

SURFACE USE AND DAMAGE AGREEMENT

THIS AGREEMENT made and entered into this 26 day of June, 2015, by and between **Peters 313 Ranch, Inc., a Colorado Corporation**, with addresses of **PO Box M, Carpenter, WY 82054, and 33988 Weld County Road 136 1/2, Hereford, CO 80732**, hereinafter designated as "Surface Owner" and **EOG Resources, Inc.**, hereinafter referred to as "Operator", whose address is **600 17th Street, Suite 1000N, Denver, CO 80202**.

WITNESSETH, that

WHEREAS, Operator wishes to use Surface Owner's lands for Operator's proposed operations, in order to drill, complete rework or re-complete, equip, operate, maintain, produce and plug and abandon any wells and thereafter restore the surface.

NOW, THEREFORE, For and in consideration of the mutual covenants and agreements of the parties herein contained, and other good and valuable consideration, the parties hereto AGREE AS FOLLOWS:

1. **Said Land.** The Surface Owner owns the surface estate to the following described lands, hereinafter referred to as "Said Land" in Weld County, State of Colorado, to wit:

Township 12 North, Range 63 West, of the 6th P.M.

Section 26: SE1/4 (except that parcel in the NE1/4SE1/4 owned by Meadowlark Midstream Company, LLC), N1/2 (except those parcels in the NE1/4 owned by EOG Resources, Inc. and Meadowlark Midstream Company, LLC)

Section 27: ALL

Section 28: ALL

Section 33: ALL

Section 34: ALL

Section 35: N1/2

Weld County, Colorado

2. **Right-of-Way.** This Agreement shall apply to all access and use of the surface and subsurface of the Property by and on behalf of Operator, its agents, employees, contractors, and service companies, for the purpose of conducting oil and gas operations thereupon, including but not limited to drilling, completing, and producing oil and gas wells at any legal locations allowed and/or at such exception locations as are approved by the Colorado Oil & Gas Conservation Commission ("COGCC") or other managing regulatory agency, together with all operations necessary for the exploration, production, processing, gathering, marketing, and transportation of oil, gas, water and minerals, including rights-of-way across the Property to other lands owned or leased by Operator to the extent necessary to construct and maintain access roads, well pads, tank batteries, power lines, water lines, wellbores, pipelines and all other facilities in connection with the Oil or Gas Operations, including temporary surface water lines, upon the Property (collectively, "Oil and Gas Operations"). That in order for Operator to conduct Oil and Gas Operations, it is necessary that Operator cross and use certain property of Surface Owner, and the parties do hereby agree as to the damages, the right of

entry and surface use thereof. For and in consideration of the hereinafter specified amounts, Surface Owner hereby grants to Operator the exclusive right for it, its agents, employees and contractors, and their agents and employees, to enter upon the surface of Said Land for the purpose of conducting Oil and Gas Operations, including rights-of-way in, on, over, through and across the Property to and from other lands owned or leased by Operator. Surface Owner agrees to Operator's use of access roads, pipelines, waterlines and powerlines in, on, over, through, and across Said Lands for gathering, transportation and transmission of materials, from within or outside of Said Lands.

3. **Term.** This Agreement shall become effective when it is fully executed and shall remain in full force and effect for so long as Operator continues to hold a right authorizing the activities which the Oil and Gas Operations on the Said Land are intended to benefit, and shall continue in effect thereafter until Operator has plugged and abandoned all wells owned all or in part by Operator benefited by this agreement and complied with the requirements of any applicable oil and gas lease pertaining to removal of equipment, reclamation, cleanup and all other applicable provisions and existing laws and regulations with regard to Said Land. When this Agreement terminates, the parties shall execute any and all releases necessary to evidence the fact that this Agreement has terminated.

4. **Pad Sites.** Operator has agreed to pay the Surface Owner the sum of [REDACTED] for each Pad Site location up to ten (10) acres, plus [REDACTED] per acre, proportionately reduced, for any additional acre over ten (10) acres, payable prior to commencement of surface disturbing activities, as consideration for all damages associated with the construction, maintenance and use of such location for Oil and Gas Operations, including the use of temporary surface waterlines during drilling and completion operations. Operator shall have the right to install tank batteries, compressor stations, gas processing facilities, power stations, oil, gas and water lines, powerlines, other pipelines, and any facilities necessary for the production, completion, storage, disposal, transportation and marketing of gas, water and/or oil. This shall include the right of Operator to install a central production facility which may have off-lease gas, water and/or oil delivered to such location as a central point for transmitting the gas, water and/or oil to a downstream point.

5. **Access Roads.** When reasonably practicable, Operator agrees to use existing roads for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder. Operator has agreed to pay the sum of [REDACTED] per rod as consideration for the construction, maintenance and use of any new roads and rights-of-way necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder. Any new roads shall be limited to twenty-two feet (22') in width for the actually traveled roadbed. Roads shall be constructed to industry standards allowing for ditches, culverts, and other means for proper drainage away from roadway. In areas where turnouts are needed the road shall be widened to accommodate traffic safety.

