

SURFACE USE AND DAMAGE AGREEMENT

This Surface Use and Damage Agreement (this "SUA") is made and entered into effective as of June ~~30~~, 2017 (the "Effective Date") by and between **Mile High Duck Club** and each of its successors and assigns, herein referred to as "Owner," whose address is 1720 South Bellaire Street, Suite 300, Denver, CO 80222 and **Extraction Oil & Gas, Inc.**, and each of its successors and assigns, herein referred to as "Operator," whose address is 370 17th Street, Suite 5300, Denver, CO 80202. Owner and Operator are referred to herein individually as a "Party" and collectively as the "Parties." The Parties hereby agree as follows:

WITNESSETH:

WHEREAS, Owner owns the surface of certain lands located in Adams County, Colorado, identified as follows:

Township 1 South, Range 66 West of the 6th P.M.
Section 12: parts of, as further depicted on Exhibit "A"
attached hereto (the "Subject Lands"); and

WHEREAS, 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 Subject Lands, or lands pooled or included in a spacing unit therewith, or lands adjacent thereto; and

WHEREAS, Owner utilizes the Subject Lands for a hunting and sportsman's club; and

WHEREAS, Owner's overall objective is to preserve the Subject Lands, vistas and maintain the Subject Lands primarily for a hunting and sportsman's club; and

WHEREAS, Owner wishes to insure, through testing and other measures, that water sources, water quality, and the Subject Lands are protected and not adversely impacted by Operator's exploration and production activities; and

WHEREAS, Sportsman's Mineral Co. LLC, the owner of the minerals underlying the Subject Lands, and Operator have entered into an oil and gas lease covering the Subject Lands (the "Oil and Gas Lease"); and

WHEREAS, Owner and Operator desire to enter into an agreement to provide for the expeditious development of the oil and gas resources without delay and without the expense of bonding and litigation; and

WHEREAS, the Parties intend by this SUA to define and assign responsibilities with regard to the activities discussed herein associated with the exploration, capture, production, storage and transportation of oil and/or gas on and across the Subject Lands; and

WHEREAS, Owner and Operator desire to enter into an agreement which will govern Operator's use of the Subject Lands for the purpose of Operator's exploration for, development

and production of oil and/or gas that may be discovered pursuant to the Oil and Gas Lease in a fashion which will preserve the residential, equestrian and agricultural use of the Subject Lands while allowing for the reasonable production of oil and/or gas.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

SECTION 1 – OPERATOR’S RIGHTS

1.1 Wells. The rights granted to Operator hereunder shall cover operations related to the development, drilling, completing, hydraulically fracturing (frack/refrack), producing, operating, and maintaining, and if necessary recompleting of oil and gas wells on the OGOA defined in Section 2.3 (collectively, the “Wells”) pursuant to the Oil and Gas Lease as well as other lands contiguous to or within a logical spacing or pooling area to the Subject Lands.

1.2 Grant of Easement.

a. Owner hereby grants, assigns, and conveys to Operator, its successors and assigns, and each of their agents, employees, contractors and subcontractors, a non-exclusive easement and right-of-way on, over, across, and through the Subject Lands via the road depicted on Exhibit “A” attached hereto (the “Access Road”), for the purpose of drilling, completing, hydraulically fracturing (frack/refrack), operating, securing, producing, evaluating, deepening, reworking, equipping, maintaining, plugging and abandoning of Wells on the OGOA, constructing, using and maintaining the Access Road to the OGOA and locating, constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing all necessary appurtenant facilities on the OGOA.

b. Owner grants Operator the right to drill, complete, operate and maintain up to 32 Wells on the OGOA that produce oil, natural gas, produced liquids, and associated hydrocarbons from the Subject Lands, from lands other than the Subject Lands and from lands pooled with the Subject Lands.

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

d. Owner further grants Operator the right to gather to the OGOA and transport from the OGOA oil, natural gas, produced liquids and associated hydrocarbons produced from the Subject Lands and lands other than the Subject Lands and from lands pooled with the Subject Lands, and to transfer/assign such right to a third party gatherer.

