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**MEMORANDUM OF COMPATIBLE DEVELOPMENT AND SURFACE USE  
AGREEMENT**

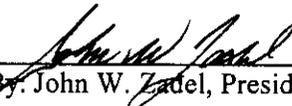
Pursuant to the terms of that certain unrecorded Compatible Development And Surface Use Agreement dated effective the 18<sup>th</sup> day of October, 2006 between the undersigned, and subject to the conditions set forth therein, Homestead At Firestone, LLC, a Colorado Limited Liability Company ("Owner") with an address at 4068 Camelot Cr., Longmont, Colorado 80504 and EnCana Oil & Gas (USA) Inc., a Delaware Corporation ("EnCana") with an address at 370 17th Street, Suite 1700, Denver, Colorado 80202, agreed to the compatible use of the surface for development and for oil and gas operations including drilling, construction, completion, recompletion, reworking, re-entry, production, maintenance and other operations located on the following land:

Township 2 North, Range 67 West, Weld County, Colorado  
Section 4: SW/4

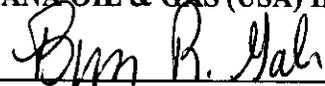
This Memorandum of Compatible Development and Surface Use Agreement is executed by Owner and EnCana and placed of record in Weld County, Colorado for the purpose of placing all persons on notice of the existence of the Agreement. A true and complete copy of the Agreement is available at the offices of EnCana.

In witness whereof this instrument is executed effective the 18<sup>th</sup> day of October 2006.

**HOMESTEAD AT FIRESTONE**

By:   
By: John W. Zadel, President

**ENCANA OIL & GAS (USA) INC.**

By:   
Byron R. Gale, Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF COLORADO )  
 ) ss.  
COUNTY OF WELD )

On this 18 day of October 2006, before me personally appeared John W. Zadel, President of HOMESTEAD AT FIRESTONE, LLC, a Colorado limited liability company, and that he executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

My Commission Expires: 5-2-2009

Rolanne Garcia  
Notary Public

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

On this 27<sup>th</sup> day of October, 2006, before me personally appeared Bryon R. Gale, known to me to be an Attorney-in-Fact of EnCana Oil & Gas (USA) Inc. and acknowledged that he executed the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

My Commission Expires 9/25/2007

Notary Public: Michael L. Tucker



**FIRST AMENDMENT TO COMPATIBLE DEVELOPMENT AND SURFACE USE  
AGREEMENT**

This First Amendment to the Compatible Development and Surface Use Agreement (the "First Amendment") is entered into effective as of the 13<sup>th</sup> day of September 2018, by and between Babcock Land Corp. ("Owner") with an address at 212 North Wahsatch Avenue Suite 301 Colorado Springs, Colorado 80903-3476, and Crestone Peak Resources Holdings, LLC ("Crestone") with an address of 1801 California Street, Suite 2500, Denver, Colorado 80202. Owner and Crestone may be referred to as "Party" or collectively as the "Parties".

**RECITALS**

**WHEREAS**, Homestead At Firestone, LLC and Encana Oil & Gas (USA) Inc. entered into that certain Compatible Development and Surface Use Agreement dated the 18<sup>th</sup> day of October, 2006, of which a Memorandum was recorded at Reception No. 3449589 on January 19, 2007 in the official records of Weld County, Colorado (the "Agreement") covering certain lands located in Weld County, Colorado; and

**WHEREAS**, Homestead At Firestone, LLC sold and transferred all right, title and interest in and to the lands covered by the Agreement to Babcock Land Corp. via Special Warranty Deed dated the 26<sup>th</sup> day of March, 2013 recorded at Reception No. 3920703 on March 29, 2013 in the official record of Weld County, Colorado; and

**WHEREAS**, Encana Oil & Gas (USA) Inc. assigned all right, title and interest in and to the Agreement and First Amendment to Crestone Peak Resources Holdings, LLC via Assignment Agreement dated effective the 29<sup>th</sup> day of July, 2016 recorded at Reception No. 4223694 in the official record of Weld County, Colorado.

**WHEREAS**, the Parties desire to amend the Agreement as set forth below.

**AGREEMENT**

**NOW, THEREFORE**, 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) Each capitalized term used in this First Amendment, to the extent not otherwise expressly defined in this First Amendment, shall have the same meaning given to such term in the Agreement.
- 2) Paragraph 1. d is hereby stricken and removed from the Agreement.
- 3) Attached Exhibit C is hereby incorporated and made part of the Agreement.
  - a) All Future Wells to be drilled, completed and produced on the Described Premises will be drilled from the Permanent Workover Area as depicted on Exhibit C.
  - b) Crestone will limit all future drilling and completion operations related to the Future Wells to the Proposed Disturbance Area as depicted on Exhibit C.

