

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

This Easement, Right-of-Way and Surface Use Agreement ("**Agreement**") is entered into and effective this **May 31, 2018** by and between **Dennis L. Schulte and Cathy L. Schulte**, whose mailing address is **1522 9<sup>th</sup> Avenue, Greeley, CO 80631** (collectively the "**Owner**"), and **DPOC, LLC** ("**Operator**"), with offices at **1400 16<sup>th</sup> Street, Suite 300, Denver, CO**.

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**. Owners are the surface owner of certain lands more particularly described as follows:

**Township 08 North, Range 61 West of the 6<sup>th</sup> P.M.**

Section 29: The Northeast Quarter of the Southeast Quarter (NE/4 SE/4) (herein the "Owner's Property")

Operator, or its affiliates, owns a working interest, leasehold interest, or other interest under certain oil and gas leases covering all or portions of lands pooled or to be pooled with or included or to be included in a spacing unit including Owner's Property, 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 Owner's Property, the subsurface locations of which may be under Owner's Property or other 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 ("**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 that use of a portion of Owner's Property by Operator, its agents, consultants, successors or assigns will facilitate the operation of Operator's Wells and Facilities. Owner and Operator desire to mitigate and limit any surface damage and use of Owner's Property. This Agreement sets forth the Parties' rights and obligations regarding the development and use of a limited portion of Owner's Property for operations conducted by Operator.

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

A. Owner hereby grants, assigns, and conveys to Operator, its successors and assigns and each of their agents, employees, contractors and subcontractors, an exclusive easement and right-of-way on, over, and across, that part of Owner's Property described, identified and depicted as the Schulte Pad site on Exhibit A, attached hereto and incorporated herein by reference. Such exclusive easement is for the purpose of drilling, completing, operating, securing, producing, evaluating, deepening, reworking, equipping, maintaining, plugging and abandoning of Wells, 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. (herein referred to as the "Schulte Pad Site") Owner grants Operator the right to drill, complete, operate and maintain Wells on the Schulte Pad Site that produce oil, natural gas, produced liquids, and associated hydrocarbons from Owner's Property and lands pooled with the Owner's Property, as provided herein.

B. Owner grants to Operator a non-exclusive easement and right of way for access road for ingress and egress to and from the Schulte Pad Site as located and depicted on Exhibit A.

C. Owner hereby grants, assigns and conveys to Operator, its successors and assigns and each of their agents, employees, contractors and subcontractors the non-exclusive right of way for constructing, using and maintaining and locating, constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing underground flow lines and gathering lines and underground

appurtenant facilities for the purposes as set forth above. The gathering lines easement shall be 30 feet in width, and shall overlap the access road (Exhibit A) by 10 feet.

D. Owner hereby grants Operator a non-exclusive subsurface easement through Owner's Property 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 Owner's Property and lands pooled with Owner's Property, as provided herein.

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

F. The easements and rights of way granted by Owner to Operator in this Section 3, are subject to surface and subsurface rights and interests owned or held by third parties whose interest appears of record in the Clerk and Recorder's Office of Weld County, Colorado, and the interests of Lessees under any Oil and Gas Lessees and are granted without any warranty, express or implied. Owner reserves the right to grant surface and subsurface easements to third parties subject to the rights of the Operator granted herein.

#### **4. CONDUCT OF OPERATIONS.**

Operator's operations on Owner's Property, as provided herein, 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.

#### **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.

#### **5. 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 Owner's Property as provided in Section 3 of this Agreement.

(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. New Roads:**

New Roads constructed by Operator shall be limited to approximately thirty (30) feet in width and located as described in Section 3 of this Agreement. Operator shall be responsible for maintaining all New Roads, at Operator's sole cost and expense. Should Operator damage any fence or gate, Operator shall immediately repair the same to Owner's reasonable specifications at Operator's own expense.

##### **C. Pipelines:**

All Pipelines shall be buried at a depth of 48 inches and Operator shall, when reasonably practical, place all Lines in the same trench and overlap the Roads by at least 15 feet. Operator may install as many Lines in a trench as it desires. The Property disturbed during installation, maintenance, or replacement of any Line shall be limited to approximately sixty (60) feet in width, reverting to thirty (30) feet in width upon completion of installation, maintenance or replacement operations. Operator shall:

- i. Prior to commencement of ditch operations, remove and stockpile all topsoil from the excavated area;
- ii. Replace the topsoil of the surface; after the pipeline has been installed and the ditch backfilled;
- iii. Bury in the ditch all rocks and excess excavated material or remove the same from Owner's property.
- iv. Water settle and pack the back fill of the trench and fill and refill any areas where the surface has subsided; and
- v. Generally restore the surface to the condition that existed prior to Grantee's operations, including reseeding and re-establishing any perennial grasses.