1.3 Termination of Rights. This SUA and Operator's obligations hereunder will terminate concurrently with the Oil and Gas Lease as they relate to Operator’s or its affiliates’

rights to explore, drill, and produce oil, natural gas, and associated hydrocarbons from the Subject Lands or lands pooled or unitized therewith or as otherwise provided herein. No act or failure to act on the part of Operator shall be deemed to constitute an abandonment or surrender of this SUA or of any part of it, except upon recordation by Operator of an instrument specifically terminating this SUA. To the extent a moratorium or a restrictive governmental law, rule or regulation prevents Operator from performing the operations herein described, this SUA shall be extended for such period of time that the moratorium or restrictive governmental law or regulation is in place. Notwithstanding the termination of this SUA, Operator may access the OGOA to plug and abandon the Wells and to reclaim the OGOA as provided in this SUA and in the Oil and Gas Lease and for such other purposes as necessary to comply with any law, rule, or regulation governing Operator's operations.

1.4 Non-Exclusive Rights. Owner reserves the right to use the Access Road and reserves all surface and subsurface (including the OGOA) uses of the Subject Lands and the right to grant successive easements on or across the Subject Lands on such terms and conditions the Parties agree to pursuant to a written agreement. Provided, however, that Owner's use of the OGOA shall be limited to access, use, repair, maintain and replace Owner's irrigation well and associated water pipeline located thereon. Owner may relocate such water well or water pipeline within the OGOA, if it becomes necessary to redrill the well, so long as such relocation does not materially interfere with the operations contemplated in this Agreement. Such relocation may require Operator to grant a water pipeline easement across the OGOA, which shall not be unreasonably withheld, so long as the use of such easements does not materially interfere with Operator's activities or operations on the OGOA. Operator shall not place wellheads, facilities, or any equipment within sixty (60) feet of the existing water well located in the southwestern corner of the OGOA in order to facilitate the possible relocation and redrilling of such water well should that become necessary. Any access or use rights granted to any third parties by Owner before or after the Effective Date of this SUA shall not unreasonably interfere with Operator's exercise of its rights and responsibilities as provided herein. Operator shall not assess Owner any maintenance for such use of the Access Road for any reason. Operator shall not assume any liability associated with actions or inactions of any third parties granted access.

SECTION 2 – OPERATIONS ON THE SUBJECT LANDS

2.1 Notification, Consultation and Approval. Operator shall notify and consult with Owner at least thirty (30) days in advance before construction or installation of any Facilities contemplated under this SUA.

2.2 Oil and Gas Operations on the Subject Lands. Operator desires to drill, complete, operate, produce and maintain the Wells on the OGOA, the subsurface locations of which may be under lands other than the Subject Lands. In order for Operator, its agents, consultants, successors or assigns to explore, permit, survey, obtain consents and waivers, develop, drill, construct, complete, recomple, produce, maintain, rework, equip, deepen, stimulate, re-stimulate, hydraulically fracture (frack/refrack), assess, evaluate, inspect, test, update, upgrade, operate, secure, and transport production from the Wells and all facilities associated therewith including, but not limited to, the Access Road, 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, gas lift lines, meters and housing, 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 the OGOA in order to drill the Wells and operate and maintain the Wells and Facilities. Owner and Operator desire to mitigate any surface damage to the Subject Lands and to set forth their agreement with respect to future operations on the Subject 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 Subject Lands. This SUA sets forth the Parties' rights and obligations regarding the development and use of the Subject Lands by Owner and operations conducted by Operator.

2.3 Wells and Facilities. The locations of the Well sites, the Access Road to the Well sites and the Facilities to be constructed thereon (the "Oil and Gas Operations Area" or "OGOA") are depicted on Exhibit "A". Operator shall be entitled to locate and develop up to 32 wellheads on the OGOA, 12 initial Wells (the "Initial Wells") and up to 20 additional Wells. Operator will utilize low profile tanks to the extent possible.

2.4 Conduct of Operations. Operator's operations on the Subject Lands will be conducted pursuant to the terms of the Oil and Gas Lease, this SUA, the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"), applicable Colorado statutes and case law, and any applicable federal statutes and case law. This SUA does not create in Owner a private right to enforce the rule and regulations of the COGCC.

2.5 Compensation. Operator will provide Owner with compensation for the rights granted Operator under this SUA that is described in that certain confidential Letter Agreement of even date herewith, prior to the commencement of drilling operations on the OGOA, which payment 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 Subject Lands or crops growing thereon that may occur as a result of Operator's operations pursuant to this SUA. Subsequent operations related to the Wells and associated Facilities and Access Roads, including, but not limited to, refracs, recompletions, deepening or re-drilling, except in case of emergency, shall require prior notice to Owner. Operator shall pay Owner actual damages caused by said subsequent operations.

