family Trust Dated May 26, 2010 as Amended, to me known to be the identical person described herein and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal:


Notary Public

My commission expires: sep 30th 2017



STATE OF COLORADO)
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 17 day of ^{AUGUST} ~~July~~ 2015 by Matt Owens as President of Extraction Oil & Gas, Inc., to me known to be the identical person described herein and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal:


Notary Public

My commission expires: OCTOBER 08, 2017

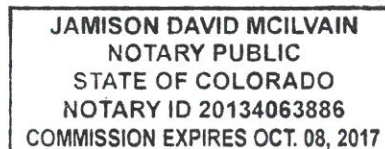
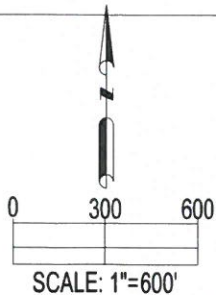
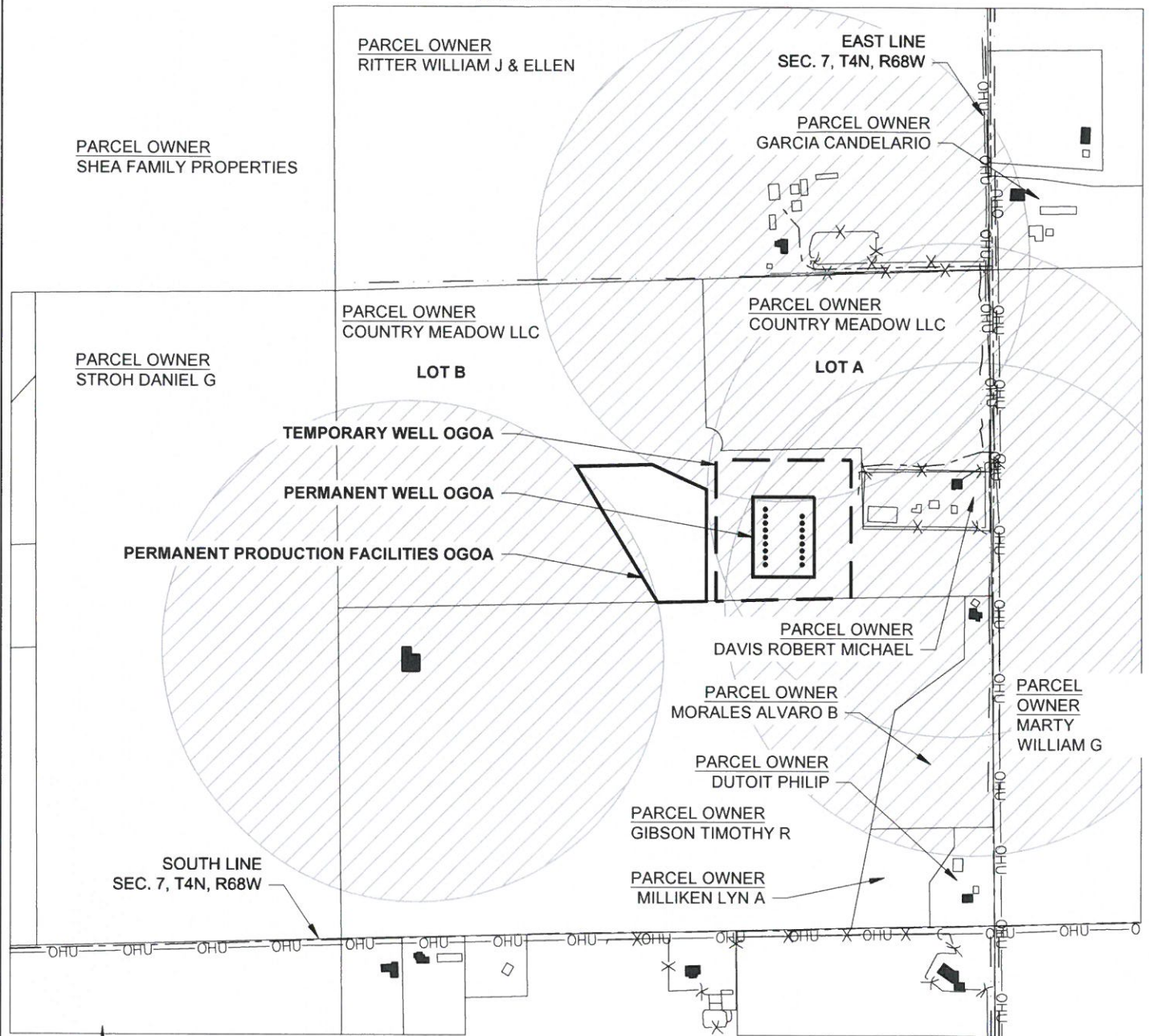


