

## EASEMENT, RIGHT-OF-WAY and SURFACE DAMAGES AGREEMENT

This Easement, Right-of-Way and Surface Damages Agreement (this "Agreement") is made and entered into this 1<sup>st</sup> day of February, 2016, by and between Edge Energy LLC, a Colorado limited liability company ("Operator"), whose address is 800 18<sup>th</sup> Street, Suite 300, Denver, Colorado 80202 and John S. Antico, whose address is 110 Hawthorn Road, Bellingham, Washington 98225 and Lorry A. Woods, whose address is 50 Biscayne Boulevard, Apartment # 5306, Miami, Florida 33132 ("Surface Owners"). Operator and Surface Owners may be referred to herein individually as a ("Party"), or collectively as the ("Parties").

### Recitals

A. Surface Owners own the surface estate of that certain tract of land being a portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$  and the E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 34, Township 1 North, Range 65 West, County of Weld, State of Colorado, also known as Assessor's Parcel Number 147334400067 and further depicted on Exhibit A, attached hereto and made a part hereof (hereinafter referred to as the "Property"); and

B. Operator wishes to develop its oil and gas leasehold estate by drilling, completing, developing, exploring for and producing oil and gas from vertical and horizontal oil and gas wells, exploratory oil and gas wells and pilot holes both on and off the Property and explore, produce and develop its mineral estate on, under, through and off the Property; and

C. Surface Owners intends to grant Operator perpetual easement and the right to use and occupy the Property within a defined area more accurately defined herein and on Exhibit A, for purposes of oil and gas exploration, development, operation and uses incident thereto; and

D. This Agreement sets forth the Parties' rights and obligations regarding the relationship between the development of the Property by Surface Owners and Operator's operation and development of its oil and gas leasehold estate on the Property, such rights and obligations to be binding upon the Parties' and their successors and assigns.

### Agreement

NOW, THEREFORE, for and in consideration of the sum of \_\_\_\_\_ and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Surface Owners, the parties hereto agree as follows:

1. **Consideration.** For and in consideration of the uses of the Property set forth herein and any and all necessary and reasonable damages caused by Operator and related easements granted to Operator under this Agreement; Operator has agreed to provide compensation to Surface Owners as described in that certain Letter Agreement entered into by and between Surface Owners and Operator, dated February 1<sup>st</sup>, 2016. Consideration shall be paid to Surface Owners no less than thirty (30) days prior to commencement of excavation operations on the Well Site (as defined below).

2. **Grant of Easement.** Surface Owners shall grant Operator, Operator's third-party designees, contractors, vendors, employees and other third-party personnel, a perpetual easement and right-of-way for access, construction, operation, maintenance, removal, reclamation and use of one (1) access road (the "Access Road") and one (1) well site (the "Well Site"); and together with the Access Road, the "Subject Properties") for all oil and gas uses, development, operation and production and other related materials and equipment on the Property, as well as necessary and perpetual easement to install, build, construct, operate, access, maintain, upgrade, downgrade, remove and access utility lines, fiber optic cable.

flowlines, above-ground temporary water pipelines, water tanks, oil, gas, water, and associated petroleum liquids pipelines and related above ground appurtenances (such easement and right of way being herein referred to as the "Easement"). The Well Site and the Access Road shall generally be located on the Property as depicted on Exhibit A.

Operator's Easement shall include the right to drill, complete and produce wellbores under and through the Property to locations off of the Property from the Well Site. Any wellbores drilled from the Well Site may be drilled in a manner deemed reasonable by Operator and in a manner that is consistent with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"). Wellbores drilled may include but shall not be limited to: vertical, directional, pilot holes, horizontal and twinned and other well bores.

**3. Right-of-Way for Gathering.** Surface Owners hereby grants Operator or a third-party company, at Operator's discretion, the option to place and operate pipelines within or adjacent to access roads or on definite locations on the Property ("Pipeline Right-of-Way") which allow Operator or a third-party company to connect its facilities to third-party infrastructure. Pipeline Right-of-Way granted to Operator will be a permanent right-of-way consisting of a width of 50 feet, that being 25 feet on each side of the centerline of the first installed pipeline on the Property for the purpose of accessing, installing, maintaining, upgrading, changing, removing, operating and replacing pipelines and above-ground appurtenances. Operator will have the option to delineate the Pipeline Right-of-Way in the form of an as-built survey plat and record the same in the public records of the county where the Property is situated.

**4. Subsurface Easement.** Operator is hereby granted a subsurface easement at any time during the term of this Agreement, anywhere on, through and under the Property or on, through and under other lands owned by Surface Owners, allowing passage of any wellbore for any of Operator's current or future wellbores, whether exploratory in nature, producing or nonproducing, along with the right to occupy any portion of the subsurface space under the Property with Operator's wellbores.

