

**AGREEMENT FOR SURFACE USE, SETTLEMENT OF SURFACE DAMAGES  
AND GRANT OF EASEMENTS AND WAIVERS**

This Agreement for Surface Use, Settlement of Surface Damages and Grant of Easements and Waivers ("SUA") is entered into on January 15, 2018, by and between **Castle Pines North Metropolitan District** ("Surface Owner"), whose address is 7404 Yorkshire Drive, Castle Pines, Colorado 80108-9292 and **Kerr-McGee Oil & Gas Onshore LP** ("KMG"), with offices at 1099 18<sup>th</sup> Street, Suite 1800, Denver, Colorado 80202, covering certain lands (the "Lands") situated in Weld County, Colorado, described as follows:

Township 2 North, Range 66 West of the 6<sup>th</sup> P.M.

Section 19: part of the E/2 of the SE/4; more specifically described as Lot B of Recorded Exemption RE-4864; also identified as Weld County Parcel No. 130919400020.

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

1. Compensation; Release of All Claims

KMG shall pay to Surface Owner the sum set forth in that certain Agreement Regarding Compensation between Surface Owner and KMG entered into contemporaneously with this SUA, 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 KMG's operations on the Lands resulting from the construction, use, operation, and replacement of the facilities and wells shown on the attached Exhibit A titled "Castle Pines North – Surface Use Agreement Exhibit A", including, but not limited to, KMG's drilling and completion operations, its continuing activities for the production and transportation of oil, gas, other hydrocarbons, water or products associated with such operations and activities, use of the surface of the Lands, ingress, egress, access roads, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, electrical lines and equipment, and any and all other reasonable and customary uses of the Land related to all such operations or activities associated with the above facilities and wells.

2. Acknowledgement of Rights and Easements of the Parties

Surface Owner acknowledges and understands that KMG, as owner or lessee of the oil and gas estate in the Lands, owns an easement and right-of-way that burdens the Lands, and that KMG has a continuing right and entitlement to use portions of the surface of the Lands for its operations, including, but not limited to, access, construction, operation, maintenance, repair and replacement of temporary above-ground water lines and completion fluid lines, subsurface flowlines, gathering lines and other pipelines, data transmission lines, electrical lines and related equipment (both subsurface and above-ground) that may be necessary and reasonable in its operations on the Lands.

KMG acknowledges that Surface Owner is a special district formed pursuant to Title 32 of the Colorado Revised Statutes.

In recognition of the significant values in the property interests of both Parties, and in order to accommodate the interests of both Parties to a reasonable degree, and to avoid the delays and expense that could result from disputes regarding the relative rights of the Parties, this Agreement sets forth the Parties' agreement concerning their mutual accommodation of each others' rights and obligations regarding the development of the Lands by Surface Owner and KMG, such rights and obligations to be binding upon the Parties' successors and assigns, and in lieu of any other rights and obligations the Parties may otherwise have.

### 3. Grant of Rights and Easements

Surface Owner grants to KMG the following:

(i) A permanent Wellhead Area Easement, the location of which is depicted and described on Exhibit A hereto, on which to drill oil and gas wells that produce and drain oil, gas and hydrocarbons from the Lands and from lands other than the Lands and to locate, construct, use, and maintain wellheads on such Wellhead Area Easement; and

(ii) A permanent Production Facilities Area Easement, the location of which is depicted and described on Exhibit A hereto, on which to locate, construct, use, and maintain surface equipment related to such wells on the Lands, including, but not limited to, production equipment associated with the wells, flowlines, compressors and facilities related to transportation of oil and natural gas from such wells; and

(iii) A permanent Subsurface Flowline and Electric Area Easement, the location of which is depicted and described on Exhibit A hereto, to allow the transport of oil, natural gas and hydrocarbons, water, electricity or telemetry to and from the wells to the production facilities, provided such flowlines, electric lines, and communication lines are located no less than 36" below the ground surface; and

