

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

This Easement, Right-of-Way and Surface Use Agreement ("Agreement") is entered into and effective this 23rd day of February, 2018 by and between Gabel Cattle, LLC ("Owner"), whose address is 38256 WCR 53, Eaton, CO 80615 and 8 North, LLC ("Operator"), with offices at 370 17th Street, Suite 5300, 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:

SEE ATTACHED EXHIBIT A (the "Lands").

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 Lands, (the "Lease," or "Leases").

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 the Lands or the Leases, the subsurface locations of which may be under lands other than the Lands. 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 on the Lands) ("Access Roads"), pipelines, infrastructure, equipment, surface appurtenances and production facilities 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"), Owner recognizes it is necessary that Operator, its agents, consultants, successors or assigns enter and utilize a portion of the Lands in order to operate and maintain the Wells and Facilities. Owner and Operator desire to mitigate any surface damage to the Lands and to set forth their agreements with respect to future operations on the Lands, to accommodate operations and development of the surface, and to provide for cooperation between the Parties and the mutual enjoyment of the Parties' respective rights in and to the Lands. This Agreement sets forth the Parties' rights and obligations regarding the development and use of the Lands by Owner and operations conducted by Operator.

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, across, and through that part of the Lands depicted in Exhibit B, attached hereto and incorporated herein, as OGOA for the purpose of drilling, completing, operating, securing, producing, evaluating, deepening, reworking, equipping, maintaining, plugging and abandoning of Wells, constructing, using and maintaining Access Roads and locating, constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing the Facilities and all necessary appurtenant facilities, for the purposes specified in this Agreement including ingress and egress from the Facilities across the Lands. Notwithstanding the foregoing or any term of provision herein to the contrary, Operator shall not place any Wells, surface equipment, or Facilities on any portion of the Lands except the OGOA and Access Road as depicted in Exhibit B hereto.

B. In those circumstances where the Operator owns, or is lessee of, the minerals underlying the Lands, Owner acknowledges and understands that Operator holds a perpetual, exclusive easement and right-of-way burdening the Lands with all the rights and privileges granted under this Agreement, the Lease, or lease associated with the Lands.

C. Owner grants Operator the right to drill, complete, operate and maintain Wells upon the OGOA as depicted on Exhibit B hereto that produce oil, natural gas, produced liquids, and associated hydrocarbons from lands other than the Lands and lands pooled with the Lands.

D. Owner further grants Operator a subsurface easement through the Lands 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 the Lands and lands pooled with the Lands.

E. Owner further grants Operator the right to gather to and through the Lands encumbered by the OGOA as depicted on Exhibit B hereto and transport from the Lands oil, natural gas, produced liquids and associated hydrocarbons produced from the Lands and lands other than the Lands and lands pooled with the Lands, and to transfer/assign such right to a third party gatherer.

4. LOCATION/OIL AND GAS OPERATIONS AREA.

The locations of Wells, the Access Roads to the Well sites, surface equipment, and Facilities to be constructed on the Lands (the "Oil and Gas Operations Area" or "OGOA") are depicted on Exhibit B hereto. Operator shall not permanently locate or place any Wells, Access Roads, Well site, surface equipment, or Facilities outside the OGOA or Access Road as depicted on Exhibit B hereto. Material changes to the OGOA may be made by Operator with the consent of Owner, which shall not be unreasonably withheld provided that such changes will not unduly interfere with Owner's existing use of the Lands. It is also understood and agreed that additional Access Roads and Facilities located outside of the OGOA and/or Access Road as depicted on Exhibit B hereto may be necessary for Operator's activities and in these circumstances Owner and Operator agree to designate a mutually agreeable location for said Access Roads and Facilities. Operator agrees not to use any more of the surface of the Lands than is reasonably necessary to conduct its operations. This Agreement does not in any way limit the rights of Operator to drill future additional Wells with associated Facilities and Access Roads on the Lands or to exercise all rights consistent with its mineral ownership or lease rights.

5. CONDUCT OF OPERATIONS.

Operator's operations on the Lands will be conducted pursuant to the terms of the Leases, this Agreement, 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 ("Applicable Law").