**5. Improvements.** With respect to Operator's equipment and facilities other than those uses described herein, Operator may install and maintain, at its sole cost and expense, fences, gates and locks if required by the COGCC or if necessary or convenient for the security of uses herein, the Well Site, production facilities, or any easements on the Property.

**6. Consents and Waivers.** Surface Owners hereby waive the 30-day written notice requirement for commencement of operations with heavy equipment for the drilling of a well (Rule 305.f) and any other and/or future notice or consultation requirements of the COGCC, including without limitations the provisions and allowed waivers under COGCC Rules 305 and 306.

Additionally, Surface Owners hereby waives the Greater Wattenberg Area (GWA) special well location, spacing and unit designation requirements of the COGCC, including without limitations the provisions and allowed waivers under COGCC Rules 318A.a and 318A.c. These GWA waivers are solely intended to minimize surface disturbance on Surface Owners lands while fully complying with the Surface Owners wishes of this Agreement. Surface Owners agrees to give notice to and consult with all tenant farmer(s), lessee(s) or other party or parties that may own an interest in crops or surface improvements that could be affected by any of Operator's proposed or reasonably foreseeable operations.

**7. Governmental Proceedings.** Surface Owners shall not oppose Operator in any agency hearing or meeting, nor shall Surface Owners object to any of Operator's Operations on the Easement in any governmental proceeding, including but not limited to the COGCC, state, county, local jurisdiction or other governing body proceedings, related to Operator's operations on the Property, including but not limited to: Well Site, well heads, oil and gas facilities, access, utility or pipeline location setback and



positioning or any other drilling operations provided that Operator's position in such proceedings is consistent with this Agreement.

8. **Successors and Assigns.** The terms, covenants and conditions hereof shall be a covenant running with the land and shall be binding upon and inure to the benefit of the Parties and their respective heirs, devisees, executors, administrators, successors and assigns.

9. **Termination.** This Agreement shall automatically terminate and be of no further force and effect at such time that Operator's oil and gas leasehold estate expires and Operator has plugged and abandoned all Wells owned all or in part by Operator and pursuant to the requirements of all applicable oil and gas leases pertaining to removal of equipment, reclamation and cleanup.

10. **Release of All Claims.** Surface Owners accepts payment and consideration described in Section 1 as full consideration and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of Operator's drilling and completion operations on the Property and its continuing activities for the production and/or transportation of oil, gas, or other hydrocarbons or products associated with such operations and activities including, but not limited to: surface use, access, wellhead equipment, above-ground temporary water pipelines, utilities, fiber optic cables, separators, tank batteries, metering and measurement equipment, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable and customary uses of land related to said operations, uses or activities.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

12. **Entire Agreement.** This Agreement sets forth the entire understanding among the Parties hereto regarding the matters addressed herein, and supersedes any previous communications, representations or agreement, whether oral or written. This Agreement shall not be amended, except by written document signed by all Parties.

13. **Counterpart Execution.** This Agreement may be executed in any number of counterparts each of which shall be deemed an original instrument but all of which together shall constitute one and the same instrument.

The Parties have executed this Agreement on the day and year first above written.

Surface Owners

Signed: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Signed: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Edge Energy LLC

Signed: \_\_\_\_\_

By: Steve Enger

Its: President

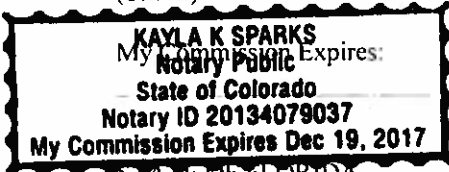
## ACKNOWLEDGEMENTS

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Denver )

The foregoing instrument was acknowledged before me this 25 day of February, 2016, by Storck, as President of Edge Energy LLC, on behalf of such limited liability company.

Witness my hand and official seal.

(SEAL)



Kayla K Sparks  
Notary Public

STATE OF FLORIDA  
COUNTY OF Dade

The foregoing instrument was acknowledged before me this 19 day of FEB, 2016, by Lorry Woods (name of person acknowledging).

(NOTARY SEAL)

[Signature]



(Signature of Notary Public-State of Florida)  
(Name of Notary Typed, Printed, or Stamped)

Personally Known X OR Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

STATE OF WASHINGTON

COUNTY OF Whatcom

On this day personally appeared before me John Antico, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

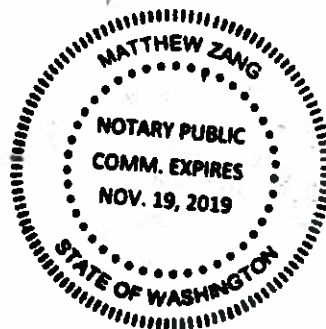
Given under my hand and seal of office this 16 day of February, 20 16.