(iv) A temporary Oil and Gas Operations Area Easement ("OGO"), the location of which is depicted and described on Exhibit A hereto, on which KMG may conduct such activities as are necessary for drilling, completion, and subsequent operations on the oil and gas wells described in Paragraph 3(i) above; and

(v) A permanent Access Easement, the location of which is depicted and described on Exhibit A hereto, for the purposes of ingress, egress and regress to and from the Wellhead Area Easement, Production Facilities Area Easement, and the OGO; and

(vi) A non-exclusive, perpetual Subsurface Wellbore Easement through the Lands for the placement of horizontal wellbores for the purpose of drilling, operating and producing oil and gas wells that produce and drain hydrocarbons from other lands, provided that the Horizontal portion of such well bores are constructed at a depth of no less than 3,000 feet below the ground surface; the portion of such well bores, if any, located at depths less than 150 feet below the ground surface being located only within a Wellhead Area Easement described above; and

(viii) the right to locate within the OGO on the Lands at locations to be determined by KMG temporary above-ground water lines, temporary above-ground completion fluid lines, completions equipment, and any additional equipment related to the completion of wells described in Paragraph 3(i) above; and

### 4. Pipeline Easement and Right-of-Way

Surface Owner agrees to negotiate in good faith with Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gatherer designated by KMG the location of an easement and right-of-way on the Lands for the construction, use, maintenance, and replacement of pipelines for the transportation of hydrocarbons and water from the Lands and other lands, and associated electric power lines, data transmission lines and equipment. Surface Owner agrees that the pipeline easement and right-of-way will be on the form attached to this SUA and labeled Attachment 1.

### 5. Terms and Conditions Pertaining to Easements and this Agreement

(i) Any permanent pipelines and/or appurtenances to be constructed underground pursuant to this SUA outside the Wellhead Easement or the Production Facilities Area Easement shall be placed at a depth of not less than 36 inches below the surface of the ground. Surface Owner agrees not to increase or decrease the surface elevation on the lands encumbered by the permanent easements granted herein without KMG's prior written permission.

(ii) KMG shall repair and/or restore any fence on or adjacent to the Easements removed or severed by KMG in the course of the operations provided for in this SUA to the condition such fence was in prior to the removal by KMG. If necessary to prevent

the escape of Surface Owner's livestock, KMG shall construct temporary gates or fences in those areas affected by KMG's operations as provided for in this SUA.

(iii) KMG shall restore any lands affected by KMG's operations that the parties agree may practically be returned to agricultural production. KMG shall level and restore any lands affected by KMG's construction operations that may excessive settling due to trenching and shall sufficiently compact the soil within a reasonable period of time after completion of construction to the condition that existed at the time immediately prior to the placement of KMG's pipeline(s), to the extent reasonably practicable.

(iv) Surface Owner agrees not to build, create, construct or permit to be built, created or constructed, any obstruction, building, fence, reservoir, engineering works or other structures or improvements over, under, on or across the lands encumbered by the easements described in Section 3 herein without the prior written consent of KMG. Surface Owner may occupy the OGOA and Wellhead Easement Area for agricultural purposes only, but understands that KMG may require use of the OGOA and Wellhead Easement Area from time to time for KMG's operations.

(v) KMG shall be obligated to pay for, repair, replace or otherwise compensate Surface Owner for any damages resulting from KMG's activities and operations on the lands encumbered by the easements described in Section 3 herein, except for any damage to structures or improvements placed in the permanent easements contrary to the terms contained herein; and, Surface Owner shall pay for, reimburse, indemnify and hold KMG harmless from any and all claims or damages resulting from Surface Owner's activities on the lands encumbered by the easements. Surface Owner shall have the right to use and enjoy the lands, subject to the rights herein granted.

(vi) This SUA cannot be modified, except by an instrument in writing signed by Surface Owner and an authorized representative of KMG.

(vii) KMG shall record an original of this SUA in the records of the County of Weld. By recording this SUA, KMG shall be deemed to have accepted all of the terms and conditions hereof.

