

MEMORANDUM OF AGREEMENT

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)
Adams

Pursuant to the terms of that certain unrecorded Surface Use Agreement dated the 22nd day of September, 2016, together with a Payment Agreement of the same date (collectively, the "Surface Use Agreement"), between the undersigned, and subject to the conditions set forth therein, Great Western Operating Company, LLC, ("Great Western") with an address of 1801 Broadway, Suite 500, Denver, CO 80202, and Baseline Lakes Holdings LLC, a Colorado limited liability company ("Surface Owner"), with an address of 12460 1st. Street, Eastlake, CO 80614, agree to the location of the well(s) and payment for damages to the surface of land connected with the access to and the drilling, construction, completion, recompletion, reworking, re-entry, production, maintenance and operations of the well(s) and associated pipelines, tank batteries and other facilities or property of Great Western associated with the well(s) and located on the following land:

Township 1 South, Range 67 West, 6TH P.M.
Section 2: Part NE
Adams County, Colorado

(the "Property"). Great Western is hereby granted a non-exclusive right-of-way and easement, during the term of the Surface Use Agreement, to drill any future wells on the Property, including horizontal and directional wells that produce from and drain all or portions of the Property or any adjacent properties, provided that such locations must be permitted locations under the then-applicable well spacing regulations of the Colorado Oil and Gas Conservation Commission ("COGCC") or exceptions granted thereto by the Director of the COGCC. Except as provided in the Surface Use Agreement, Surface Owner hereby waives its right to, and covenants that Owner shall not protest or object to any such exception location or application for the same by Great Western, provided that such exception location is otherwise consistent with the Surface Use Agreement.

Great Western is hereby granted a subsurface easement, during the term of the Surface Use Agreement, for passage of any portion of any wellbore for any of the future wells, whether producing or non-producing, including the right to occupy and use the subsurface pore space displaced by the wellbore and all structures appurtenant thereto.

It is agreed and understood that the location of the above-referenced wells will not be "twinned" as required by COGCC Rule 318A.c. Pursuant to Rule 318A.c.(2), Great Western will locate the wells on the agreed upon locations as depicted in the Surface Use Agreement.

Great Western and Surface Owner intend that the grant of easement in this instrument and the Surface Use Agreement creates a valid, present interest in the Property in favor of Great Western. The covenants and rights contained in, and granted by, this instrument and the Surface Use Agreement are made for the direct benefit of the Property and shall run with and against the Property and inure to the benefit of and bind Surface Owner and Great Western and their respective agents, assigns, employees, heirs, lessees, mortgagees, permittees, successors, and transferees, and all entities or persons claiming by, through, or under them.

This Memorandum of Agreement is executed by Surface Owner and Great Western and placed of record in Adams County, Colorado for the purpose of placing all persons on notice of the existence of the Surface Use Agreement. A true and complete copy of the Surface Use Agreement is available from Great Western to any person with an interest in the above-described Property. Notwithstanding anything contained herein to the contrary, in the event the terms and conditions of this Memorandum of Agreement conflict with the terms of the Surface Use Agreement, the terms of the Surface Use Agreement shall control in all instances.

In witness whereof, this instrument is executed and made effective this 22nd day of September, 2016.

BASELINE LAKES HOLDINGS LLC
By: [Signature]
Name: [Signature]
Its: Manager

GREAT WESTERN OPERATING COMPANY
By: [Signature]
Steve R. Stacy, Vice President - Land
EC PH

(Acknowledgements to follow)

ACKNOWLEDGEMENTS

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 29 day of September, 2016, by Steve R. Stacy, Vice President of Land, for Great Western Operating Company, LLC.

[SEAL] PHILIP J HANCOCK
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134054000
MY COMMISSION EXPIRES AUGUST 26, 2017


Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF Adams)

The foregoing instrument was acknowledged before me this 20 day of September, 2016, by Jenny L. Moore Manager, for Baseline Lakes Holdings LLC, a Colorado limited liability company.

[SEAL]


Notary Public

GWENN A WOODHOUSE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144023750
MY COMMISSION EXPIRES JUNE 16, 2018