6. **Pipelines, Waterlines and Powerlines.** Operator agrees that, when reasonably practicable, Operator will construct any pipeline, waterlines, and/or powerlines within the access road right-of-way, if one exists. If Operator is unable to construct its pipelines and/or powerlines in the said access road right-of-way, Operator agrees to pay the sum of [REDACTED] per rod as consideration for a right-of-way and perpetual easement to lay, install, maintain,

operate, replace, protect, repair, relocate, change, abandon, and remove one or more pipelines, waterlines, powerlines, flow lines, and any appurtenances useful and incident to the operation and protection thereof, for the transportation of oil, gas, water, power or any other like or unlike substances which may be moved by and through a pipeline(s), and/or flow line(s), powerline(s) and appurtenances thereto, on over and through Said Land. Said Easement shall not exceed seventy feet (70') in width without the express written consent of Surface Owner. The Easement herein granted shall be expanded temporarily during any period of construction to a width of one hundred feet (100'), except that such expansion shall be to a width of one hundred fifty feet (150') at all road, ditch and waterway crossings and any areas of severely uneven ground. It is agreed that additional Temporary Work Space may be needed for construction around road, ditch and waterway crossings, and additional Temporary Work Space shall be granted outside of the Easement when necessary. Said Temporary Work Space shall not exceed one hundred fifty feet (150') in width or more than two (2) times the length of any crossing. Operator agrees to bury all pipe to a minimum depth of thirty six inches (36") whenever reasonably practical to do so and to restore the surface over the same as nearly as possible to its condition prior to the laying of the line or lines. In order to provide public notice of the existence of a line, upon the request of the Operator, Surface Owner agrees to execute a formal "Right of Way Grant" to be recorded in said county. Operator shall back fill, compact, reseed, and re-contour the area disturbed by Operator's construction, installation, repair, or removal of any power line, water line or pipeline. Upon termination of this Agreement, as set out in Paragraph 3., and upon request from Owner, Operator shall remove all above ground temporary pipeline, waterline and powerline facilities. To the extent that it does not unreasonably interfere with Operator's operations, Operator shall allow Owner to have reasonable access and use to any power lines installed upon Owner's property upon agreement between Owner and power company for purchase of power provided it does not interfere with Operator's operation. Upon cessation of operations by Operator, Owner may at its election keep said powerlines in place. Operator has the right to lay temporary surface line(s) to transport water from the water source to well sites, with Operator to compensate Owner for said surface water pipeline damages at the rate of [REDACTED] per lineal rod for water pipelines laid immediately adjacent to existing improved roads and [REDACTED] per lineal rod for water pipelines laid across unroaded areas. Operator agrees to reclaim and restore the water line route(s) within a reasonable time after the removal of any such lines.

7. **Existing Well Pads and Access Roads.** No existing well pads exist on Surface Owner's lands. Operator has agreed to pay the sum [REDACTED] per rod as consideration for the use of any existing roads and rights-of-way necessary for access to any new location utilized in connection with Operator's drilling, production, or other activities allowed hereunder on the Property.

8. **Cattle Guards and Gates.** The Operator shall construct cattle guards at all places where Operator requires access through Surface Owner's fences. Stock gates shall be constructed at Surface Owner's request if the movement of livestock will be interfered with.

9. **Fences and Reclamation.** Operator shall install fences around any dangerous area, including, any pits, where Operator drills any new wells. Operator shall reclaim and restore all areas disturbed by Operator's operations as near as practical to their original condition within twelve (12) months after termination of activities at the site or right-of-way. Operator agrees to notify and

consult with Owner prior to cutting or damaging any fences, cattle guards, or other improvements of Owner. All areas disturbed by Operator's activities will be reseeded unless otherwise agreed to by Owner.

10. **Weeds and Debris.** Operator agrees to keep the roads, locations, and other areas utilized for its purposes, free from noxious weeds, debris and litter and will properly maintain such areas in such a manner as to minimize interference with the Surface Owner's normal use of contiguous lands.

11. **Maintenance and General Operations.** Operator shall at all times keep the well sites, road rights-of-way, facility locations, and other areas disturbed by Operator safe and in good order, free of litter, and debris. Operator shall dispose of all litter, sewage, and debris off of Said Lands 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. 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.

12. **Water.** Without prior approval of Owner, Operator shall not use any water from any existing water wells owned by Owner, reservoirs or springs on the Lands. Operator shall not disturb, interfere with, fill, or block any creek, reservoir, spring, or other source of water on the Said Lands.

13. **Notice.** Operator agrees that prior to drilling any well or constructing any production and/or marketing facility on Said Land, it will first consult with Surface Owner in order to minimize interference with Surface Owner's normal use of Said Land.

14. **Dogs and Firearms.** Operator agrees that no dogs, firearms or hunting will be allowed on Said Lands without the express written consent of the Surface Owner and that Operator will notify all of its contractors, agents and employees of this restriction.