2.6 Maintenance. Operator shall keep the Well sites, Access Road and other areas used by Operator safe and in good order, including, without limitation, control of noxious weeds, litter and debris. Operator shall conduct periodic trash pickup as deemed necessary. Operator shall comply with state and federal laws, rules and regulations governing the presence of any petroleum products, toxic or hazardous chemicals or wastes on the Subject Lands. All buildings, equipment and facilities placed on the property by Operator shall be painted in tones consistent with the surrounding area.

2.7 Specifications for Access Road. The Access Road to be constructed upon the Subject Lands shall be constructed and used to the following specifications:

a. Owner shall permit Operator with continuous access via the Access Road to the OGOA.

b. The surface of the roadway shall not exceed sixteen feet (16') in width for traveled surface. The Access Road shall be constructed with a two percent (2%) crown from the center of the Access Road to the shoulder to promote positive drainage. Constructed roadway shall be limited to twenty feet (20') from the centerline of the road easement area for fills, shoulders and crossings whenever practicable or unless otherwise dictated by local, state or federal laws or regulations governing such Access Road. Where requested by Owner, Operator shall install side ditches along the Access Road to transport runoff to appropriate drainage structures.

c. Operator agrees, if requested by Owner, to place (within reason) an appropriate sign or signs on the Access Road designating it as "Private Road, No Trespassing or Hunting" and to assist Owner in the control of the use of such Access Road by unauthorized users. The size and color of such signs shall be subject to Owner's approval. Owner may lock gates across the Access Road provided that Operator shall have the right to place its own locks on such gates. Owner shall give Operator fifteen (15) days advance notice of Owner's election to lock gates in order that Owner and Operator can consult with each other regarding the type of locks to be used and arrangements for Operator's access.

d. Operator shall employ best management practices to suppress dust from the Access Road.

2.8 Operator's Use of the Access Road. In the interests of safety and dust control, Operator and its contractors, agents, and employees shall not exceed 20 miles per hour on the Access Road. If livestock is present, the speed limit shall be 10 miles per hour. Livestock and wildlife species, including, but not limited to, deer, antelope, game birds, and songbirds, shall have the right-of-way on the Access Road, and Operator and its contractors, agents, and employees shall come to a stop and give ample time for wildlife and livestock to move from the roadway.

2.9 Fences. Operator shall construct stock-tight fences around the OGOA. All fencing to be constructed shall be four-strand wire fencing and aesthetically pleasing and as approved by Owner. Additionally, Operator agrees to the construction of a cattle guard with hinged steel gate at access point to Access Road from 152nd Avenue. Maintenance around Operator's Facilities shall be the responsibility of Operator, and Owner shall not be responsible for damage to such fences or Operator's Facilities in the event livestock gain access to these areas. Operator shall reasonably repair and/or replace any and all damage done to any fences or gates, or any other improvements of Owner, which result from Operator's operations on the Subject Lands. All fences shall be repaired in a manner consistent with surrounding fences and reasonable and customary ranching practices.



2.10 Improvements, Cultivated Land, Stock Water Pipelines. No existing fences, cattle guards, or other improvements shall be cut or damaged by Operator without the consent of Owner, which consent shall not be unreasonably withheld.

2.11 Non-Disturbance. Operator and its employees and authorized agents shall not disturb, use or travel on any of the land of Owner not subject to this SUA without Owner's consent.

2.12 Behavior of Operator's Employees, Agents and Contractors. Operator is authorized to use the OGOA solely for purposes of oil and gas exploration, production and development. The Parties agree the following activities shall not be conducted pursuant to this SUA: bring any dog, firearm, explosive device, weapon, alcoholic beverage, or illegal drugs on the Subject Lands; hunt, prospect for antlers, fossils or antiquities on the Subject Lands; or recreate, consume alcoholic beverages, or carry on any illegal activities on the Subject Lands. In the event Operator discovers any employee, contractor or representative of Operator failing to abide by the terms of this Section 2.12, Owner shall provide Operator with as much information as possible regarding any individual violating this provision and Operator agrees to take appropriate action regarding such violation.

