

## SURFACE DAMAGE AGREEMENT & RELEASE

### KNOW ALL MEN BY THESE PRESENTS

That for and in consideration of the sum of Ten and More Dollars (\$10.00 +), paid to the undersigned by Catamount Energy Partners LLC. (hereinafter "Operator"), receipt of which is hereby acknowledged, Danny Jaques aka Danny Ray Jaques, (hereinafter "OWNER") and his heirs, successors, and assignees, as the OWNER of the hereinafter described land, does hereby release Operator, its successors, agents and employees from any and all claims for damages to the surface of the hereinafter described lands in La Plata County, Colorado, resulting from the ingress and egress, drillings, completion, operation, maintenance, and/or abandonment of the wells situated upon and under the hereinafter described lands:

Township 33 North, Range 8 West, NMPM  
Section 27: NWSE

Owner hereby grants Operator the right to expand the existing pad location for the Jaques 6F well, from approximately 1.68 acres to approximately 2.37 acres. Operator shall use only such portions of the described lands as are reasonably necessary as more particularly shown on attached Exhibit "A". Operator shall have full and complete access to the expanded wellpad at all times for subsequent well operations. Owner grants Operator the right to install one gas flowline and one water flowline for each well drilled on the expanded pad. Such pipelines shall be laid to a minimum depth of 36 inches below the surface.

OWNER hereby grants unto Operator an easement to use the existing road not to exceed twenty feet (20') in width located across the above referenced property. The parties hereto shall cooperate with each other concerning the use and enjoyment of the subject road except for the purposes herein granted, but such use shall not hinder, conflict, or interfere directly, or indirectly, with the exercise of Operator's rights hereunder.

OWNER further releases Operator, its successors, agents and employees from any and all claims for damages for loss of growing crops on the hereinafter described lands resulting directly or indirectly from the drillings, completion, operation, maintenance and/or abandonment of the well identified above.

The consideration paid hereunder shall also compensate the OWNER for damages sustained or which may be sustained, as a direct or indirect result of the construction, maintenance and subsequent use of the access road and production facilities necessary for Operator, its successors, agents, and employees to properly conduct operations and maintenance activities associated with the well identified above. Operator shall conduct its operations in a manner which will cause the least practical interference with OWNER's use of the leased lands.

Operator agrees to repair all fences in a manner which will allow OWNER to continue its use of the property in its current manner. Drainage areas or irrigation ditches will be re-constructed in a manner agreed to with OWNER. Upon completion of the well, the wellpad shall be reduced in size to the minimum necessary to allow for normal production operations and the remainder of the wellpad will be reclaimed. Reclamation shall consist of grading disturbed areas to pre-existing grade and seeding with a seed mixture recommended by the NRCS office for the area. Rig anchors may be left in place, if identified in a manner which will avoid damage to OWNER's equipment. Restoration shall conform to the Colorado Oil & Gas Conservation Commission (COGCC) rules and regulations. Operator shall maintain disturbed areas and facilities free of weeds.

Owner will reasonably grant LPEA an electric easement for and to the above Easements, if requested by Operator or required by any regulation and if appropriate, electric capacity is reasonably available.

In accordance with Section 305.c.(5) and 305.f of the Rules of the COGCC, Owner waives the right to receive the Oil and Gas Location Assessment Notice and the Statutory Notice to Surface Owner, and Owner also waives the right to the Drilling Consultation set forth in COGCC Rule 306.a. Owner acknowledges the receipt from Operator of the brochure "Information for Surface Owners" described in COGCC Rule 305.f.(3)(D). Owner also waives the right to receive notices under the La Plata County Code, including but not limited to Section 90-77 of La Plata code in connection with the matters addressed in this Agreement.

Owner owns a residential building unit which is closer than 500 feet to the proposed expanded well pad. COGCC Rule 604(a)(1).B. for Non-Urban Mitigation Area Locations requires Operators with wells proposed to be less than 500 feet from a building unit to comply with Rules 305.a, 305.c, and 306.e.

COGCC Rule 604(a)(2) Buffer Zone Setback requires the Operator with wells proposed to be less than 1,000 feet from a building unit to comply with Rules 305.a, 305.c, and 306.e.

COGCC Rule 305.a. requires that a Notice of Intent to conduct Oil and Gas Operations to be submitted to you, 30 days prior to submission of our state permit application.

La Plata County Colorado Land Use Code Section 90-122 II A, states that: "A setback of at least 500 feet shall be required between the wellhead and the closest existing residential structure or platted building envelope, unless verified written consent is obtained from the affected surface property owner to a waiver of this standard."

The Owners do hereby grant a waiver of current applicable setback regulations, including the 500-foot and 1,000-foot setback requirements pursuant to COGCC Rule 604 and La Plata County Land Use code 90-122 II A for the proposed Jaques 10, Jaques 11 and Jaques 12 wells. Additionally, Owner grants Operator a waiver under the aforementioned COGCC Rules 305.a., 305.c. and 306e.(1) and (2).

Operator will comply with COGCC Rules concerning Noise Abatement and shall install hospital grade mufflers, buried in series, sound walls, and/or other devices as necessary.

The consideration due hereunder shall be payable as outlined in the Side Letter Agreement.

Operator hereby agrees to indemnify and hold OWNER harmless from and against any and all expenses, losses or damages resulting from or relating to Operator's operation and maintenance of the well, equipment, road and related activities on the property, provided however Operator does not indemnify OWNER for expenses, losses or damages resulting from OWNER's conduct on the Property.

The Operator's rights under this Agreement shall be in addition to, and shall not diminish, any and all rights under its Oil and Gas Leases covering all or any portion of the Subject Property.

This Agreement shall be for as long as the above captioned well is operated by Operator, its successors and assigns, and for a period of one year after the abandonment of the well during which time Operator shall have the right to remove all facilities and other fixtures installed pursuant to this agreement. Upon abandonment of the well, Operator agrees to restore the surface of the lands to as near as condition as it was prior to Operator's operations in accordance with COGCC Rules.

The terms of this written Agreement and the Side Letter shall constitute the full agreement between the parties hereto and no modification or amendment of this Agreement shall be effective unless made in writing and signed by the parties.

IN WITNESS WHEREOF, this Surface Damage and Release Agreement is voluntarily entered into and executed this 17<sup>th</sup> day of February, 2018.

**OWNER:**

*Danny Jaques*  
Danny Jaques aka Danny Ray Jaques

**OPERATOR:**

Catamount Energy Partners LLC

BY: *Russell Kelly*

NOTARY PUBLIC

STATE OF COLORADO )  
 )ss.  
COUNTY OF LA PLATA )

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of February, 2018, by Danny Jaques, aka Danny Ray Jaques.

Witness my hand and official seal.

My Commission Expires:

**R David Myers**  
Notary Public  
STATE OF COLORADO  
Notary ID 20034006069  
My Commission Expires February 20, 2019

*R. David Myers*  
Notary Public

NOTARY PUBLIC

STATE OF COLORADO )  
 )ss.  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of February, 2018, by *Russell Kelly*, as *Senior V.P.* for Catamount Energy Partners LLC.

Witness my hand and official seal.

My Commission Expires:

*2-10-2020*

**JORDAN BIGGS**  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID # 20164004775  
MY COMMISSION EXPIRES 02-10-2020

*Jordan Biggs*  
Notary Public