## 6. Waivers

Surface Owner, for itself and its successors and assigns, hereby waives the right to, and covenants not to, protest or object to the use of the surface of the Lands as provided in this SUA and shown on Exhibit A. Furthermore, Surface Owner and its successors and assigns will provide KMG and its successors and assigns with all written waivers and other evidence of support they may reasonably require to obtain permits from the Colorado Oil and Gas Conservation Commission ("COGCC") or any local jurisdiction for the operations contemplated by this SUA.

As provided in COGCC Rule 318A or any successor rule or amendment adopted by the COGCC, or in any rule or ordinance of a local jurisdiction, relating to the location of wells within the Greater Wattenberg Area (GWA), and in consideration of KMG's agreement to construct its wells and production facilities within the areas depicted and described on Exhibits A and B, Surface Owner hereby consents to, and waives its right to protest or object to surface well locations that are outside of designated GWA windows and surface well locations that are more than 50 feet from an existing well.

Surface Owner further understands and acknowledges that COGCC rules and regulations govern the distance between a wellhead and public roads, production facilities, buildings, building units and surface property lines, among other things. To the fullest extent necessary to allow KMG to conduct its operations within the Wellhead Area Easement and Production Facility Area Easement, Subsurface Flowline and Electric Area Easement, Access Area Easement, and OGOA shown on Exhibit A, Surface Owner hereby waives all setback requirements in COGCC Rules 603 and 604 and any successor rules or amendments, including Exception Zone setbacks and any other state or local setback requirements or other laws, requirements or regulations that would prohibit or interfere with the rights of KMG and its successors and assigns to explore for and produce oil and gas from the Lands or other lands as contemplated by this SUA.

Surface Owner acknowledges that KMG and its successors and assigns may cite the waivers in this SUA in order to obtain exceptions and variances from the COGCC or from any other state or local body having jurisdiction over oil and gas operations. Surface Owner agrees that this SUA satisfies any requirement for a consent to an exception or variance signed by the surface owner, Building Unit Owner (as that term is defined in the COGCC Rules and any successor rules or amendments), homeowner or the like and agrees that KMG and its successors and assigns may provide a copy of this SUA to the COGCC or to any other state or local body in satisfaction of such requirement. In addition, Surface Owner agrees to execute and deliver to KMG and its successor and assigns all consents and waivers requested, consistent with this SUA.

7. Notice to Future Owners

Surface Owner shall provide notice to all buyers and assignees of an interest in the Lands (or any portion thereof), including all builders, property owners, property owners' associations, and special districts, (each, a "Future Owner") of the existence of this SUA, the grants and waivers contained herein and the fact that Surface Owner has agreed to the amount of compensation for surface damages, for the grant of additional rights and easements and for the agreements and waivers in this SUA. In addition, Surface Owner will notify Future Owners that, as successors in interest to Surface Owner, Future Owners will assume the obligations undertaken by Surface Owner pursuant to this SUA, including the obligation to execute and deliver waivers to KMG and its successors and assigns and to provide notice to subsequent Future Owners. It is expressly understood and agreed by Surface Owner and KMG that the waivers, notice requirements and the obligations assumed by Future Owners as set forth in this SUA are, and shall be construed to be, covenants that run with the Land.

8. Assignment

The rights granted herein may be assigned in whole or in part, and the terms, conditions, and provisions of this SUA are a covenant running with the land and shall extend to and be binding upon the successors, and assigns of Surface Owner and KMG.

9. Binding Agreement

The terms of this SUA shall constitute covenants running with the land and shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

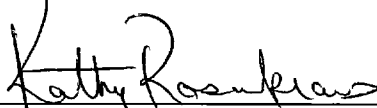
10. Counterpart Signatures

This SUA 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.

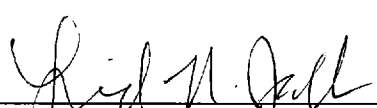
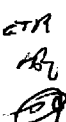
The undersigned have executed this SUA on the date first above written.

