

**MEMORANDUM OF
SURFACE DAMAGE AND RELEASE AGREEMENT**

WHEREAS on the 23 day of August, 2017, **Dallas Schleining and Nancy Schleining, as Joint Tenants ("Owner")**, with an address of P.O. Box 3, Ault, CO, 80610, entered into a Surface Damage and Release Agreement ("**Agreement**") with **Bayswater Exploration & Production, LLC, ("Operator")** with an address of 730 17th Street, Suite 610, Denver, CO 80202, covering the below described lands in Weld County, Colorado (the "**Subject Lands**").

TOWNSHIP 7 NORTH, RANGE 65 WEST, 6TH P.M.

**SECTION 18: PT NE4, BEING MORE PARTICULARLY DESCRIBED IN THAT CERTAIN
SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 4124851 IN THE RECORDS
OF WELD COUNTY, COLORADO**

WHEREAS, Operator has obtained an Agreement from the Owner of the Subject Lands and Operator, and/or its affiliates, owns a working interest in valid leases covering lands pooled or included in a spacing unit in or adjacent to the Subject Lands (each a "**Lease**," collectively, the "**Leases**"). Additionally, Operator may have responsibilities under a Joint Operating Agreement ("**JOA**") with respect to the Subject Lands and adjacent Lands.

WHEREAS, said Agreement provides for, among other things, the right to enter upon and use the Owner's Subject Lands for the purpose of erecting and maintaining well site location(s) for one (1) or more wells on Owner's land to maintain the well site location(s) and/or facilities. Said Agreement sets forth payment and specific amounts to cover damages resulting from the construction, use and maintenance of the well site location(s) and roads. Said Agreement, with all of its terms, conditions, covenants and other provisions, is referred to and incorporated into this Memorandum for all purposes.

WHEREAS, said Agreement also provides that Owner expressly acknowledges that this Agreement satisfies Operator's obligation under COGCC rules to consult in good faith with the surface owner regarding the proposed oil and gas operations and that this Agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligation of Operator to accommodate Owner's use of the surface of the described Subject Lands, existing or future, and waives any statutory or common law claims to the contrary.

WHEREAS, said Agreement further provides for the waiver by Owner of all notices as required by the COGCC for issuing APDs and as may be required under provisions of COGCC Rule 305. Said Agreement further provides that the provisions of Rule 306.a. "Consultation with surface owner" have been met or waived.

NOW THEREFORE, this Memorandum of Surface Damage and Release Agreement is executed for the purpose of recordation in the office of the County Clerk of Weld County in order to give notice of the Agreement. It is not intended by this Memorandum to construe, define, limit or modify said Agreement, but to merely disclose to the public that said Agreement does exist.

OWNER(S):

Dallas Schleining
By: Dallas Schleining

OPERATOR:
**BAYSWATER EXPLORATION &
PRODUCTION, LLC**

Mark E. Brown
By: Mark E. Brown
Title: Operations Manager

Nancy Schleining
By: Nancy Schleining

ACKNOWLEDGEMENTS

STATE OF COLORADO
COUNTY OF _____

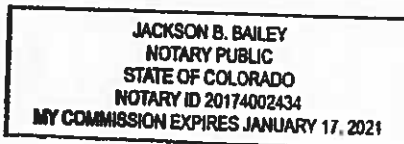
On this 23 day of August, 2017, before me personally appeared **Dallas Schleining and Nancy Schleining, Joint Tenants** known to me to be the person(s) described in and who executed the within instrument and acknowledged to me that he and/or she executed the same.

WITNESS my hand and official seal.

Notary Public Jackson B. Bailey

Residing at: 4547 Fenwood Pl. Highlands Ranch CO

My Commission Expires: January 17, 2021



STATE OF COLORADO
COUNTY OF DENVER

On this 25th day of August, 2017, personally appeared before me **Mark E. Brown**, who, being by me duly sworn, did say that he is the **Operations Manager** for Bayswater Exploration & Production, LLC and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said **Mark E. Brown** acknowledged to me that said corporation executed the same.



Notary Public Corella R. Green

Residing at:

3100 Cherry Creek Dr. S 1207
Denver, CO 80209

My Commission Expires:

8-20-21