6. 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, prior to the commencement of drilling operations for each Well drilled 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 the Lands or crops growing thereon that may occur as a result from Operator's operations pursuant to this Agreement or the Leases. Said consideration does not release Operator from damages arising out of Operator's negligence or willful misconduct, or from claims related to the violation of Applicable Law.

7. ADDITIONAL SURFACE USE PROVISIONS, ACCESS ROADS, AND FACILITIES.

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

A. Existing Roads, Proposed Roads and Access Roads:

(i) Owner shall provide Operator with continuous access to the Lands, Wells, Facilities and all associated oil and gas operations, equipment and areas associated therewith along those routes and Access Roads depicted upon Exhibit B.

(ii) 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.

(iii) Operator shall be entitled to use any existing roads located on the Lands ("Existing Roads") in connection with its operations. Proposed Roads constructed by Operator shall be limited to those roads indicated on Exhibit B. The right to use any Proposed Road or Existing Road shall be non-exclusive to Operator, provided that Owner may use any Proposed Road so long as such use does not interfere with or impair Operator's Operations. Operator shall be responsible for maintaining all Proposed Roads and any Existing Roads utilized by Operator, pursuant to all Applicable Laws.

B. Surface Restoration:

Upon permanent cessation of Operator's operations on the Lands, all areas thereof occupied or utilized by Operator will be restored by Operator to their condition immediately prior to operations as nearly as is reasonably practicable, and according to COGCC regulation at Operator's sole cost and expense. Such restoration shall include, at Owner's request, reseeded of the disturbed area with a seed mixture selected at Owner's discretion at Operator's sole cost and expense.

C. Lines:

Below-ground Facilities including, but not limited to, pipelines, flowlines, gathering lines, transmission lines, temporary above ground water lines, temporary above ground completion fluid pipelines, electrical lines, and utility lines which require burial within the Lands shall be buried at least 36" below the surface and Operator shall place such Facilities in the same trench, at its sole discretion, and no further than five feet from the boundary of any Existing Roads or Proposed Roads. The Lands disturbed during such burial and trenching operations contemplated in this sub paragraph shall be limited to approximately sixty (60) feet in width, reverting to thirty (30) feet in width upon completion of installation, maintenance or replacement operations.

D. Other:

(i) Operator will install culverts on the Lands that may be necessary to maintain drainage and irrigation in a manner equivalent to conditions upon the Lands 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, Operator will repair or replace such items after consultation with and to the reasonable satisfaction of the Owner at Operator's sole cost and expense. 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 the Lands no later than 30 days after the completion of the Wells. No such items will be burned or buried on the Lands. Operator shall not dispose of any drill cuttings or residual waste on the Lands. Operator shall not dig any pits on the Lands related to drilling operations.

(iv) Operator shall fence the OGOA, as depicted on Exhibit B. Operator shall maintain such fences in good repair at all times during the term of this Agreement. Additionally, Operator shall keep the OGOAs and Access Roads as depicted in Exhibit A free and clear of all noxious weeds, unsightly growth and trash.

(v) Operator will also install cattle guards or gates where reasonably necessary.

(vi) Operator shall have no right to construct housing or camps for the housing of its employees or contractors on the Lands except for mobile units during the operations contemplated in this Agreement, in which event, such mobile units may only be located on the OGOA or Access Road, as depicted in Exhibit B hereto.

8. 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 45 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 45 days of Owner's notice, or if the alleged default is of a nature that cannot be cured within 45 days, then if Operator commences curing the alleged default within that 45 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.

9. INDEMNITY/RELEASE.

Operator agrees to indemnify and hold Owner, and Owner's directors, officers, successors and assigns, harmless from any and all claims, damages, causes of action or liability of any nature, including attorney's fees and litigation expenses ("Claims") arising out of or caused by Operator's operations on the Lands with the exception of any claims, damages, and causes of action that arise from Owner's negligence or willful and wanton misconduct. In addition to the foregoing, Operator shall protect, indemnify, and hold harmless Owner from any and all Environmental Claims relating to the Lands that might arise out of Operator's use of the Lands. Environmental Claims are 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 Lands, 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 naturally occurring radioactive material. Environmental Claims shall not include the costs of any remediation undertaken voluntarily by either Party, unless such remediation is performed under the imminent threat of a Claim by a governmental body or third party. Environmental Laws are any laws, regulations, rules, ordinances, or order of any governmental authority(ies), which relate to or otherwise impose liability, obligation, or standards with respect to pollution or the protection of the environment,, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.), the Clean Water Act (33 U.S.C. §§ 466 et seq.), the Safe Drinking Water Act (14 U.S.C. §§ 1401-1450), the Hazardous Material Transportation Act (49 U.S.C. §§ 1801 et seq.), the Clean Air Act, and the Toxic Substances Control Act (15 U.S.C. §§ 2601-2629).