EXHIBIT A TROTT 7-L PAD OGOA SITE PLAN



LEGEND

- = PROPOSED WELL
- = PERMANENT WELL OGOA AND PERMANENT PRODUCTION FACILITIES OGOA
- - - = TEMPORARY WELL OGOA
- X X = FENCE
- OHU- = OVERHEAD UTILITY
- LOT A = LOT A AMENDED RECORDED EXEMPTION NO. 1061-07-4 AMRE-4571
- LOT B = LOT B AMENDED RECORDED EXEMPTION NO. 1061-07-4 AMRE-4571
- - - = DITCH
- - - = ROAD
- - - = LOT LINES
- = BUILDING UNIT
- = BUILDING
- = 1000' BUFFER

PREPARED BY:



FIELD DATE:

05-01-15

DRAWING DATE:

07-08-15

BY:

WDW

CHECKED BY:

MLP

SITE NAME:

TROTT 7-L PAD

SURFACE LOCATION:

N 1/2 SE 1/4, SEC. 7, T4N, R68W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR:



LETTER AGREEMENT

This Letter Agreement is entered into this 24th day of July 2015 by and between **JAMES P. TROTT, SR., TRUSTEE OF THE JET FAMILY TRUST DATED MAY 26, 2010 AND ALL AMENDMENTS THERETO** with an address of 18425 Wagon Trail, Mead, CO 80542 ("Surface Owner"), and **EXTRACTION OIL & GAS, LLC**, with an address of 370 17th Street, Suite 5300, Denver, Colorado 80202 ("Operator"), covering certain lands situated in Weld County, Colorado described as follows ("Lands"):

Lot B of Amended Recorded Exemption No. 1061-07-4 AMRE-4571 according to the map thereof recorded on August 2, 2010 at Reception No. 3708898 of the real estate records of Weld County, Colorado being part of the N/2SE/4 of Section 7, T4N, R68W, 6th PM, Weld County, Colorado.

This Letter Agreement is executed in conjunction with that certain Second Amendment of Surface Use Agreement by and between Surface Owner and Operator of even date ("Amended Surface Use Agreement").

by Operator to Surface Owner before the end of the second month following the month each such well is connected to the Proposed Permanent Production Facilities OGOA depicted on Exhibit A to the Amended Surface Use Agreement by a flow line constructed by Operator.

The terms of this Letter Agreement shall remain strictly confidential by Surface Owner and shall not be disclosed by Surface Owner to any third party with the exception to those legal and financial professionals employed by Surface Owner and who have a confidential relationship with Surface Owner preventing further disclosure of the matters set forth herein.

This Letter Agreement shall not be recorded in the records of Weld County, Colorado.

If the foregoing represents your understanding of the agreement between Surface Owner and Operator please so indicate by signing an original of the letter agreement in the space provided below and return the same to the undersigned at the address set forth above. The duplicate original of this letter agreement is for your files.

