

**Master Produced Water Custody Transfer Agreement**  
**Between Caerus Piceance LLC**  
**and Berry Petroleum Company, LLC**

This MASTER PRODUCED WATER CUSTODY TRANSFER AGREEMENT (this “Master Transfer Agreement”) is made effective as of February 16, 2018 (“Effective Date”) between CAERUS PICEANCE LLC (“Caerus”) and Berry Petroleum Company, LLC (“Berry”), sometimes referred to collectively as the “Parties” or singularly as a “Party”. This Master Transfer Agreement is entered into in conjunction with that certain Facilities and Water Use Agreement between the Parties of even date (the “FWUA”). The Master Transfer Agreement together with the mutually agreed upon Water Plans, as defined below, if any, shall be referred to as the “Water Custody Transfer Agreement” or the “Agreement.”

- 1. Scope and Purpose.** Under the terms of the FWUA, Caerus and Berry hereby mutually agree that water from either Party’s operations in the Piceance Basin of Colorado (the “Basin”) consisting primarily of produced water from non-tributary, non-coalbed methane wells and flowback water from completion operations (collectively “Produced Water”) may be transferred, at times and volumes agreeable to both Parties, for re-use in the other Party’s oil and gas extraction operations within the Basin. In addition to benefitting both Parties by providing a supply of water for completion operations, transfer of Produced Water between the Parties is expected to significantly reduce water disposal volumes, wastes, fresh water usage, haul distances and truck traffic, and monetary costs. Transfer of Produced Water is also consistent with State of Colorado regulatory agency objectives of resource conservation, waste minimization and recycling and re-use of water.
- 2. Master Agreement: Records of Transfer.** The Parties are entering into this Master Transfer Agreement to facilitate the timely and efficient administration and transfer of Produced Water between them by agreeing in advance to certain terms and conditions which will be applicable to such transfers, if and when performed. This Master Transfer Agreement alone does not obligate either Party to transfer or receive Produced Water, such transfer or receipt of Produced Water is governed by the terms of the FWUA. In the event either Party wishes to initiate a transfer in accordance with the terms of the FWUA, the Parties will enter into a Receiving and Transferring Water Reuse Plans (each a “Water Plan”) in accordance with Colorado Oil and Gas Conservation Commission (“COGCC”) requirements governing such plans. Each Water Plan shall set out the process and terms and conditions applicable to a specific transfer of Produced Water including a description of the mutually agreed upon Delivery (as defined below) destination (“Transfer Location”). Upon mutual agreement of the Parties on the terms of each Water Plan, the Parties will become subject to the terms and conditions of this Master Transfer Agreement and the applicable Water Plan. Each Water Plan, upon execution by the Parties, creates a separate contract between the Parties.
- 3. Custody Transfer/Measurement.** It is agreed that the transferring Party (the “Supplier/Shipper”) shall maintain all legal and regulatory responsibility, custody and control for any Produced Water that is transferred under this Master Transfer Agreement until such time as it

is Delivered to the receiving Party (the "Receiver") or its designee at which point the Receiver will assume all legal and regulatory responsibility, custody and control for the Produced Water. For purposes of this Master Transfer Agreement, "Delivered" or "Delivery" shall mean the instant the Produced Water leaves the water truck(s) or water pipeline(s) at the mutually agreed upon Transfer Location of the Receiver. The Parties shall agree on a written water measurement protocol. The Party having legal custody of the Produced Water, as described in this Paragraph, shall be the Party with primary regulatory responsibility for any spills or releases of Produced Water, including notifications and clean-up, if and as applicable.

4. Quality. Upon request by Receiver, the Supplier/Shipper shall provide Receiver with reasonable water quality analysis; such request not to exceed once every [two (2) months] unless otherwise required by the COGCC or other governmental entity having jurisdiction over the Produced Water. Costs associated with treatment of Produced Water will be as specified in the FWUA.

5. Quantity. The specific quantities of Produced Water to be transferred will be as specified in the FWUA and memorialized in each Water Plan.

6. Usage. The Shipper/Supplier warrants and represents that the Produced Water to be delivered to the Receiver will come from primarily non-coalbed methane wells determined to be "non-tributary" in accordance with applicable laws and regulations. In addition, as of the Effective Date, the Shipper/Supplier warrants and represents that it has complied with all permitting and other legal requirements concerning its Produced Water, including but not limited to any requirements from the Colorado State Engineer's office and the United States Department of the Interior, Bureau of Land Management ("BLM"), where applicable.

7. Compliance. Each Party shall comply with all applicable laws and regulations of governmental entities having jurisdiction over the Produced Water, the Transfer Location, or the transfer process including without limitation: a) maintaining an approved plan for the management of its Produced Water and its reuse of Produced Water; b) timely notifying and reporting to the applicable regulatory authorities reportable spills or releases of Produced Water; c) maintaining laboratory analytical results of representative samples of its Produced Water and waste generator/transfer records; d) conducting and maintaining records of environmental, health safety training of personnel and procedures; e) submitting electronically an annual report to COGCC one year of completing its first transfer under such Water Plan; and (f) complying with COGCC 900 Rule Series for equipment, tanks and pits receiving the Produced Water. Each Party shall also comply with all written policies and procedures provided to it by the other Party pertaining to the Transfer Location or the transfer process.