15. **Release.** The compensation provided herein to be paid by Operator to Surface Owner shall release and discharge Operator, its agents and employees from all claims, losses, demands and causes of action for damage to land, loss of and damage to crops, and use of land, hereafter arising as a result of Operator's Oil and Gas Operations on Said Land, except such damages or losses which are caused by the gross negligence of Operator, its agents and employees. Operator will compensate Surface Owner for any "unusual" damages such as oil or salt-water spills and loss of livestock on Surface Owner's property as a result of operations by Operator, its agents or employees. All livestock lost, injured or killed as a result of Operator's activities on Surface Owner's lands shall be paid for at market prices. Autopsies shall be required in the event Operator cannot substantiate the cause of death by observation. Cost of autopsy to be paid by Operator only if the autopsy indicates Operator was directly at fault for the loss of the livestock.

16. **Biological Survey.** Unless required to do so by law, Operator, its employees, agents and independent contractors, are specifically and strictly prohibited from conducting any biological survey, assessment, or inventory on any of Surface Owner's lands without the express written prior consent of Surface Owner. When permission has been granted; a summary of any

findings and any information/data collected will be turned over to the Surface Owner. Any such information gathered in violation of this prohibition is and remains the private property of Surface Owner.

17. **Archeological Survey.** Unless required to do so by law, Operator, its employees, agents and independent contractors, are specifically and strictly prohibited from conducting any archeological survey, assessment, or inventory on any of Surface Owner's lands without the express written prior consent of Surface Owner. When permission has been granted; a summary of any findings and any artifacts collected will be turned over to the Surface Owner. Any such information gathered in violation of this prohibition is and remains the private property of Surface Owner.

18. **Indemnity.** Operator shall, and hereby expressly agrees to defend, release, indemnify and hold Surface Owner, its subsidiaries and affiliates, its successors, assigns, employees and agents, harmless from and against any and all loss, expense, liens, claims, demands and causes of action of every kind and character (including those of the parties, their agents and employees), for death, personal injury, property damage or other liability, damage, fine or penalty, including costs, attorney fees and settlements arising out of or in connection with the operations of Operator's Oil and Gas Operations on Said Lands by any act or omission of Operator or any of its subcontractors, agents, employees, invitees or licensees.

19. **Law.** This agreement shall be governed and construed in accordance with the laws of the State of Colorado.

20. **Assignment.** This Agreement shall be binding upon and shall be for the benefit of the parties hereto, their respective heirs, successors and assigns. This Agreement shall run with Said Lands. Any sale by Surface Owner of his interest in Said Land shall be made subject to the terms and conditions of this Agreement.

21. **Proportionate Reduction.** Owner and Operator agree that if there are multiple Surface Owners of the lands described in Paragraph 1. of this Agreement, any payments to surface owner(s) will be proportionately reduced based on percentage of ownership.

22. **Confidentiality.** The terms and conditions of this Agreement are confidential between the parties hereto and shall not be disclosed to any third party, except as may be necessary to effectuate its terms, or as may be required by law.

23. **Notification.** Any notice required or permitted to be given hereunder shall be deemed to be delivered when deposited in the U.S. Mail, postage prepaid, certified with return receipt requested, or registered mail, addressed to the party to which it is intended at the address set forth below for such party:

If to Operator:
EOG Resources, Inc.
600 17th Street, Suite 1000N
Denver, CO 80202
Attn: Pete Garbee

If to Surface Owner:
John L. Peters, President
Peters 313 Ranch, Inc.
PO Box M
Carpenter, WY, 82054

24. **Entire Agreement.** This Agreement constitutes the entire understanding among the parties, their respective members, partners, trustees, shareholders, officers, directors and employees with respect to the subject matter hereof, superseding all prior negotiations, prior discussions and prior agreements and understandings relating to such subject matter, expressly including that certain Agreement for Right of Way, Pipeline Easement and Surface Access dated November 4, 2009, between Peters 313 Ranch, Inc. and EOG Resources, Inc., which is hereby entirely made null and void and replaced in its entirety.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SET THIER HANDS, THE DAY AND YEAR FIRST ABOVE WRITTEN.

OPERATOR: EOG Resources, Inc.

By: _____

J. Michael Schween, Agent
and Attorney-in-Fact

MLC
RB

SURFACE OWNER: Peters 313 Ranch, Inc.

John L. Peters, President

(Acknowledgements on the following page)

ACKNOWLEDGEMENTS

STATE OF Wyoming)
) ss.
COUNTY OF Laramie)

The foregoing instrument was acknowledged before me this 18 day of June, **2015** by **John L. Peters as President on behalf of Peters 313 Ranch, Inc., a Colorado Corporation.**

Lorna L. Dunlap
Notary Public

3/21/2017
Commission Expiration



(NOTARY SEAL)

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 26 day of June, **2015** by **J. Michael Schween as Agent and Attorney-in-Fact on behalf of EOG Resources, Inc.,** a Delaware corporation.

Lauren Elizabeth Utzig
Notary Public

12/6/2017
Commission Expiration



(NOTARY SEAL)