

## EASEMENT, RIGHT-OF-WAY, AND SURFACE USE AGREEMENT

This Easement, Right-of-Way and Surface Use Agreement ("Agreement") is entered into and effective this 14th day of June, 2018 by and between Hitz Financial Group, LLC ("Owner"), whose mailing address is ~~3030 S. College Ave., Unit 203~~, Fort Collins, CO 80525, hereinafter called Owner, and DPOC, LLC, a Delaware Limited Liability Company ("Operator"), whose mailing address is 1400 16th St. Suite 300, Denver, CO 80202, hereinafter called Operator:

1001-A E. Harmony Rd #410 92M  
FORT COLLINS, CO 80525

WITNESSETH:

For and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### 1. OWNERSHIP.

Owner is the surface owner of certain lands more particularly described as follows in Weld, County Colorado:

Township 08 North, Range 60 West of the 6th P.M.  
Section 09: The Southeast Quarter (SE/4)

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 Lands, or lands pooled or included in a spacing unit therewith, or lands adjacent thereto (the "Lease," or "Leases").

### 2. OIL AND GAS OPERATIONS ON THE LANDS.

A. Operator desires to drill, complete, operate, produce and maintain oil or gas wells (the "Wells") on the Lands or the Leases, the subsurface locations of which may be under lands other than the Lands. In order for Operator, its agents, consultants, successors or assigns to explore, permit, survey, obtain consents and waivers, develop, drill, construct, complete, recompleat, produce, maintain, rework, equip, deepen, stimulate, re-stimulate, assess, evaluate, inspect, test, update, upgrade, operate, secure, and transport production from the Wells and all facilities associated therewith including, but not limited to, access roads (including existing roads on the Lands) ("Access Roads"), 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 a portion of the Lands in order to operate and maintain the Wells and Facilities. Owner and Operator desire to mitigate any surface damage to the Lands and to set forth their agreements with respect to future operations on the 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 Lands. This Agreement sets forth the Parties' rights and obligations regarding the development and use of the Lands by Owner and operations conducted by Operator.

### 3. SURFACE EASEMENT AND RIGHT-OF-WAY; SUBSURFACE EASEMENT.

A. In those circumstances where the Operator owns, or is lessee of, the minerals underlying the Lands, Owner acknowledges and understands that Operator holds a perpetual, exclusive easement and right-of-way burdening the Lands with all the rights and privileges granted under this Agreement, the Lease, or lease associated with the Lands.

B. Owner hereby grants, assigns, and conveys to Operator, its successors and assigns and each of their agents, employees, contractors and subcontractors, a perpetual, exclusive easement and right-of-way on, over, across, and through the Lands for the purpose of drilling, completing, operating, securing, producing, evaluating, deepening, reworking, equipping, maintaining, plugging and abandoning of Wells, constructing, using and maintaining Access Roads and locating, constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing the Facilities and all necessary appurtenant facilities, for the purposes specified in this Agreement including ingress and egress from the Facilities across the Lands.

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

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

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

#### **4. LOCATION/OIL AND GAS OPERATIONS AREA.**

The locations of Wells, the Access Roads to the Well sites and Facilities to be constructed on the Lands (the "Oil and Gas Operations Area" or "OGO") shall be discussed by and between Owner and Operator prior to commencement of operations. All operations done by Operator will occur on single Drilling Site. The Drilling Site will be no more than 20 acres temporary OGO, and 8 acres permanent OGO and its location will be approved by the Owner prior to any activity taking place by the Operator. Material changes to the OGO may be made by Operator with the consent of Owner, which shall not be unreasonably withheld provided that such changes will not unduly interfere with Owner's existing use of the Lands. It is also understood and agreed that additional Access Roads and Facilities located outside of the OGO may be necessary for Operator's activities and in these circumstances Owner and Operator agree to designate a mutually agreeable location for said Access Roads and Facilities. Operator agrees not to use any more of the surface of the Lands than is reasonably necessary to conduct its operations. This Agreement does not in any way limit the rights of Operator to drill future additional Wells with associated Facilities and Access Roads on the Lands or to exercise all rights consistent with its mineral ownership or lease rights.

#### **5. CONDUCT OF OPERATIONS.**

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

#### **6. COMPENSATION AMOUNT.**

The Parties acknowledge that Operator will provide Owner with certain good and valuable consideration, as described in that confidential Letter Agreement of even date herewith, prior to the commencement of drilling operations for each Well drilled which consideration 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 Lands or crops growing thereon that may occur as a result from Operator's operations pursuant to this Agreement or the Leases. Subsequent operations related to the Wells including but not limited to refracs, recompletions, deepening, or redrilling, except in case of emergency, shall require prior notice to Owner. Operator shall pay Owner actual damages caused by said subsequent operations.