Very truly yours,

EXTRACTION OIL & GAS, LLC

By: 

Matt Owens
President

AGREED AND ACCEPTED:

JAMES P. TROTT, SR., TRUSTEE OF THE JET FAMILY TRUST DATED MAY 26,
2010 AND ALL AMENDMENTS THERETO

By: 

James P. Trott, Sr., Trustee

Date: 

July 24, 2015

THIRD AMENDMENT AND RATIFICATION TO SURFACE USE AGREEMENT

This Third Amendment and Ratification to Surface Use Agreement ("Third Amendment") is entered into this 6th day of July, 2017 and dated effective August 20, 2012, by and between James P. Trott, Sr., Trustee of the Jet Family Trust dated May 26, 2010, with an address of 18425 Wagon Trail, Mead, CO 80542 ("**Owners**") and Extraction Oil & Gas, Inc., with an address of 370 17th Street, Suite 5300, Denver, CO 80202 ("**Extraction**"). Together, the Owners and Extraction are referred to as the "Parties."

RECITALS

- A. Pursuant to that certain Surface Use Agreement dated August 20, 2012, and recorded October 29, 2012 at Reception No. 3884481 with the Weld County Clerk and Recorder, Owners granted Swan Exploration, Inc., among other things, the right to enter and utilize the certain surface lands related to oil and gas operations (the "2012 Surface Agreement");
- B. Extraction Oil & Gas, LLC, predecessor by conversion to Extraction, is the successor to Swan Exploration, Inc.;
- C. The 2012 Surface Agreement was amended on multiple occasions (the 2012 Surface Agreement, as amended, is referred to herein as the "Surface Agreement");
- D. The Parties wish to amend the Surface Agreement to limit oil and gas operations to the surface of Lot A of Recorded Exemption RE-15-0124 recorded with the Weld County Clerk and Recorder at Reception No. 4154273 and preclude oil and gas operations upon the surface of both Lot A of Recorded Exemption RE-4571 recorded with the Weld County Clerk and Recorder at Reception No. 3477767 and Lot B of Recorded Exemption 15-0124 recorded with the Weld County Clerk and Recorder at Reception No. 4154273.
- E. The Parties wish to ratify the Surface Agreement and amend certain terms thereof according to the terms and conditions set forth in this Third Amendment.

NOW, THEREFORE, in consideration of the foregoing recitals and of the conditions, covenants and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby ratify, confirm, approve, and adopt the Surface Agreement for the uses and purposes set forth therein, and subject to all terms and conditions of said Surface Agreement. Furthermore, the Parties agree to amend the Surface Agreement as follows:

1. The Owners and Extraction agree to amend the Surface Agreement to limit oil and gas operations to the surface of Lot A of Recorded Exemption RE-15-0124 recorded with the Weld County Clerk and Recorder at Reception No. 4154273 and preclude oil and gas operations upon the surface of both Lot A of Recorded Exemption RE-4571 recorded with the Weld County Clerk and Recorder at Reception No. 3477767 and Lot B of Recorded

Exemption 15-0124 recorded with the Weld County Clerk and Recorder at Reception No. 4154273.

2. Extraction plans to drill and complete up to 24 horizontal oil and gas wells at the location labeled as "Temporary Well OGOA" on Amended Exhibit A and to operate those wells at the location labeled as "Permanent Well OGOA" on Amended Exhibit A.
3. DEFINED TERMS. Subject to the following defined terms, all capitalized terms used in this Amendment but not defined in this Amendment shall have the same meaning as set forth in the Surface Agreement:
 - a. Exhibit "A." All references to the Exhibit "A" attached to and incorporated into the Surface Agreement shall, pursuant to this Amendment, reference the Amended Exhibit "A," attached hereto.
4. RATIFICATION OF SURFACE AGREEMENT. Except as specified in this Amendment, the Surface Agreement shall remain in full force and effect. If there is a conflict between the terms of this Third Amendment and those of the Surface Agreement, or any other document executed and delivered in connection therewith, the terms of this Third Amendment shall control.

The failure of any party owning an interest in the lands covered by the Surface Agreement to execute this Third Amendment or a counterpart hereof shall not affect the binding force of this Third Amendment as to those who executed this Third Amendment or a counterpart hereof.

This Third Amendment is signed by the Owners as of the date below, but is effective for all purposes as of the Effective Date of the Surface Agreement.

5. SINGULAR AND PLURAL. Reference to the singular includes a reference to the plural and vice versa.

The remainder of this page intentionally left blank.