**D. Reservation of Owner – Road and Pipeline Rights of Way:**

Owner, his agents, designees, permittees, and assignees reserve rights to the surface and below the surface of the Road and Pipeline rights of way and have the right to use and enjoy the area covered by such rights of way at any time during the term of this Agreement for any purpose including the right to grant other easements and rights-of-way over, through and across such rights of way so long as such use of other easements and rights-of-way do not materially interfere with Operator's use and enjoyment of the rights granted herein. Owner shall not build, construct, or permit to be built or constructed, any permanent structure or obstruction, or impound water or any substance, or change the grade on or over the rights of way. Owner and their assigns shall be permitted to construct fences, roads, water lines and distribution systems, power transmission lines, pipelines, communication lines and other non-structural permanent facilities on, over, along, through and across such rights of way so long as the use of such rights of way by Owner does not materially interfere with Operator's use of its roads and pipeline.

**E. Surface Restoration:**

Upon permanent cessation of Operator's operations on Owner's Property, 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, including replacement of topsoil, reseeding and re-establishing any perennial grasses.

**F. Other:**

(i) Operator will install culverts on the Lands that may be necessary to maintain drainage and irrigation in a manner equivalent to conditions that existed 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, water 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 Owner's Property 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 Owner's Property.

(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.

#### **6. 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.

#### **7. 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 easement areas as provided in Section 3 of this Agreement which arise from, out of or in connection with the Operator's operations on the easement areas as provided by Section 3 of 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 Owner's Property.

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 easement areas as provided in Section 3 of this Agreement that may be asserted by any of Owner's agents, employees, subcontractors, contractors or persons entering upon the easement areas as provided in Section 3 of this Agreement 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.

#### **8. WAIVER OF COGCC NOTICES AND OTHER REGULATORY MATTERS.**

A. Owner hereby waives the following notices and consultations:

- (i) Rule 305.c.(1): Oil and Gas Location Assessment Notice;
- (ii) Rule 305.c.(2): Buffer Zone Notice;
- (iii) Rule 305.f.: Statutory Notice to Surface Owners;
- (iv) Rule 305.h.: Move-In, Rig-Up Notice.

B. 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.

C. 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.

D. 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 are consistent with this Agreement, providing that the spacing, drilling units and pooling are consistent with the COGCC regulations. Owner will provide Operator, its agents, consultants, attorneys, successors and assigns with any and all written support they may reasonably require to obtain permits from the COGCC or other applicable governmental body.

E. 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.

F. 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 318A.a.

G. 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.

## 9. 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  
Dennis L. Schulte  
Cathy L. Schulte  
1522 9<sup>th</sup> Avenue  
Greeley, CO 80631

Operator  
DPOC, LLC  
1821 Blake Street, Suite 2B  
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.

## 10. 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.

## 11. 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.

**12. RECORDING.**

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

**13. 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.

**14. 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.

**15. REASONABLE ACCOMMODATION.**

Owner acknowledges uses and operations upon Owner's Property 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 Owner's Property as provided herein constitute "Reasonable Accommodation" by Operator, its agents, consultants, successors and assigns as provided for under Colorado Revised Statute 34-60-127.

**16. 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. Notwithstanding, the provisions of this Section 16, this Agreement shall terminate in the event that Operator does not commence drilling operations on Owner's property within five (5) years from the date hereof.

**17. 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.

**18. 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.

**19. 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.

**20. 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.

**21. 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).*

ACKNOWLEDGMENTS

Operator:  
DPOC, LLC  
By: [Signature]  
Name: Jamison McIlvain  
Title: EVP of Business Development

Owner:  
Dennis L. Schulte  
[Signature]

Owner:  
Cathy L. Schulte  
[Signature]

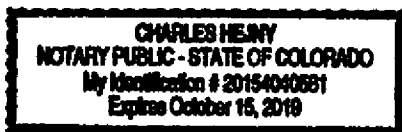
STATE OF COLORADO )  
 )ss.  
COUNTY OF Denver )

The foregoing instrument was acknowledged before me on this 11<sup>th</sup> day of June, 2018, by Jamison McIlvain, acting as EVP of Business Development on behalf of DPOC, LLC.

Witness my hand and official seal.

My commission expires: Oct. 15, 2019

(SEAL)



[Signature]  
Notary Public

STATE OF COLORADO )  
 )ss.  
COUNTY OF WELD )

The foregoing instrument was acknowledged before me on this 11<sup>th</sup> day of June, 2018, by Dennis L. Schulte and Cathy L. Schulte.

Witness my hand and official seal.

My commission expires: Oct. 15, 2019 [Signature]