2.13 Insurance. All vehicles traveling upon the Subject Lands and owned or operated by Operator, its contractors, agents, or employees shall be covered by automobile liability insurance covering owned, non-owned, and hired automobiles with limits of at least \$1,000,000 for injury to or death of any one person for any one occurrence, \$100,000 for property damage per occurrence. In addition, Operator shall carry comprehensive general liability insurance with minimum coverage limits of \$1,000,000 for injury or death for any one occurrence and Excess Liability in the minimum amount of \$1,000,000. Operator and its contractors, agents, and employees using the Subject Lands shall provide Owner with certificates evidencing such insurance at the time of initial construction and any time afterward at Owner's request.

2.14 Equipment Storage and Maintenance; Employee Housing. Operator's temporary equipment shall not be stacked or stored or maintained on the OGOA unless used or needed specifically for operations or maintenance of the Wells or Facilities, nor shall employees be permanently housed on any portion of the OGOA without the express written consent of Owner and additional compensation paid for such storage or permanent housing. However, rigs may be stacked on the drill site for not more than fourteen (14) days unless weather or mechanical reasons reasonably prevent such removal.

2.15 Operator Representation and Warranty as to Third Party Lands. Operator represents and warrants to Owner that, for any oil and gas produced pursuant to this SUA from lands other than the Subject Lands, Operator has, or will timely have, all necessary rights to explore, develop and produce oil and gas from such other lands.



2.16 Landscaping. Operator agrees to provide landscaping on the OGOA within 60 days of the completion of the drilling operations for the last of the Initial Wells and the installation of the accompanying tank battery.

SECTION 3 – RECLAMATION

3.1 Reclamation and Restoration.

a. 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 reasonably practicable, and according to COGCC regulations. Operator shall restore the OGOA, the Access Road and all drainage and irrigation ditches disturbed by Operator's operations as near as possible to the condition that existed prior to such operations. Any surface disturbed by Operator's activities shall be reseeded with native grasses and all noxious weeds eliminated. Any surface Facilities no longer in use shall be removed and the surface restored.

b. If by reason of Operator's conduct of its operations pursuant to this SUA or the Oil and Gas Lease, there is damage to personal property of Owner, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation systems, and for which Owner has not been previously compensated under this SUA, Operator will repair or replace such items after consultation with, and to the reasonable satisfaction of, Owner. 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 Owner and Operator.

SECTION 4 – ENFORCEMENT AND RESOLUTION OF DISPUTES

4.1 Default and Right to Cure. In the event of alleged default by Operator in the payment of the Compensation Amount, of any obligations to be performed under this SUA, or of any other terms, conditions or covenants of this SUA, 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 for 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 and Operator commences curing the alleged default within that 45 day period and diligently pursues and cures such default, then no default shall be deemed to have occurred.

No waiver by Owner of any breach by 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 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 SUA 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 either Party hereunder.

4.2 Indemnity/Release. Owner hereby releases and agrees to hold harmless Operator, and its agents, successors and assigns, from any and all claims, damages and causes of action (collectively, “Claims”) for damages on the Subject Lands which arise from, out of or in connection with Operator’s operations on the Subject Lands, but only as to those operations permitted by this SUA, for which the Compensation Amount has been paid and received by Owner pursuant to this SUA. Operator agrees to indemnify and hold Owner, and its agents, successors and assigns, harmless from any other Claims arising out of and caused by Operator’s operations on the Subject Lands, including any Claims that may be asserted by any of Operator’s agents, employees, subcontractors, contractors or persons entering upon the Subject Lands at the request of Operator; with the exception of any Claims that arise from Owner’s gross negligence or willful and wanton misconduct.

4.3 Dispute Resolution. All disputes between the Parties regarding this SUA (“Disputes”) shall be exclusively and finally resolved pursuant to this Section 4.3. If the Parties are unable to reach resolution as to any such outstanding Dispute within ten (10) business days following delivery of a written notice from either Party to the other Party that the notifying Party intends to submit such Dispute to a neutral third party for resolution pursuant to this Section 4.3, then either Party may, by written notice to the other Party (and “Election Notice”), elect to submit such Dispute to a single arbitrator (the “Independent Expert”), who shall be selected by mutual agreement of the Parties within fifteen (15) days after the delivery of such Election Notice. In the absence of such agreement within fifteen (15) days of the delivery of the Election Notice, the Independent Expert shall be selected as would a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the “Rules”). All proceedings under this Section 4.3 shall be held in Denver, Colorado, and shall be conducted in accordance with the Rules. The Independent Expert’s final determination shall be made within twenty-one (21) days after submission of the matters in dispute to the Independent Expert, and the Independent Expert shall agree to comply with this schedule before accepting appointment. In making its determination, the Independent Expert shall be bound by terms of this SUA, to the extent applicable, and, subject to the foregoing, may consider such other matters as in the opinion of the Independent Expert are necessary to make a proper determination.