Owner agrees to indemnify and hold Operator, its agents, successors and assigns harmless from any and all Claims arising out of and caused by Owner's operations on the Lands that may be asserted by Owner or any of Owner's agents, employees, subcontractors, contractors or persons entering upon the Lands at the request of Owner; with the exception of any claims, damages, and causes of action that arise from Operator's negligence or willful and wanton misconduct.

10. 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;

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 so long as the COGCC's approval or acceptance of any such Application for Permit to Drill (Form 2) or Oil and Gas Location Assessment (Form 2A) does not violate any provision of this Agreement.

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 so long as the COGCC's approval or acceptance of any such Application for Permit to Drill (Form 2) or Oil and Gas Location Assessment (Form 2A) does not violate any provision of this Agreement.

D. In the event Operator is not in default under this Agreement, 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 in or on the OGOAs, 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, provided Owner incurs no cost in doing so.

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. Subject to the limitations set forth in this Agreement, 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.

11. 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
Gabel Cattle, LLC
38256 WCR 53, Eaton, CO 80615
(970) 396-6881

Operator
8 North, LLC
370 17th Street, Suite 5300
Denver, CO 80202
Phone: (720) 557-8300
Attn: Surface Land Department

Owner agrees to notify any surface tenant or other third party that may be affected by Operator's operations on the Lands 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.

12. INSURANCE

During Operator's activities on the Lands, Operator shall at all times maintain appropriate insurance, including, without limitation, workers compensation insurance, in compliance with Colorado law, for its employees or contractors involved in the conduct of activities on any portion of the Lands and general public liability insurance in such amounts as are customarily maintained for operations similar to those conducted by Operator. Operator may self-insure such risks in a manner which is consistent with its internal risk retention policies and procedures and provided that such self-insurance provides as much coverage as the above-delineated insurance policies. Upon Owner's written request, Operator shall provide a copy of all insurance required by this Agreement to Owner no later than thirty days prior to commencement of any operations contemplated in this Agreement upon the Lands.

13. 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.

14. RECORDING.

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

15. ENTIRE AGREEMENT.

Except for that certain confidential Letter Agreement of even date herewith between Owner and Operator, that is hereby referenced and incorporated herein, 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. Should any part of this Agreement conflict with any part of the Letter Agreement, this Agreement shall govern.

16. LETTER AGREEMENT.

The Owners and Extraction shall execute a confidential Letter Agreement, dated of even date herewith, containing the terms and conditions of the Compensation Amount arising under this Agreement.

17. REASONABLE ACCOMMODATION.

The Parties acknowledge uses and operations upon the Lands by Operator under this Agreement are in full satisfaction of the requirement that Operator conduct its oil and gas operations in a manner that accommodates Owner. The Parties further represent, warrant and agree that Operator's uses and operations upon the Lands as provided herein constitute "Reasonable Accommodation" by the Parties, their agents, consultants, successors and assigns as provided for under Colorado Revised Statute 34-60-127.

18. NOTICE TO OTHERS.

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 or Access Road. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement.

Operator agrees to contact any and all contractors, subcontractors, or employees who enter onto the Lands, at a minimum, of the provisions of this Agreement pertaining to prohibitions against fishing and hunting, vehicle access, and surface use and protection, prior to such party's entry upon the Lands.

19. 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. 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. In the event Operator fails to spud and complete at least one well within five (5) years from the effective date of this Agreement, this Agreement shall terminate. Operator shall have the option to extend for an additional two (2) years for an amount equal to one (1) Well Payment as described on the Letter 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.

20. 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.

21. GOVERNING LAW AND VENUE.

This Agreement will be governed by, construed and enforced in accordance with the laws of Colorado. Venue shall be deemed to be in Weld County exclusively.