**Surface Owner:**

**Castle Pines North Metropolitan  
District**

By:   
Kathy Rosenkrans  
Board President

**Kerr-McGee Oil & Gas Onshore LP**

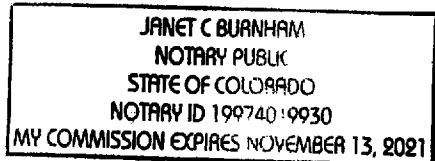
By:   
Lindsay N. Jaffee  
Agent and Attorney in Fact  


**ACKNOWLEDGEMENTS**

STATE OF COLORADO       )  
  ) ss  
COUNTY OF DOUGLAS     )

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of January 2018, by Kathy Rosenkrans, as Board President for Castle Pines North Metropolitan District.

Witness my hand and official seal.



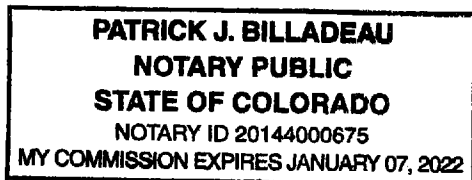
Janet C. Burnham  
Notary Public

My commission expires 11-13-21

STATE OF COLORADO       )  
  )ss  
CITY AND COUNTY OF DENVER   )

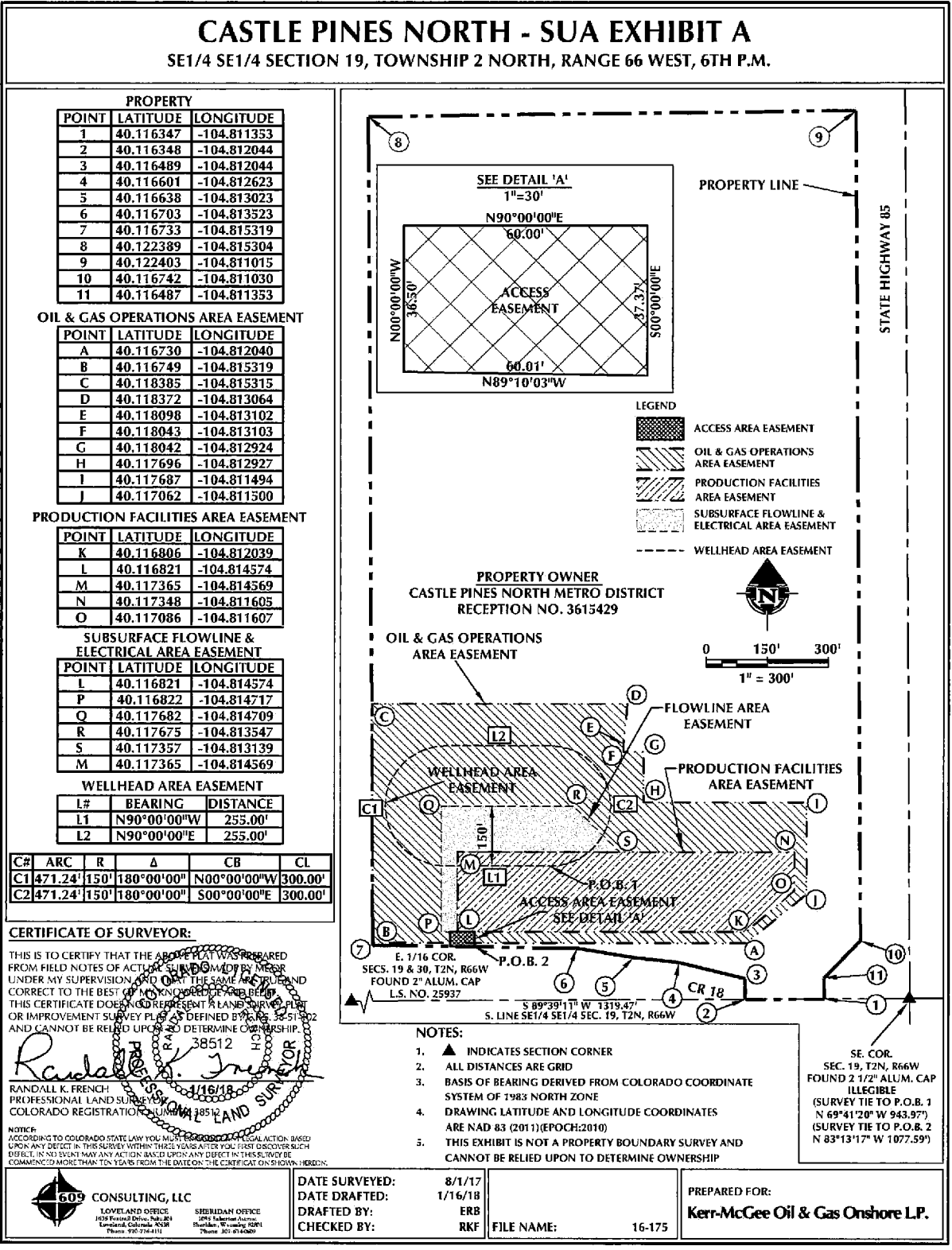
This instrument was acknowledged before me this 13<sup>th</sup> day of February 2018, by Lindsay N. Jaffee, as Agent and Attorney in Fact for Kerr-McGee Oil & Gas Onshore LP, on behalf of said limited partnership.