8. Record Keeping and Reporting. The Supplier/Shipper shall be the primary Party to maintain records of its Produced Water and all transfers of Produced Water between the Parties in accordance with applicable laws and promulgated regulations (each a "Record of Transfer"). The Supplier/Shipper shall provide copies of its Records of Transfer to Receiver within thirty (30) days of completing each transfer. Each Party shall be responsible for preparing and submitting an annual report to the COGCC within one (1) year of completing its first transfer under such Water

Plan ("Annual Report") which will include a spreadsheet that includes the information contained in the Records of Transfer. An example of a Record of Transfer is attached hereto as Exhibit "A".

9. Governing Law: Dispute Resolution. This Water Custody Transfer Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without giving effect to the principles of conflict of laws.
10. Term. The term of this Master Transfer Agreement shall begin on the Effective Date and continue for a period of one (1) year. Thereafter, this Master Transfer Agreement will automatically renew for successive one-year terms unless terminated by either Party upon sixty (60) days advance written notice. The terminating Party is also responsible for notifying the COGCC in writing of the termination of this Master Transfer Agreement between the Parties.
11. Relationship of the Parties. Neither Party is the partner, agent or legal representative of the other, nor is there any fiduciary relationship between them.
12. Assignment. Neither party may assign or subcontract its rights or duties under this Master Transfer Agreement, without the prior consent of the other Party, which consent shall not be unreasonably withheld.
13. No Third Party Beneficiary Rights. This Master Transfer Agreement shall be construed to benefit the Parties and their respective successors and assigns only and shall not be construed to create third party beneficiary rights.
14. Entire Agreement: Successors and Assigns. This Master Transfer Agreement, along with the FWUA and the applicable Water Plan, represent the entire understanding of the Parties on the matters addressed herein and supersede all prior agreements and understandings between the Parties relating to the subject matter hereof. This Master Transfer Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.
15. Federal Oil and Gas Leases. Transfers of Produced Water originating from wells completed on federal oil and gas leases, shall meet the following additional requirements. The Party which is the operator of the completed oil and gas well on the federal oil and gas lease and, as such, the original Supplier/Shipper, shall be responsible for submitting a Sundry Notice as required by the BLM prior to any Produced Water transfers along with any other information requested by the BLM. The Supplier/Shipper shall also be responsible for preparing and submitting an annual report as required by BLM for the previous year's transfers. Exhibit "B", which consists of a Federal Record of Transfer form, attached hereto and incorporated herein, shall be used in lieu of Exhibit "A" for transfers of Produced Water originating from federal oil and gas leases which, inter alia, extends the record retention period from five year to six years, and alerts the Parties as to additional federal record-keeping and reporting requirements that remain the responsibility of the original Supplier/Shipper notwithstanding transfer to the Receiver.
16. Incorporation: Conflict of Agreements. The FWUA is hereby incorporated by reference and made a part hereof. To the extent that this Master Transfer Agreement is silent as to a

particular issue or a conflict arises between the terms of this Master Transfer Agreement and the FWUA, the terms of the FWUA shall control.

17. Counterparts. This Master Transfer Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the Effective Date.

CAERUS PICEANCE LLC

By Michael J. Boman  
Name Michael A. Rynearson  
Title VP of Operations

BERRY PETROLEUM COMPANY, LLC


By   
Name: Gary A. Grove  
Title: Executive Vice President and Chief Operating Officer



Exhibit B  
to

Master Production Water Custody Transfer Agreement  
Between Caerus Piceance LLC ("Caerus")  
and Berry Petroleum Company, LLC ("Berry")

RECORD OF PRODUCTION WATER TRANSFER  
BLM Leasehold

Proposed Transfer/Transport Date(s):

Pickup Time:

Actual Transfer/Transport Date(s):

Delivery Time:

SUPPLIER/SHIPPER
Company:
Representative: Printed Name: Signature:
Phone:
Source Location Name/ID:

RECEIVER
Company:
Representative: Printed Name: Signature:
Phone:
Transfer Location Name/ID:

**Point of Custody Transfer:** At the Transfer Location unless otherwise specified below or by attachment(s).

**Volume Transferred:** Proposed Volume \_\_\_\_\_ bbls

Actual Volume \_\_\_\_\_ bbls

**Name & Contact Information of Trucking/Transfer Company:**

**Water Transfer and Volume Records:** Attach haul tickets or other volume documentation. The Shipper is responsible for maintaining laboratory analytical results for a representative sample of the Production Water being transferred.

**Record Retention:** Upon completion of transfer, ensure that both Shipper and Receiver receive a completed copy of this finalized form together with such volume and other records as necessary to meet BLM and COGCC recordkeeping requirements.

**Record Retention Period:** 6 years from Actual Transfer/Transport Date unless otherwise specified below or by attachment(s).

**Special Instructions:** None unless otherwise specified below or by attachment(s).