

## SURFACE USE AGREEMENT

This Surface Use Agreement ("Agreement") is dated September 1, 2018 ("Effective Date"), by and between Faye D. Miller, a single person, and Faye D. Miller, Trustee of the Donnie Miller Family Trust, whose address is P.O. Box 759, Limon, CO 80828 ("Owner") and Murfin Drilling Company, Inc., whose address is 250 N. Water, Suite 300, Wichita, Kansas 67203, ("Company").

### RECITALS

(A) Owner owns the surface estate of the following described lands located in Lincoln County, Colorado ("Lands"):

**Township 10S Range 56 West; 6<sup>th</sup> P.M.**  
**Section 21: N/2**

### AGREEMENT

In consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner and Company agree as follows:

1. **Grant of Access.** Owner hereby grants and conveys to Company the right of access on and across the Lands and the right to use the surface and subsurface of the Lands to explore, develop, produce, transport, and market oil, gas and associated hydrocarbons.
2. **Compensation.** For the privileges granted in this Agreement, Company agrees to pay the following sums to Owner:

A. **Drill Site Locations. Lines. Roads. Central Facilities.** Prior to commencement of drilling operations, Company shall pay Owner a one-time payment of [REDACTED] per well site covering up to five (5) acres in area (each a "Drill Site Location") constructed on Lands comprised of crop land, irrigated pasture land or non-irrigated pasture land, to be used by company for its exploration, drilling (whether vertical or horizontal wells), completion, deepening, hydraulic fracturing, recompletion, reworking, equipping and production operations; oil and gas flow lines, pipelines, gathering lines, telecommunication lines, electric lines (whether underground or overhead), and water lines, (together the "Lines"), private roads, roads constructed by the Company ("Access Road") and any compressor, processing facility or tank battery site, covering up to three (3) acres, (together the "Central Facility"). Said payment shall constitute payment in full for all surface damages and/or crop damages.

B. Additionally, Company shall pay Owner a one-time payment of [REDACTED] for a permanent producing well or well's (after testing and 120 days of production) and production facility on the above described lands.

**3. Easements.**

A. Access Road Easement. Owner grants to Company a non-exclusive access easement on the Lands for ingress and egress by Company and its employees, contractors, subcontractors, agents and business invitees as needed to conduct oil and gas operations as described in this Agreement. The Road Easement shall be approximately thirty (30) feet in width. The Road Easement may be used to access Outside Lands, defined as any lands located outside the Lands covered by this agreement.

**4. Drying and Burial of Drilling Cuttings on Cropland.**

A. Owner grants to Company consent to dry and bury drill cuttings at the drilling pit located on the Drill Site Location. Only Murfin Drilling Company, Inc. generated materials will be disposed of at the source location and only solidified water-based bentonitic drill cuttings will be deposited within the pit.

The Agreement shall continue in full force and effect until Company's leasehold estate covering the Lands (or other lands, to the extent the Lands are used in connection with Company's operations on such other lands) expires or terminates, Company ceases-operations on the Lands (or other lands, to the extent the Lands are used in connection with Company's operation on such other lands) under the terms of the Agreement, or Company has plugged and abandoned any wells and conducted all required reclamation, whichever is later. Owner is under an obligation to keep the Agreement confidential and not disclose the terms of the Agreement to any third party unless required to do so by law. Notwithstanding the foregoing, Owner shall provide a copy of this Agreement to any potential purchaser or transferee prior to the sale or transfer of all or any portion of the Lands.

**4. Notice and Waiver.**

A. Owner acknowledges that this notice complies with, or hereby waives all COGCC requirements that it be given advance notice by Company of the proposed Operations. Owner acknowledges receiving from Company a brochure prepared by the COGCC which describes the rights and responsibilities of Owner as a surface owner.