SECTION 5 – WAIVER OF COGCC NOTICES AND OTHER REGULATORY MATTERS

5.1 Waiver of Notices. Owner hereby waives the following notices and consultations:

- a. Rule 305.a.: Notice of Intent to Conduct Oil and Gas Operations;
- b. Rule 305.c.(1): Oil and Gas Location Assessment Notice;
- c. Rule 305.c.(2): Buffer Zone Notice;
- d. Rule 305.f.: Statutory Notice to Surface Owners;
- e. Rule 305.h.: Move-In, Rig-Up Notice;
- f. Rule 306.a.: Surface Owner Consultation and Meeting Procedures;

- g. Rule 305.f.(4): Notice of Subsequent Operations; and
- h. Any other notice or consultation requirements of the COGCC.

5.2 Objections and Protests. 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.

5.3 Waiver of Rights. 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.

5.4 Consent to Permitting. Owner shall not oppose Operator, and 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, hydraulically fracturing (frack/refrack), stimulation, re-stimulation, workovers, deepening and recompleting, provided that Operator's position and contemplated undertakings in such proceedings are consistent with this SUA. Owner will provide Operator, and 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.

5.5 Consent to Well Location. 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, the Access Road and the 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 SUA, Owner hereby waives the Exception Zone, Buffer Zone, Urban Mitigation Area, and High Occupancy Building setback distances, as required by COGCC rules and regulations.

5.6 Consent to Distance from Existing Wells. Owner grants consent to locate the Wells greater than 50 feet from an existing well pursuant to COGCC Rule 318A.c. Owner grants consent to locate Wells outside of the GWA windows as defined in COGCC Rule 318A.a.

5.7 Application for Waiver. Owner understands that Operator may provide a copy of this SUA to the COGCC in order to obtain a waiver, exception location or variance from the COGCC rules or from a local jurisdiction.

SECTION 6 – NOTICES

6.1 Notices. Subject to the terms, conditions and covenants of this SUA, 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
Mile High Duck Club
c/o Carol Brown
Brown & Locke P.C.
1720 S. Bellaire St., Ste. 405
Denver, CO 80222
(303) 753-1053

Operator
Extraction Oil & Gas, Inc.
Attn: Surface Land Department
370 17th St., Ste. 5300
Denver, CO 80202
(720) 557-8300

Notice may be given to either Party by depositing the same via certified mail return receipt requested in the United States Mail postage prepaid, duly addressed to the other party at the address set forth in this Section 6.1, or at such other address as each Party may subsequently provide to the other. Such notice shall be deemed delivered when the Party posting same in the United States Mail receives the returned mail receipt signed by the other Party, or one of its authorized representatives.

SECTION 7 – ENTIRE AGREEMENT

7.1 Entire Agreement. Except for the Letter Agreement, this SUA contains the entire agreement between the Parties concerning the subject matter referred to herein and supersedes and replaces any prior agreements between the Parties concerning such subject matter, including any prior surface use agreements between the Parties applying to the Subject Lands or other lands owned by Owner. This SUA may not be modified orally or in any other manner other than by written agreement signed by each of the Parties or their successors or assigns.

7.2 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 SUA.

SECTION 8 – MISCELLANEOUS

8.1 No Warranty. Owner makes no representation or warranty in entering into this SUA as to any matter of title, condition, suitability for Operator's purposes, or regulatory status of the Subject Lands.

8.2 Liability for Damage Resulting from Produced Water. Operator shall be responsible for complying with the rules and regulations applicable to the removal and/or disposal of waters produced by its operations as established by the State of Colorado and other

applicable authorities, and the Operator agrees to indemnify, defend and hold Owner harmless from any claims, demand, judgment or liability arising as a result of damages to persons or property caused by or in connection with the removal or utilization of said water. Operator shall not be allowed to discharge produced water on the Subject Lands. Nothing herein permits Operator to use free of cost produced water or other water from the Subject Lands. In the event that Operator seeks to use said water, Operator shall negotiate with Owner a fair and reasonable price and location.

8.3 Compliance with Law. Operator shall conduct all of its operations and activities on the Subject Lands in accordance with all applicable local, state and federal laws, rules and regulations.

