

SURFACE DAMAGE AND RELEASE AGREEMENT

This Surface Damage and Release Agreement ("**Agreement**") is made and entered into this 17th day of January, 2018, by and between Casey J. Elder, Trustee, aka successor trustee, aka co-trustee of the Marlene S. Elder Trust, and the Gene R. Elder Trust whose address is 20725 HWY 14, Ault, Colorado 80610 ("**Owner**"), and WYOTEX Drilling Ventures, LLC, ("**Operator**"); sometimes referred to each as a "**Party**," or collectively as the "**Parties**."

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 Owners of certain lands located in Weld County, Colorado as more specifically described as follows ("**Lands**"):

Township 7 North, Range 65 West
Section 11: W2NW4SW4

Operator (and/or its affiliates) owns a working interest in valid leases taken in its name covering all or portions of the Lands or lands pooled or included in a spacing unit therewith (each a "**Lease**," collectively, the "**Leases**").

2. **OPERATOR'S OIL AND GAS OPERATIONS ON THE LANDS.**

Operator intends to drill or cause to be drilled horizontal oil and/or gas wells on the Lands, as depicted approximately on Exhibit "A" attached hereto ("**the Wells**") from said lands in order to fully develop said minerals. In order for Operator to drill, construct, complete, produce, maintain, and operate the Wells and all facilities associated therewith, including, but not limited to, access roads ("**Access Roads**"), pipelines, flow lines, separators, tank batteries, electric lines and any other facilities or property necessary for Operator to conduct operations on the Wells (each a "**Facility**," collectively, the "**Facilities**"), it is necessary that Operator enter and utilize a portion of the surface of the Lands as particularly described on Exhibit "A".

The Parties enter into this Agreement to evidence their entire agreement regarding the payment of surface damages, entry, surface use, and any other matters relating to Operator's use of the Lands.

3. **LOCATION.** The approximate location of the Wells, the Access Roads and Flowlines to the Well sites and certain other Facilities to be constructed on the Lands are depicted on "Temporary Drilling and Operations Area" outlined in

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9. **WAIVER OF 30-DAY NOTICE.** Owner hereby waives the minimum 30-day written notice requirement for operations to begin, the Weld County Oil & Gas Location Assessment (WOGLA) notice requirements, the Directional Drilling Waiver, the COGCC Greater Wattenberg Area (GWA) special well location, spacing and unit designation requirements including the provisions and allowed waivers under COGCC Rules 318A.a., 318A.c. and 603.a.(2). as well as any other notice, waiver or consultation requirements of the COGCC. Without waiving the foregoing, Operator agrees it will provide an initial notice to Owners after it has submitted a request for permit to drill to the COGCC.

10. **NOTICE FOR ADDITIONAL OPERATIONS.** Operator will comply with COGCC rules and regulations requiring that advance notice be provided to

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16. **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 Weld County, Colorado.

17. **COUNTERPARTS.** This Agreement may be executed by facsimile, in counterparts, each of which will be considered an original and enforceable against either Party.

18. **ATTORNEY'S FEES AND COSTS.** The Parties agree that the prevailing Party in any action resulting from a breach of this Agreement will be entitled to its reasonable attorneys' fees and costs incurred therein.

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 a 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 successors, administrators, trustees, executors and assigns, or any other third party owning a mineral leasehold interest in the Lands or lands pooled or included in a spacing unit therewith.

IN WITNESS WHEREOF, the Parties have set their hands, the day and year first written above.

WYOTEX DRILLING VENTURES, LLC



Louis A. Oswald, III
Operations Manager



Casey J. Elder (TRUSTEE)

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