22. 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.

23. 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.

24. ATTORNEYS' FEES.

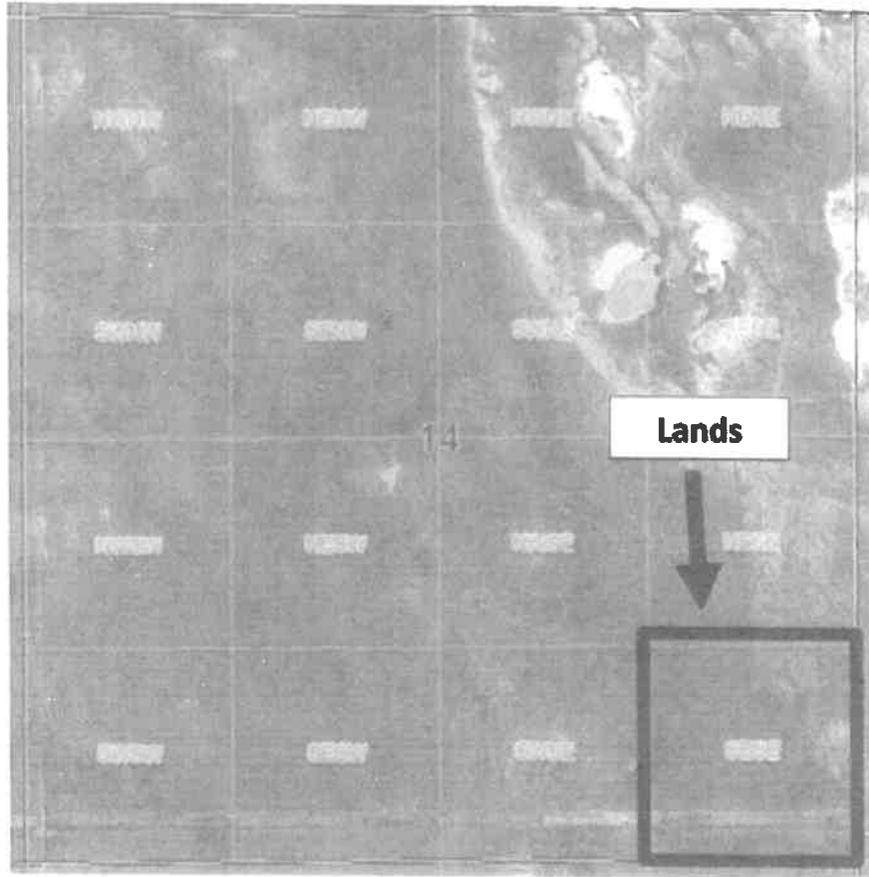
If any action or proceeding is instituted by either party for enforcement or interpretation of any term or provision of this Agreement, the prevailing party pursuant to a final judgment of a court of competent jurisdiction shall recover from the other party, and the other party shall pay, the prevailing 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.

