

COPY

## SURFACE USE AGREEMENT

This Surface Use Agreement ("Agreement") is dated October 1, 2017 ("Effective Date"), by and between JoElla M. Winterberg, a/k/a JoElla Winterberg, a single person, whose address is 50500 Highway 40/287, Limon, CO 80828 ("Owner") and Murfin Drilling Company, Inc., whose address is 250 N. Water, Suite 300, Wichita, Kansas 67202 ("Company").

### RECITALS

Owner owns the surface estate of the following described lands located in Lincoln County, Colorado ("Lands"):

**Township 9 South, Range 56 West, 6th P.M.**  
**Section 25: SE/4 SW/4; W/2 SE/4**

WHEREAS, Company and Owner have agreed upon the terms and conditions by which Company may enter upon and use certain portions of the Lands for oil and gas drilling and producing operations.

NOW THEREFORE in consideration of the mutual promises, covenants and conditions contained herein, the receipt and sufficiency of which are hereby acknowledged, Owner and Company hereby agree as follows:

Owner hereby grants and conveys to Company the right of access on and the right to use the surface and subsurface of the Lands to explore, transport, and market oil, gas and associated hydrocarbons from the **Rogue 10-25** ("Well") site located in the NW¼ SE¼ of Section 25, Twp. 9 South, Range 56 West of the 6<sup>th</sup> P.M.

1. Company use of the Lands is limited to reasonable use in the drilling and operating of the Well, access to the Well and the production flow lines, if any, to be used solely for production from each proposed Well and for the placement of a tank battery. All construction, maintenance and use of the Lands shall be in accordance with the Lease and this Agreement. Company shall confine its drilling and production activities on the surface to a Well Site and tank battery location that shall not exceed Three and one half (3.5) acres after drilling and completion.

2. The Well site location shall be constructed so as to result in the least interference with surface usage as reasonably practicable under the circumstances. All pits shall be constructed so as not to pollute the adjoining land. Company shall take all reasonable precautions necessary to prevent land, air and water pollution, including pollution to all underground fresh water zones, as well as to prevent blowouts. Company shall collect all trash that accumulates in



connection with its operations and promptly remove such trash and all junk or surplus equipment from the Lands and properly dispose of same off of any adjacent lands owned by Owner pursuant to applicable regulations. Company shall take all reasonable precautions to prevent blowouts from occurring on the Lands. Company shall utilize only such area around the Well and Tank battery as is reasonably necessary for such purposes. Company agrees the construction easement for any production flow line shall initially be 25 feet in width, which upon completion of said construction shall revert to 15 feet, being 7.5 feet left and 7.5 feet right of the center line. Upon request, Company shall provide Owner a location map of the pumping unit, all flowlines and the location of the tank battery facility.

3. Owner consents to the construction of an access road along a mutually agreed upon route for ingress and egress by Company and its employees, contractors, subcontractors, agents and business invitees as needed to conduct oil and gas operations on the Legacy 11-30. Such road shall be an unimproved two track road, limited to twenty five (25) feet in width. Company shall pay a one-time payment of [REDACTED] per rod for linear right-of-way to serve as access road. Company agrees to use confine all travel incidents to the drilling, maintenance and production of the Well site to this road. The Company agrees to maintain any roads utilized as part of their operations to include a mutually agreed upon gravel in mutually agreed locations of said road as needed for the safe passage of truck traffic and to reduce potential erosion. Company and its agents, employees and business invitees shall keep all gates closed after entering or leaving the lease premises. At such times as both parties mutually agree to the placement of a cattle guard, the Company will provide one suitable for oil and gas operations and Owner operations. The Company reserves the right to remove the cattle guard upon the cessation of oil and gas operations on the lease premises.

4. Prior to commencement of drilling operations, Company shall pay Owner a one-time payment of [REDACTED] for the foregoing drilling location and Well Site covering no more than Three and one half (3.5) acres in area constructed on Lands comprised of pasture land, to be used by the Company for its exploration, drilling (vertical well only) completion, deepening, hydraulic fracturing, recompletion, reworking, equipping and production operations to include the tank battery site.

5. Company agrees to pay Owner [REDACTED] per rod for any and all flowlines laid. As part of its operations on the above described lands, the Owner agrees not to construct overhead power lines.

6. Company at its sole expense, shall maintain all operations in accordance with the terms of the Lease and this Agreement and conduct its operations as not to interfere unreasonably with Owner's use of the surface estate. Company agrees to paint the production equipment and tank battery in mutually agreed upon subdued colors and to equip said production with muffler systems capable of limiting excessive noise. The Lease will be kept in a clean and workmanlike manner, will prevent the growth of noxious and other weeds, and will generally operate the facilities as a prudent operator, responding to Owner's reasonable requests for maintenance. No later than Thirty (30) days following completion of the Well Site, Company will install portable steel panels sufficient to exclude livestock from the pumping area, and fence the tank battery with a legal fence sufficient to exclude livestock.