OWNER:

**James P. Trott, Sr., Trustee of the Jet
Family Trust dated May 26, 2010**

Date:

James P. Trott Sr.
7/6/17

EXTRACTION:

Extraction Oil & Gas, Inc.

Sean T. Casper
By: Sean Casper

Date: July 20, 2017

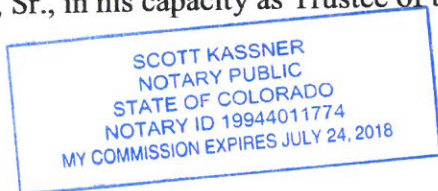
ACKNOWLEDGEMENTS

State of Colorado)

) ss.

County of Boulder)

The foregoing instrument was acknowledged before me this 6th day of July, 2017, by James P. Trott, Sr., in his capacity as Trustee of the Jet Family Trust dated May 26, 2010.



Scott Kassner

Notary Public

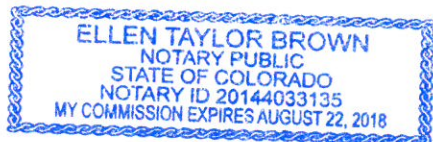
My commission expires: 7/24/2018

State of Colorado)

) ss.

County of Denver)

The foregoing instrument was acknowledged before me this 25th day of July, 2017, by Sean Casper, Landman and Agent, on behalf of Extraction Oil & Gas, Inc.



Ellen Taylor Brown

Notary Public

My commission expires: 8/22/18

TROTT 7-L PAD EXHIBIT A

RITTER WILLIAM J
& ELLEN G TRUSTEES
RITTER LIVING TRUST
22501 COUNTY ROAD 3
BERTHOUD CO 805139144
10610700054

MECHALKE JIM LLOYD JR
& CHERYL A
PO BOX 424
MEAD CO 805420424
106107400002

SCHAEFER RYAN J
& JENNA E
3907 BRIAR DR
LOVELAND CO 805382226
106107400069

GARCIA CANDELARIO
& HOLLY E
22540 COUNTY ROAD 3
BERTHOUD CO 805139145
106108000044

RECX15-0124
LOT B

AM RE-4571
LOT A

DAVIS ROBERT MICHAEL
& ELIZABETH
22327 COUNTY ROAD 3
BERTHOUD CO 805139110
106107400065

RE-1878
LOT A

JET FAMILY TRUST
18425 WAGON TRL
MEAD CO 805428004
106107400001

RECX15-0124
LOT A

SE-580
LOT B

GIBSON TIMOTHY R & STEPHANIE A
613 COUNTY ROAD 46
BERTHOUD CO 805139130
106107400063

SE-580
LOT A

BUTTERFIELD JANIS R
& NILSEN STEPHANIE D
22235 COUNTY ROAD 3
BERTHOUD CO 805139110
106107400067

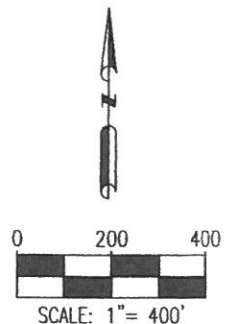
MARTY WILLIAM G
& LINDA L
1777 COUNTY ROAD 46
BERTHOUD CO 805139126
106108100003



BERTOLIN JAMES L
& MILLIKEN LYN A
1308 SPRUCE AVE
LONGMONT CO 805015838
106107400007

DATA SOURCE:
AERIAL IMAGERY: NAD 2011
PARCELS: WELD COUNTY ASSESSOR

PUBLICLY AVAILABLE DATA SOURCES HAVE NOT BEEN INDEPENDENTLY VERIFIED BY ASCENT
GEOMATICS SOLUTIONS.

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: 04-05-17	SITE NAME: TROTT 7-L PAD	PREPARED FOR: 
	DRAWING DATE: 06-28-17	SURFACE LOCATION: NE 1/4 SE 1/4 SEC. 7, T4N, R68W, 6TH P.M.	
	BY: CSG	CHECKED BY: IJM	