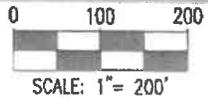
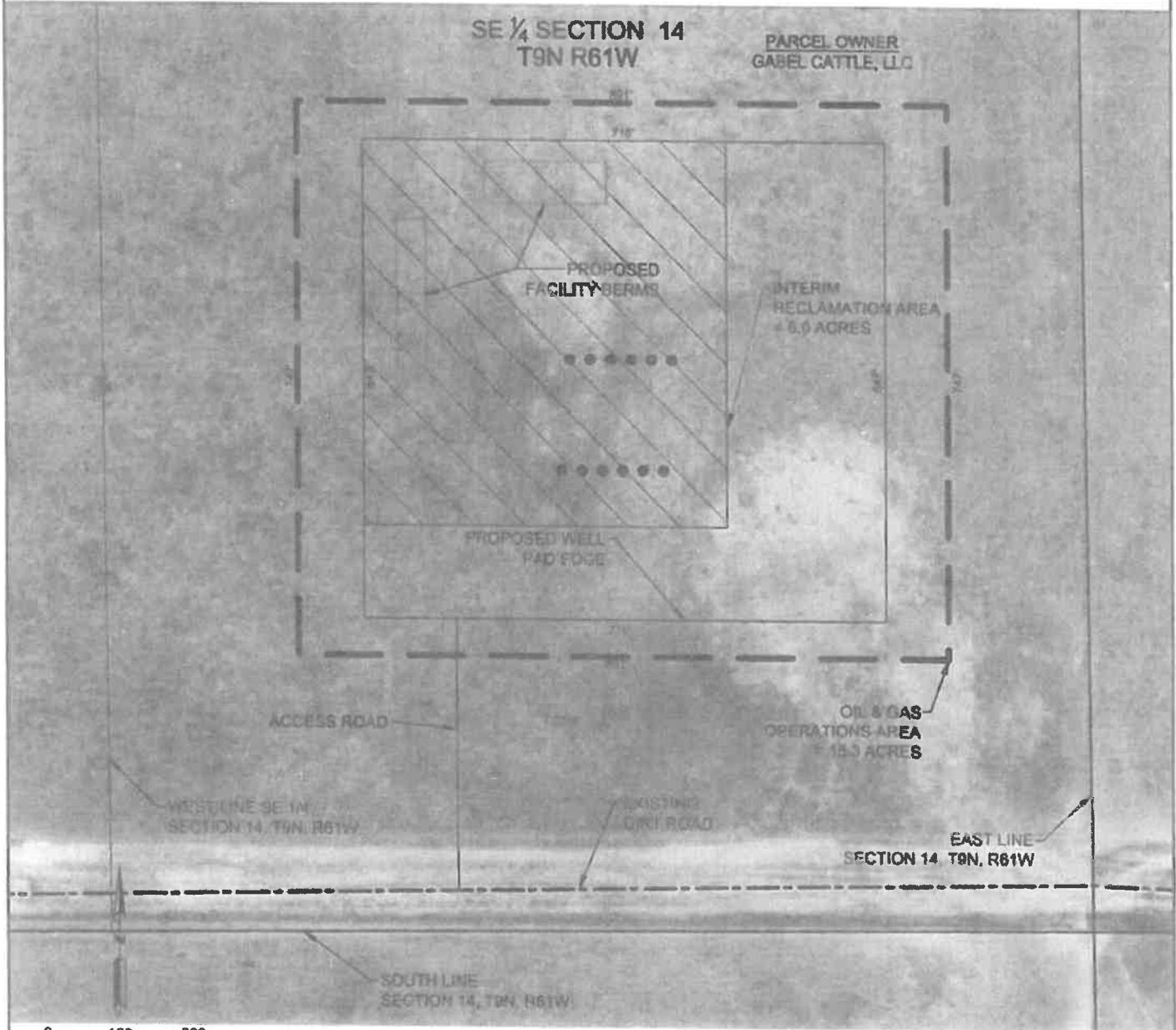
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**MATTINGLY 14-M PAD
EXHIBIT A**

**Township 9 North, Range 61 West, 6th P.M.
Section 14: SE¼SE¼**



**MATTINGLY 14-M PAD
EXHIBIT B**



LEGEND:

- = PROPOSED WELL
- = PROPOSED ACCESS ROAD
- - - = EXISTING ROAD
- ▬▬▬ = PROPOSED DISTURBANCE AREA
- ▭ = PARCEL LINE

DISCLAIMER:
THIS PLAN 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 DISPICTED HAVE NOT BEEN FIELD VERIFIED AND
MAY BE BASED UPON PUBLICLY AVAILABLE DATA THAT ALSO HAS NOT BEEN
INDEPENDENTLY VERIFIED.

DATA SOURCE:
PARCELS: WELD COUNTY ASSESSOR
PUBLICLY AVAILABLE DATA SOURCES HAVE NOT BEEN
INDEPENDENTLY VERIFIED BY ASCENT.

PREPARED BY:  7135 Hilltop Circle Denver, CO 80221 (303) 959-7135 www.ascentgeomatics.com	FIELD DATE: N/A	SITE NAME: MATTINGLY 14-M PAD	PREPARED FOR: 
	DRAWING DATE: 02-15-18	SURFACE LOCATION: SE 1/4 SE 1/4 SEC. 14, T9N, R61W, 6TH P.M. WELD COUNTY, COLORADO	
BY: RMC	CHECKED BY: WDW		