

SITE LEASE

THIS AGREEMENT (this "Lease") made and entered into as of the 11th day of December 2017, by and between **Jewell Jones & Madeleine R. Drake**, whose address is 3405 Gurnard Ave., San Pedro, CA 90732 (the "Lessors") and PCR Operating LLC, 4040 Broadway Street, Suite 508, San Antonio, TX 78209-7375 ("PCR");

WITNESSETH:

WHEREAS, Lessors are the owners of a tract of land (the "Premises") located in NE1/4-NE/4-NW/4 of Section 24, Township 1 North, Range 58 West, Morgan County, Colorado, containing five point five (5.5) acres, more or less.

WHEREAS, PCR plans to operate and maintain the Adena J Sand Unit production/injection facility (the "Facilities") on the Premises,

NOW, THEREFORE, for the consideration paid herewith to Lessor, the receipt and adequacy of which are hereby acknowledged, Lessors do hereby GRANT, LEASE, LET and DEMISE the Premises unto PCR for the purposes of operating and maintaining the Facilities subject to the terms and conditions hereinafter set forth:

For the same consideration, and in consideration of the mutual benefits contained herein, Lessors and PCR hereby agree as follows:

I.

The initial term of this Lease shall be for a period of one (1) year from January 1, 2018. PCR shall have the right and option to renew the Lease for additional one (1) year terms at expiration of the initial term and each renewal term. Such option may be exercised by PCR, on or before the commencement of each renewal period, by payment to Lessors of the rental described below.

II.

PCR shall pay to Lessors the sum of [REDACTED] as consideration for this lease, including site rental for the initial term and [REDACTED] per renewal term as rental for each renewal period of One (1) year.

III.

Lessors hereby, to the extent of their ownership and insofar as their title enables them to do so, warrant and agree to defend title to the Premises and covenant that PCR shall have quiet and peaceable possession of the Premises during the term of this lease.

IV.

PCR agrees to pay all additional taxes which may be assessed against the Premises by reason of improvements placed thereon by PCR.

V.

PCR agrees to hold Lessors free and harmless from any and all liabilities or claims of liabilities, demands, action, and causes of action against Lessors, by reason of or arising from injuries, including death to persons and destruction or damage to property, caused by or resulting from the negligent or other wrongful acts or omissions of PCR, its agents

or employees in the exercise, use and enjoyment of the leased property, not caused by or resulting from any negligence or wrongful act or omission of Lessor, or agents or employees thereof.

VI.

Upon the termination of this Lease, PCR shall remove all above ground structures, pipes, pipelines, buildings and other improvements constructed under the terms of this lease. After items have been removed from the Premises, PCR shall have a period of six (6) months to restore the land as nearly as practicable to its original condition.

VII.

PCR agrees to keep Facility site free of weeds, debris and litter. PCR agrees that no firearms, hunting, fishing or the use of recreational vehicles of any type shall be allowed on the subject lands without the express written consent of the Lessor, and PCR will notify all its contractors, agents, employees and representatives of this restriction.

VIII.

The failure of PCR to pay the rent herein provided for when due, or the failure to comply with the other provisions herein contained upon its part to be kept and performed, shall not work as a forfeiture or termination of this Lease, nor be grounds for cancellation hereof in whole or in part, but rather, Lessor shall give PCR written notice of such failure to pay rent or comply with other provisions herein and establish a reasonable time from such notice for PCR to correct such failure (45 days in the case of rental payment, and at least 180 days in all other cases), and if PCR fails to correct the default within the reasonable times as established by Lessors, then at Lessors' election, Lessors may terminate this Lease and retain all rentals heretofore paid as liquidated damages.

IX.

GENERAL

A. Notices and payments required under the terms hereof shall be given to the parties at the addresses shown above by U. S. Mail and are effective when postmarked.

B. This Lease may be assigned in whole or in part by the parties and is binding upon, and shall inure to the benefit of, their respective successors, and assigns. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on PCR until PCR has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on PCR. No present or future division of Lessor's ownership as to different portions or parcels of the Premises shall operate to enlarge the obligations or diminish the rights of PCR, and all PCR's operations may be conducted without regard to any such division.

C. Lessor hereby agrees that PCR shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the Premises, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the Premises, insofar as said right of dower and homestead may in any way affect the purposes for which this Lease is made, as recited herein.

D. There is consideration for this Lease.

E. This instrument may be executed in counterparts and Lessors shall receive payment hereunder in such proportion as their respective interests bear to the fee simple title.

LESSORS: Jewell Jones

Madeleine R. Drake

[Signature]  
Jewell Jones, Owner

[Signature]  
Madeleine R. Drake

PCR Operating LLC

[Signature]  
Robert G. Watson Jr., CEO

STATE OF California

COUNTY OF Los Angeles

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of December, 2017, by Jewell Jones

WITNESS my hand and seal.

My Commission Expires: July 22, 2020

[Signature]  
Notary Public



STATE OF California

COUNTY OF Los Angeles

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of December, 2017, by Madeleine R. Drake

WITNESS my hand and seal.

My Commission Expires: July 22, 2020

[Signature]  
Notary Public



STATE OF TEXAS

COUNTY OF BEXAR

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of December, 2017, by Robert G. Watson Jr.

WITNESS my hand and seal.

My Commission Expires: 05/14/2020

[Signature]  
Notary Public