#### **7. ADDITIONAL SURFACE USE PROVISIONS, ACCESS ROADS, AND FACILITIES.**

With respect to its operations on the Lands, Operator and Owner will comply with the following provisions:

##### **A. Access Roads:**

- (i) Owner shall provide Operator with continuous access to the Lands, Wells, Facilities and all associated oil and gas operations, equipment and areas associated therewith.
- (ii) Operator will maintain all Access Roads in good repair and condition, and in accordance with COGCC regulations, state laws, and other applicable regulatory or statutory frameworks.

##### **B. Surface Restoration:**

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 is reasonably practicable, and according to COGCC regulation. Operator agrees that, whenever possible, operator will construct any pipeline and/or power lines within the access road right-of-way. Operator shall compensate owner, as stated in offer letter dated June 14, 2018 as consideration to lay, install, maintain, operate, replace, protect, repair, relocate change and remove each pipeline, power line, or flow line and any appurtenances useful and incident to the operation and protection thereof, for the transportation of oil, gas, water, or any other like or unlike substances which may be moved through a pipeline(s), and/or flow line(s), and appurtenances thereto, on over or through said lands. Pipeline and ROW easements shall only be granted for servicing the OGO. Operator shall back fill, compact, reseed, and re-contour the area disturbed by operators construction, installation, repair, or removal of any power line or pipeline. Operator shall remove all temporary pipeline and power line facilities. To the extent that it does not unreasonably interfere with operator's operations, operator shall allow surface owner to have reasonable access to use any power lines installed upon Surface Owner's property. Upon cessation of operations by Operator, Surface Owner may at its election keep said power lines in place. The Surface Owner shall enter into an agreement with the respective power company that supplies power to said power lines for the purchase of power, if Surface Owner elects to keep said power lines in place following the cessation of operations by operator.

##### **C. Other:**

- (i) Operator will install culverts on the Lands that may be necessary to maintain drainage and irrigation in a manner equivalent to conditions upon the Lands immediately prior to operations as nearly as is reasonably practicable.
- (ii) If by reason of the negligence of the Operator in the conduct of its operations pursuant to this Agreement or the Leases, there is damage to personal property of the 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 Agreement, Operator will repair or replace such items after consultation with and to the reasonable satisfaction of the 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 the Owner and Operator.

(iii) Operator agrees that all trash, refuse pipe, equipment, liquids, chemicals, or other materials brought on the Lands that are not necessary for continued operations of the Wells will be removed and disposed away from the Lands no later than 30 days after the completion of the Wells. No such items will be burned or buried on the Lands.

(iv) During drilling operations the well sites and any pits shall be fenced if requested by Owner. Additionally, the well sites shall be kept free and clear of all noxious weeds, unsightly growth and trash either during drilling operations or after completion and production.

(v) Operator agrees to fence off the perimeter of the well sites with temporary fencing if reasonably requested by Owner. Operator will also install cattle guards or gates where reasonably necessary. All wells on any wellsite shall be protected from livestock and wildlife with well head guards or fencing. Operator shall fence all tank batteries, separators and other surface equipment with a substantial fence and shall keep all gates locked. The Operator shall construct cattle guards at all places where Operator requires access through Surface Owner's fences. Cattle guards constructed by Operator shall be installed in a workmanlike manner with properly braced corners. The fence at point of installation shall be properly stretched and maintained by Operator so as to prevent the migration of livestock. Stock gates shall be constructed at Surface Owner's request if the movement of livestock will be interfered with. No fences, cattle guards or other improvements of Surface Owner shall be cut or damaged by Operator except with prior written consent of Surface Owner and payments of additional damages as appropriate. Grantee shall keep all surface equipment in a good state.

(vi) Weeds and Debris. Operator agrees to keep the roads, locations, and other areas utilized for its purposes, free from weeds, debris and litter and will properly maintain such areas in such a manner as to minimize interference with the surface owners normal use of contiguous lands.

(vii) Maintenance and General Operations. Operator shall at all times keep the well sites road rights-of-way, and other areas disturbed by Operator safe and in good order, free of noxious weeds, litter, and debris. Operator shall dispose of all litter, sewage, and debris off of Surface Owner's property at an approved disposal site. Using reasonable efforts, Operator shall not allow or permit erosion to continue on any disturbed sites and shall promptly repair, reclaim and reseed all erosion sites per the reclamation requirements outlined in Paragraph 13 (Reclamation). Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on the Lands. All cattle guards and fences installed by Operator shall be kept clean and in good repair

(viii) Reclamation. It is understood that Operator shall be solely responsible for all reclamation related to all oil and gas activities that take place on Said Land. This shall include, but not be limited to, reclamation required within well sites, access easements, flowline and pipeline easements and utility easements. However, Operator shall permit Surface Owner the opportunity to retain "as is" any portion of the access road or surface facilities constructed by operator.