- c) Crestone will limit all maintenance, recompletions, workovers, deepenings, and drilling of replacement wells for the Future Wells to the area within the Proposed Permanent Access Road and Permanent Workover Area depicted on Exhibit C.
- d) Crestone will limit all above ground permanent production related equipment and facilities to the Proposed Facilities Permanent Disturbance as depicted on Exhibit C.
- 4) **The following paragraph shall be added to the Agreement:** Prior to completion and production of any Future Wells, Crestone will plug and abandon the following Existing Wells and abandon, and release back to Owner, the Oil and Gas Operations Area around the wells on the Described Premises: Sheley 4-6-4, Sheley 24-4, Sheley 14-4, and Sheley 13-4.
- 5) **The following paragraph shall be added to the Agreement** Owner agrees to cooperate with third party gatherer and/or utility provider on location of gathering and/or electrical lines and Owner's consent to placement of such lines shall not be unreasonably withheld, delayed, or conditioned.
- 6) **The following paragraph shall be added to the Agreement** Per Weld County code section 23-2-1010 B.8. Owner waives any necessary notice as may be required by Weld County Code Section 23-2-1010 B. as it pertains to WOGLA 28 day notice to building unit owners within 1000' of a proposed oil and gas location.
- 7) **The following paragraph shall be added to the Agreement** 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. Owner waives its right to object to Crestone's locations on the basis of state or local setback requirements or other requirements or regulations that are or become inconsistent with this Agreement or that would prohibit or interfere with the rights of Crestone to conduct mineral operations upon the Lands.
- 8) This First Amendment and all of the covenants in it shall be binding upon the personal representatives, heirs, successors and assigns of the Parties, and the benefits of this First Amendment shall inure to their personal representatives, heirs, successors and assigns. The covenants contained herein shall run with the land.
- 9) Except as amended by this First Amendment, all other terms and conditions of the Agreement shall remain in full force and effect. In the event of conflict between the terms of this First Amendment and the Agreement, this First Amendment shall control.
- 10) This First Amendment and the Agreement comprise the complete and exclusive agreement between the Parties regarding the subject matter herein, and supersede all contemporaneous oral and written communications, negotiations, representations, or agreements in relation to the subject matter made or entered into on or before the Effective Date of this First Amendment.
- 11) This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original instrument, and all of which together shall constitute one and the same instrument.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK, SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the undersigned Parties have caused this First Amendment to be executed by duly authorized representatives on the dates set forth in the acknowledgements, but to be effective on the date first above written.

**(BABCOCK LAND CORP.**

By:   
Name: JEFF MARK  
Title: VP

**CRESTONE PEAK RESOURCES HOLDINGS, LLC**

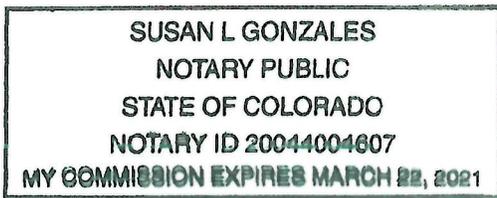
By:   
Name: Shea Kauffman  
Title: Director of Business Development and Land

ACKNOWLEDGEMENTS

STATE OF COLORADO \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of September, 2018, by Jeff Mark as Vice President for BABCOCK LAND CORP.

Witness my hand and official seal.

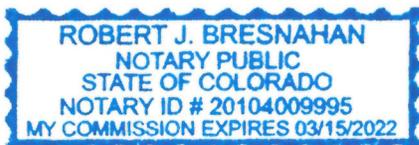


*[Signature]*  
Notary Public Name: Susan Gonzales  
My Commission Expires: 3-22-21

STATE OF COLORADO )  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of September, 2018 by Shea Kauffman, as Director of Business Development and Land, for CRESTONE PEAK RESOURCES HOLDINGS, LLC.