7. The Company agrees to pay fair market value to the Owner for the death or serious injury to livestock harmed by and clearly attributable to the Company operations on the above described Lands and for any damages arising from Owner's operations resulting from unreasonable use, negligence or willful misconduct.

8. Before drilling operations commence, the Company, at its own expense, will test the existing spring and non-permitted water well located in Section 25. Said test will include a flow rate on the spring and all results will be made available to the Owner upon request.

9. All pipelines and/or flowlines are to be buried at least 36 inches below the ground, which will be from the top of the pipe to the surface of the ground. Only crude oil and natural gas and produced waters will be allowed to be transported through any pipelines and/or flowlines located on the Lands. Company shall not conduct any operations within one thousand three hundred twenty (1,320) feet of any residence, four hundred (400) feet of any permanent livestock holding pens, permanent livestock corrals or permanent livestock barns or two hundred (200) feet of any permanent livestock watering facilities without express written consent of Owner.

10. Company shall comply with all applicable statutes, rules, regulations and ordinances of all federal, state and local governments, agencies and authorities regarding restoration and reclamation. Upon completing a commercial well, completing drilling operations, plugging and abandoning the Well, or ceasing use of any portion of the Lands, Company shall reclaim and restore Lands as nearly as reasonably practical. Such restoration and reclamation shall be completed as soon as practicable, but no later than ninety (90) days after said completion or abandonment, weather permitting. In the case of reasonable delay, Company shall complete such restoration and reclamation as soon as reasonably possible.

Reclamation includes, but is not limited to, the removal of all drilling and associated equipment and facilities, the removal of all drilling and produced substances and disposal of such substances off the Lands, the leveling of all drilling pits and other excavations, and the reseeding, with native grass seed mix selected and provided by Owner and paid for by Company, of all areas affected by Company's use of the Lands, subject to repeat reseeding(s) and weed control as reasonably required and until such time as a satisfactory native grass covering is obtained. Within ninety (90) days after the termination of the Lease and weather permitting, Owner shall remove any and all Lands placed by Company on Lands. Company obligations and Liabilities under this Paragraph are continuing and shall survive the termination of the Lease.

11. Company shall not use water from any fresh or usable water sands or strata, including water from any formation which would be protected under the federal Underground Injection Control program, for any water flood or other enhanced recovery operations for pressure maintenance purposes. Further, no fresh or useable water may be used for secondary recovery without the prior written consent of the Owner. Subject to the foregoing, Owner may, in its sole discretion, sell Company fresh water from surface impoundments or other surface or ground water sources to the extent reasonably necessary for drilling and development operations on the Lease. The Owner shall have the right to designate the location from which water shall be taken. Upon completion of the drilling operations any permits obtained by Company for water

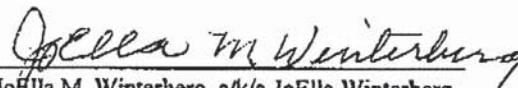
wells drilled pursuant to such permits may be conveyed to the Owner, or such water wells will be plugged by Company at its expense as required by law.

12. Owner acknowledges that this notice complies with, or hereby waives all COGCC requirements that it be given advance notice by Company of the proposed Operations. Owner acknowledges receiving from Company a brochure prepared by the COGCC which describes the rights and responsibilities of Owner as a surface owner.

Murfin Drilling Company, Inc.

Owner


  
Michael E. Rusco

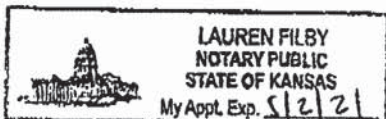
  
Joella M. Winterberg, a/k/a Joella Winterberg

STATE OF KANSAS }  
 } SS:  
COUNTY OF SEDGWICK }

The foregoing instrument was acknowledged before me this 23 day of October, 2017, by Michael E. Rusco, for Murfin Drilling Company, Inc., a Kansas Corporation, on behalf of the corporation.

My Appointment Expires:

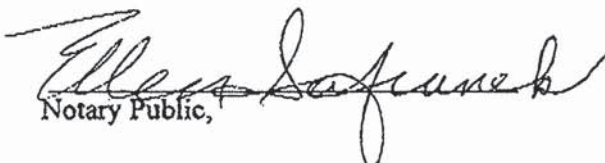
  
Notary Public,



STATE OF COLORADO }  
 } SS:  
COUNTY OF LINCOLN }

The foregoing instrument was acknowledged before me this 24th day of October, 2017, by Joella M. Winterberg a/k/a Joella Winterberg, a single person, on behalf of the individual.

My Appointment Expires:

  
Notary Public,