(ix) Weeds and Debris. Operator agrees to keep the roads, locations, and other areas utilized for its purposes, free from weeds, debris and litter and will properly maintain such areas in such a manner as to minimize interference with the surface owners normal use of contiguous lands.

(x) Repair and painted a color approved by Grantor to maintain a good appearance. Operator shall install fences around any dangerous area, including, any pits, where Operator drills any new wells. All fences shall be constructed under the standards of the Colorado Fence Code which includes four (4) strands of barbed wire, steel posts no more than twenty (20) feet apart, double wood cross-braced posts at corners and gates.

#### **8. DEFAULT AND RIGHT TO CURE.**

In the event of alleged default by Operator in the payment of any Compensation Amount, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Owner will notify Operator, by certified mail, return receipt requested, of the alleged default. Operator will have 60 days from receipt of the written notification in which to dispute or otherwise respond to the notification before Owner may pursue other remedies of the alleged default. If Operator cures the alleged default within 60 days of Owner's notice, or if the alleged default is of a nature that cannot be cured within 60 days, then if Operator commences curing the alleged default within that 60 day period and diligently pursues such cure, then no default shall be deemed to have occurred.

Except as otherwise agreed in writing, no waiver by Owner of any breach by the 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 the 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 Agreement 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 any party hereunder.

#### **9. INDEMNITY/RELEASE.**

Owner hereby releases and agrees to hold harmless Operator, its agents, successors and assigns from any and all liability and further payment, other than what has been provided in this Agreement, for damages on the Lands which arise from, out of or in connection with the Operator's operations on the Lands, but only as to those operations described in and permitted by this Agreement, and for those operations which the Compensation Amount has been paid and received by Owner pursuant to this Agreement.

Operator hereby releases and agrees to hold harmless Owner from any and all liability arising from Owner's non-negligent operations on the Lands.

Operator agrees to indemnify and hold Owner harmless from any and all claims, damages and causes of action arising out of and caused by Operator's operations on the Lands that may be asserted by any of Operator's agents, employees, subcontractors, contractors or persons entering upon the Lands at the request of Operator; with the exception of any claims, damages, and causes of action that arise from Owner's gross negligence or willful and wanton misconduct.

Owner agrees to indemnify and hold Operator, its agents, successors and assigns harmless from any and all claims, damages and causes of action arising out of and caused by Owner's operations on the Lands that may be asserted by any of Owner's agents, employees, subcontractors, contractors or persons entering upon the Lands at the request of Owner; with the exception of any claims, damages, and causes of action that arise from Operator's gross negligence or willful and wanton misconduct.

**10. WAIVER OF COGCC NOTICES AND OTHER REGULATORY MATTERS.**

- A. 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. Subject to this Agreement, Owner agrees to allow Operator to locate the Wells and Facilities anywhere on the Lands.
- B. 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.
- C. Owner shall not oppose Operator, 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, stimulation, re-stimulation, workovers, deepening and recompleting, provided that Operator's position and contemplated undertakings in such proceedings and consistent with this Agreement. Owner will provide Operator, its agents, consultants, attorneys, successors and assigns with any and all written support they may reasonable require to obtain permits from the COGCC or other applicable governmental body.
- D. 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, Access Roads and 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 Agreement, Owner hereby waives the Exception Zone, Buffer Zone, Urban Mitigation Area, and High Occupancy Building setback distances, as required by COGCC rules and regulations.
- E. 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 318.A.a
- F. Owner understands that Operator may provide a copy of this Agreement to the COGCC in order to obtain a waiver, exception location, or variance from the COGCC rules or from a local jurisdiction.

**11. WAIVER OF TOPSOIL PROTECTION AND RECLAMATION.**

Pursuant to COGCC Rule 1001.c, Owner agrees to waive any topsoil protection and reclamation duties owed by Operator under the COGCC's rules and regulations. Owner expressly acknowledges that the Temporary Workspace Area, including all access roads providing ingress and egress to the Temporary Workspace Area, are in a satisfactory condition currently and will, upon termination of this Grant, be in a satisfactory condition subject to Operator adherence to the terms and conditions of this Grant. Owner acknowledges that the provisions of COGCC-rule 1002 that are hereby waived confer no added benefit or protection to Owner and the waiver of said provisions is mutually beneficial to both Owner and Operator.