Matthew Zang

Notary Public residing at Bellingham

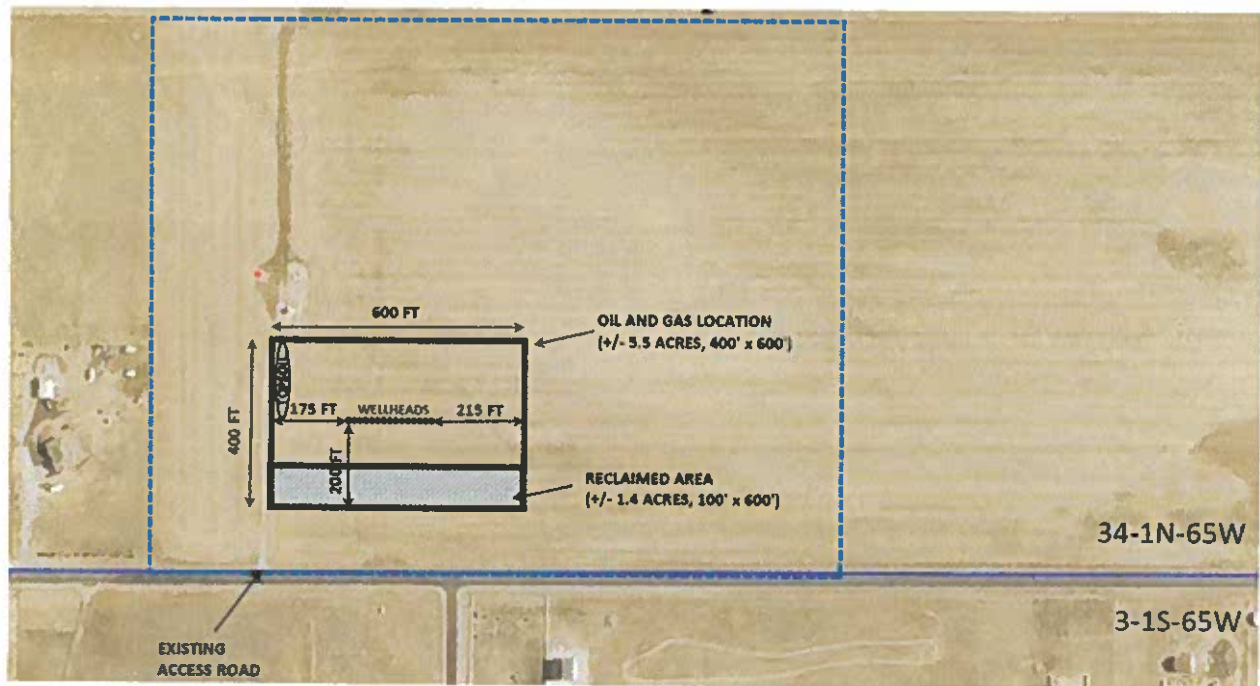
Printed Name: Matthew Zang

My Commission Expires: Nov 19, 2019



**Exhibit A**

*Attached to and made part of the certain Easement, Right-of-Way and Surface Damage Agreement dated February 1<sup>st</sup>, 2016, by and between Edge Energy LLC, a Colorado Limited Liability Company, as Operator and John S. Antico and Lorry A. Woods, as Surface Owner.*





## FIRST AMENDMENT TO EASEMENT, RIGHT-OF-WAY AND SURFACE DAMAGES AGREEMENT

This First Amendment revises Exhibit "A" for the "Easement, Right-of-Way and Surface Damages Agreement", between Confluence DJ LLC as successor to Edge Energy LLC ("Operator") and Harry Judy, Jeffrey Lee Judy and Jennifer L. Harrison ("Surface Owner"), together the Parties, as entered into and made effective the 27<sup>th</sup> day of October, 2015 and as recorded in the Weld County Clerk and Recorder records at Reception Number 4161388, (the "Agreement").

Amendment. The Exhibit "A" attached to the Agreement is replaced by the attached new Exhibit "A". All other terms and conditions of the Agreement and related Letter Agreement remain the same except as provided herein.

Relocation of Existing Permits. Operator will file the necessary paperwork with the Colorado Oil and Gas Conservation Commission (COGCC) to move the surface locations slightly north for the three permitted wells depicted on Exhibit "A".

Binding Agreement. This Amendment is binding upon the respective heirs, executors, administrators, successors, and assigns of the Parties.

Electronic Signatures. This Amendment may be executed electronically and returned to the Parties via email.

Dated this 17<sup>th</sup> day of May, 2017.

Surface Owner:

Signed: 

By: Harry Judy

Signed: 

By: Jeffrey Lee Judy

Signed: 

By: Jennifer L. Harrison

Confluence DJ LLC

Signed: 

By: William E. Nicas

Its: Vice President – Land and  
Business Development



# EXHIBIT A

## JUDY WELL PAD

SOUTHWEST QUARTER, SECTION 34, T.1N., R.65W., 6TH P.M., WELD COUNTY