Witness my hand and official seal.



Patrick J. Billadeau  
Notary Public

My commission expires 1-7-2022



## Attachment 1

**RIGHT-OF-WAY GRANT**

**THIS RIGHT-OF-WAY GRANT** ("Grant") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Castle Pines North Metropolitan District, whose address is 7404 Yorkshire Drive, Castle Pines, Colorado 80108-9292 ("Grantor," whether one or more), to **KERR-MCGEE GATHERING LLC**, a Colorado limited liability company, whose address is 1099 18th Street, Suite 1800, Denver, Colorado 80202 ("KMGG"). The parties agree as follows:

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants, conveys and warrants unto KMGG, its successors and assigns, a perpetual right-of-way and easement to survey, construct, maintain, inspect, operate, repair, replace, modify, change the size of, reconstruct, mark, monitor, abandon, remove or relocate and release, at KMGG's election, one or more pipelines, and all appurtenances, below and/or above ground, necessary or convenient for the transportation or transmission of oil, gas, petroleum products, and water, from the Lands and other lands, and associated electric power lines, data transmission lines and equipment, in, on, over, under, or through the lands situated in the SE ¼ SE1/4, Section 19, Township 2 North, Range 66 West, 6<sup>th</sup> P.M., Weld County, State of Colorado, being described as follows:

A non-exclusive permanent easement fifty feet (50') wide, the route and course of which are depicted and described on Exhibit A hereto;

A non-exclusive construction easement twenty five feet (25') wide adjacent to the permanent easement, the route and course of which are depicted and described on Exhibit A hereto, and;

A non-exclusive right to use the Production Facility as more particularly depicted and described on Exhibit A hereto.

It is agreed that the pipeline(s) and any associated appurtenances may be constructed anywhere within the Production Facility provided KMGG does not in any way interfere with the use of the Production Facility area by Kerr-McGee Oil & Gas Onshore LP pursuant to that easement recorded at \_\_\_\_\_ of the real property records of the County of Weld.

After the initial construction of the pipeline(s) KMGG may require, from time to time, temporary additional work space parallel and adjacent to the Right-of-Way Lands to survey, construct, maintain, inspect, operate, repair, alter, replace, modify, change the size of, reconstruct, mark, monitor, abandon or remove the pipeline(s) together with all appurtenances. Grantor agrees to negotiate in good faith with KMGG regarding the use of this temporary additional work space.

Grantor represents and warrants to KMGG that Grantor is the sole owner in fee simple of the Right-of-Way Lands, subject to the burden of all easements and reservations of record at the time of execution hereof, and has full right, power and authority to enter into this Grant.