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

8.5 Advice to Tenants. Owner agrees to notify all tenants on the Subject Lands or any other third parties utilizing the surface of the Subject Lands that may be affected by Operator's activities on the Subject Lands of the existence of this SUA.

8.6 Exhibits. All Exhibits referred to herein are attached hereto and hereby incorporated herein for all purposes

8.7 Recording. The Parties agree Operator may record this SUA in the real estate records of Adams County, Colorado.

8.8 Taxes. Operator shall be responsible for and shall pay all additional taxes that may be assessed against the Subject Lands by reason of any improvements placed thereon by Operator.

8.9 Governing Law and Venue. This SUA will be governed by, construed and enforced in accordance with the laws of the State of Colorado. Subject to Section 4.3, venue with respect to any Claim under this SUA shall be in the United States District Court or the Colorado District Court located in Denver, Colorado.

8.10 Assignment; Binding Effect. Operator may not assign this SUA without the prior written consent of Owner, which consent shall not be unreasonably withheld. This SUA is binding upon the Parties and their permitted successors and assigns.

8.11 Survival. Operator's obligations and responsibilities hereunder shall survive the term of this SUA on a well-by-well basis with regard to the Subject Lands, including, without limitation, all reclamation obligations and the proper disposal of any hazardous materials.

8.12 Attorneys' Fees. If any action or proceeding is instituted by either Party for enforcement or interpretation of any term or provision of this SUA, including a proceeding to resolve a Dispute pursuant to Section 4.3, 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.

8.13 Successors and Assigns. This SUA constitutes an easement, right-of-way, and covenant running with the Subject Lands and it will be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

8.14 Counterparts. This SUA may be executed by the Parties in counterparts, each of which shall be deemed an original instrument, but which together shall constitute one and the same instrument. Execution can be evidenced by fax or .PDF signatures.

8.15 No Third-Party Beneficiaries. This SUA is intended only to benefit the Parties hereto and their respective permitted successors and assigns.

8.16 Severability. It is the intent of the Parties that the provisions contained in this SUA shall be severable. Should any provision, in whole or in part, be held invalid as a matter of law, such holding shall not affect the other provisions of this SUA, and such provisions that are not invalid shall be given effect without the invalid provision.

8.17 Signatures. The persons signing for the Parties below acknowledge and represent that each of them has the authority to sign this SUA for their respective Party and the power to bind such Party.

IN WITNESS WHEREOF, the Parties hereto have executed this SUA effective as of the Effective Date.

(The remainder of this page is intentionally left blank).

ACKNOWLEDGMENTS

Operator:
Extraction Oil & Gas, Inc.

Owner:
Mile High Duck Club

By: [Signature]
Name: Sean Casper
Title: Agent of the Company

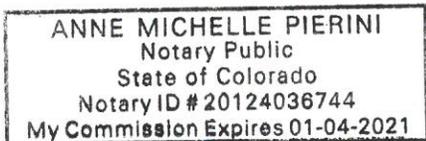
By: [Signature]
Name: Randy Lortscher
Title: President

STATE OF COLORADO)
)ss.
COUNTY OF)

The foregoing instrument was acknowledged before me on this 14th day of July, 2017, by Sean Casper, acting as Agent of the Company on behalf of Extraction Oil & Gas, Inc.

Witness my hand and official seal.

My commission expires: 1/4/21



[Signature]

(SEAL)

Notary Public

STATE OF Colorado)
)ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me on this 20th day of June, 2017, by Randy Lortscher, as President of the Mile High Duck Club.

Witness my hand and official seal.

My commission expires: 7/14/21

[Signature]

(SEAL)