**12. NOTICES.**

Subject to the terms, conditions, and covenants of this Agreement 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

Hitz Financial Group, LLC

3030 S. College Ave., Unit 203, Fort Collins, CO 80525

1001-A E. Harmony Rd #410 Ste 900

Operator

DPOC, LLC

1400 16th St. Suite 300, Denver, CO 80202

Attn: Land Department

Owner agrees to notify any surface tenant or other third party that may be affected by Operator's operations on the Lands and Owner may allocate the payments made hereunder with such surface tenant as mutually agreed upon between themselves. Neither this Agreement nor any operations arising hereunder shall create any rights, obligations or liability between Operator and such third parties.

**13. ADVICE TO TENANTS.**

Owner agrees to contact any and all tenants of the Lands or any other third parties utilizing the surface of the Lands that may be affected by Operator's activities on the OGOA. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement.

**14. BINDING EFFECT.**

The terms, conditions, covenants, and provisions of this Agreement will inure to the benefit of and will be binding upon the Parties hereto, their respective heirs, agents, representatives, successors or assigns.

**15. RECORDING.**

The Parties agree Operator may record this Agreement in the real estate records of the county in which the Lands are located.

**16. ENTIRE AGREEMENT.**

Except for that certain Letter Agreement of even date herewith between Owner and Operator, this Agreement contains the entire agreement between the Parties and may not be modified orally or in any other manner other than by written agreement signed by all Parties or their successors or assigns.

**17. LETTER AGREEMENT.**

The Owners and Operator shall execute a confidential Letter Agreement, dated of even date herewith, containing the terms and conditions of the Compensation Amount arising under this Agreement.

**18. REASONABLE ACCOMMODATION.**

Owner acknowledges uses and operations upon the Lands by Operator under this Agreement 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 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.

**19. TERMINATION.**

This Agreement will terminate concurrently with the Leases as they relate to Operator's or its affiliates' rights to explore, drill, and produce oil, natural gas, and associated hydrocarbons from the Lands or lands pooled or unitized therewith or as otherwise provided herein. No act or failure to act on the part of the Operator shall be deemed to constitute an abandonment or surrender of this Agreement or of any part of it, except upon recordation by Operator of an instrument specifically terminating this Agreement. To the extent a moratorium or a restrictive governmental law, rule or regulation prevents a Party from performing the operations herein described, this Agreement 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 Agreement, Operator may access the Lands to plug and abandon the Wells and to reclaim the Lands as provided in this Agreement and the Leases and for such other purposes as necessary to comply with any law, rule, or regulation governing Operator's operations.

**20. COUNTERPARTS.**

This Agreement may be executed by facsimile or electronic mail, in counterparts, each of which will be considered an original and enforceable against either Party.

**21. GOVERNING LAW AND VENUE.**

This Agreement will be governed by, construed and enforced in accordance with the laws of Colorado. Venue shall be deemed to be in the county where the Lands are located.

**22. AUTHORITY OF SIGNATORIES.**

The signatories below declare, warrant and represent that they have the authority to enter into this Agreement on behalf of their respective principals, if any.

**23. SUCCESSORS.**

This Agreement constitutes an easement, right-of-way, and covenant running with the Lands and will be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective agents, consultants, affiliates, administrators, trustees, heirs, executors, successors or assigns.

**24. ATTORNEYS' FEES.**

If any action or proceeding is instituted by either party for enforcement or interpretation of any term or provision of this Agreement, 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 as determined by the court.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the day and year first written above.

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

Operator:  
DPOC, LLC, a Delaware Limited Liability Company

By: [Signature]  
Name: Jamison McIlvain  
Title: EVP of Business Development

Owner:  
Hitz Financial Group, LLC

By: [Signature]  
Name: Steven A. Hitz  
Title: Manager

**ACKNOWLEDGMENT**

STATE OF )  
 )ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me on this 14<sup>th</sup> day of June, 2018, by Steven A. Hitz as Manager of Hitz Financial Group, LLC.

Witness my hand and official seal.

My commission expires: 7-7-19

(SEAL) 

KATHY L MCKINNEY NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19944017880 MY COMMISSION EXPIRES JUL 7, 2019
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[Signature]  
Notary Public

**CORPORATE ACKNOWLEDGMENT**

STATE OF COLORADO )  
 )ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me on this 15<sup>th</sup> day of JUNE, 2018, by Jamison McIlvain, acting as EVP of Business Development on behalf of DPOC, LLC, a Delaware Limited Liability Company.

Witness my hand and official seal.

My commission expires: 2/13/22

(SEAL) 

CRISTINA CARRASCO NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20184007123 MY COMMISSION EXPIRES FEBRUARY 13, 2022
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[Signature]  
Notary Public