Any pipelines and/or appurtenances to be constructed underground pursuant to this Grant shall be placed at a depth of not less than 36 inches below the surface of the ground. Grantor agrees not to increase or decrease the surface elevation on the Right-of-Way Lands without KMGG's prior written permission. KMGG shall repair and/or restore any fence on or adjacent to the Right-of-Way Lands removed or severed by KMGG in the course of the operations provided for in this Grant to the condition such fence was in prior to the removal by KMGG. If necessary to prevent the escape of Grantor's livestock, KMGG shall construct temporary gates or fences in those areas affected by KMGG's operations as provided for in this Grant.

KMGG shall level and restore any lands affected by KMGG's operations that may have excessive settling and sufficiently compact the soil within a reasonable period of time after completion of construction to the condition that existed at the time immediately prior to the placement of KMGG's pipeline(s), to the extent reasonably practicable.

Grantor agrees not to build, create, construct or permit to be built, created or constructed, any obstruction, building, fence, reservoir, engineering works or other structures or improvements over, under, on or across the Right-of-Way Lands without the prior written consent of KMGG.

KMGG shall have all rights, privileges and benefits necessary or convenient for the full use and enjoyment of this Grant, including but not limited to, the right of ingress and egress

over and across Grantor's lands lying adjacent to the Right-of-Way Lands for any and all purposes necessary and incidental to exercising KMGG's rights hereunder. Grantor hereby agrees that KMGG may, at its option, pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the lands burdened by the Right-of-Way Lands. If KMGG exercises such option, KMGG shall be subrogated to the rights of the party to whom payment is made, and in addition to its other rights, may reimburse itself out of any rentals, royalties, shut-in royalties, or any other amounts otherwise payable to Grantor hereunder.

KMGG shall be obligated to pay for, repair, replace or otherwise compensate Grantor for any damages resulting from KMGG's activities and operations on the Right-of-Way Lands, except for any damage to structures or improvements placed in the Right-of-Way Lands contrary to the terms contained herein; and, Grantor shall pay for, reimburse, indemnify and hold KMGG harmless from any and all claims or damages resulting from Grantor's activities on the Right-of-Way Lands. Grantor shall have the right to use and enjoy the lands, subject to the rights herein granted.

This Grant cannot be modified, except by an instrument in writing signed by Grantor and an authorized representative of KMGG.

The rights granted herein may be assigned in whole or in part, and the terms, conditions, and provisions of this Grant are a covenant running with the land and shall extend to and be binding upon the successors, and assigns of Grantor and KMGG.

KMGG shall record an original of this Right-of-Way Grant in the records of the County in which the Right-of-Way Lands are located. By recording this Right-of-Way Grant, KMGG shall be deemed to have accepted all of the terms and conditions hereof.

This Grant may be executed in counterparts each of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, Grantor has executed and delivered this Right-of-Way Grant as of the date first above written.

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**GRANTOR:**

**BY:** \_\_\_\_\_  
          \_\_\_\_\_[printed name]\_\_\_\_\_,  
          Board President

STATE OF COLORADO     )  
                                  )     ss.  
COUNTY OF DOUGLAS    )

          The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_, by \_\_\_\_\_, as Board President of Castle Pines North Metropolitan District.

          Witness my hand and official Seal.

Notary Public: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**KMGG:**

**BY:** \_\_\_\_\_  
**NAME:** \_\_\_\_\_  
**TITLE:** \_\_\_\_\_

STATE OF \_\_\_\_\_     )  
                                  )     ss.  
COUNTY OF \_\_\_\_\_    )

          The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_, by \_\_\_\_\_, as \_\_\_\_\_ for     Kerr-McGee  
Gathering LLC, on behalf of said limited liability company.

          Witness my hand and official Seal.

Notary Public: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**EXHIBIT “A”**

This Exhibit “A” attached to and made part of that certain Right-of-Way Grant dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Castle Pines North Metropolitan District, whose address is 7404 Yorkshire Drive, Castle Pines, Colorado 80108-9292 (“Grantor,” whether one or more), and **KERR-MCGEE GATHERING LLC, a Colorado limited liability company**, as “KMGG” in and for the new pipeline described below.

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An as-built survey will be completed by a professional land surveyor and placed in this space prior to the document being executed by Grantor.