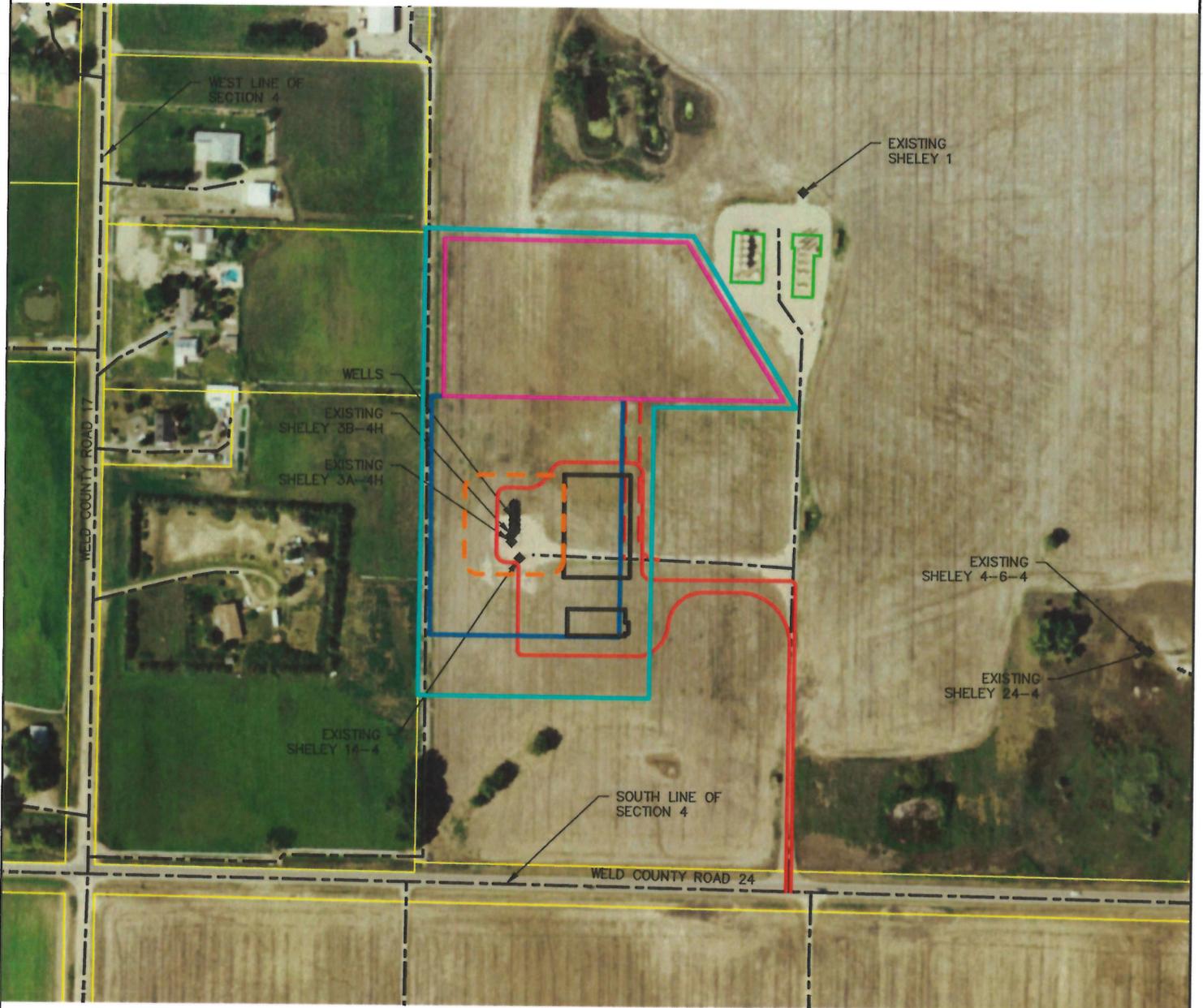
Witness my hand and official seal.



*[Signature]*  
Notary Public Name: Robert Bresnahan  
My Commission Expires: 3/15/2022

# EXHIBIT "C"

Attached hereto and made part of that certain First Amendment To Compatible Development And Surface Use Agreement dated the 13<sup>th</sup> of September, 2018, by and between Babcock Land Corp, "Owner" and Crestone Peak Resources Holdings LLC, "Crestone" covering the below described lands to-wit:



## LEGEND

- = PROPOSED WELLS
- ◆ = EXISTING WELL
- [Blue outline] = TEMPORARY WELLSITE: 4.5 ACRES
- [Pink outline] = TEMPORARY COMPLETIONS AREA: 4.5 ACRES
- [Black outline] = PROPOSED FACILITIES PERMANENT DISTURBANCE: 3.0 ACRES
- [Green outline] = EXISTING FACILITIES TO BE REMOVED
- [Orange dashed outline] = PERMANENT WORKOVER AREA: 1.0 ACRES
- [Cyan outline] = PROPOSED DISTURBANCE AREA
- [Yellow outline] = PROPERTY LINE
- [Red dashed line] = PROPOSED TEMPORARY ACCESS ROAD
- [Red solid line] = PROPOSED PERMANENT ACCESS ROAD
- [Black dashed line] = EXISTING ROAD



**CRESTONE PEAK**  
RESOURCES

TOWNSHIP 2 NORTH, RANGE 67 WEST  
SECTION 4: SW ¼ SW ¼  
WELD COUNTY, COLORADO  
AUGUST 9, 2018