Notary Public

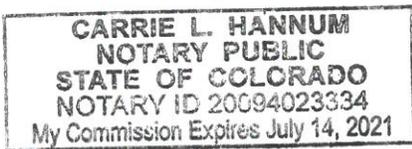
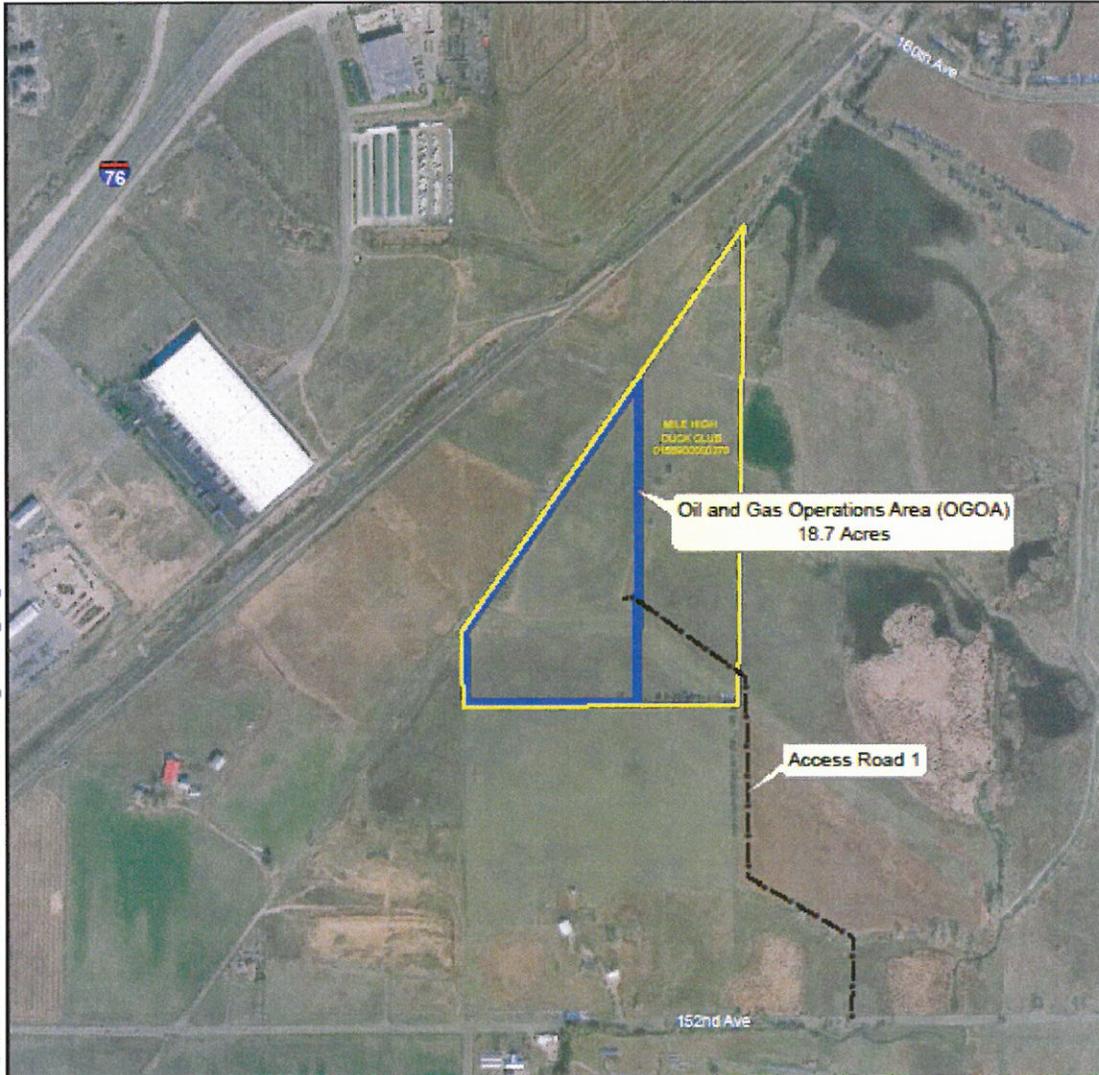


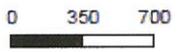
EXHIBIT "A"



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N



SCALE: 1" = 700'

LEGEND

- Parcel Lines
- Oil and Gas Operations Area (OGOA)
- Access Road

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

DATA SOURCE:
AERIAL IMAGE: MAPBOX
PARCEL LINES: ADAMS COUNTY

PUBLICLY AVAILABLE DATA SOURCES HAVE NOT BEEN INDEPENDENTLY VERIFIED BY TAMARACK CONSULTING LLC.

<p>PREPARED BY:</p> 	<p>FIELD DATE: N/A</p> <p>DRAWING DATE: 5/31/2017</p> <p>BY: SRB</p>	<p>SITE NAME: DUCK CLUB PAD</p> <p>SURFACE LOCATION: W/2 SEC. 12, T1S, R66W, 6TH P.M. ADAMS COUNTY, COLORADO</p> <p>CHECKED BY: DJC</p>	<p>PREPARED FOR:</p> 
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