

SITE RELEASE, INDEMNIFICATION AND DAMAGES AGREEMENT

THIS SITE RELEASE, INDEMNIFICATION AND DAMAGES AGREEMENT ("Agreement") is entered into by and between Bobbette ^{BKR}~~Reaney~~ (Owner) whose address is 23805 E 160th Ave., Brighton, CO 80603, the owner of the surface estate in Township 1 South, Range 65 West, 6th P.M, Section 6: SW4SW4 Adams County, Colorado (the "Property"), and Verdad Resources LLC ("Applicant"), whose address is 5950 Sherry Lane, Suite 700, Dallas, Texas 75225 (individually, a "party;" together, "the parties").

WHEREAS, the Colorado Oil and Gas Conservation Commission ("COGCC") adopted the DJ Basin Horizontal Offset Policy on June 20, 2013, and revised such Policy on December 17, 2013 (as revised, the "Policy"); and

WHEREAS, the records of the COGCC indicate that the Mile Hi Duck Club – Pascoe #1, having API #05-001-06992 ("Offset Well") is located on the Property and was plugged and abandoned on or about 2/23/1979.

WHEREAS, under the Policy, the COGCC has determined that the Offset Well should be plugged to isolate all formations before any new wells within 1,500 feet of the Offset Well may be hydraulically fractured. The COGCC has identified several alternative methods of mitigation for this purpose, including re-entering and re-plugging the Offset Well. To comply with the Policy and permit the hydraulic fracturing of new wells within 1,500 feet of the Offset Well, the Applicant seeks to enter the Property for the sole purpose of re-entering and re-plugging the Offset Well.

WHEREAS, Applicant hereby requests Owner's consent and permission to enter the Property for the sole purpose of re-entering and re-plugging the Offset Well, on the terms and conditions set forth in this Agreement.

NOW THEREFORE, Owner and Applicant agree as follows:

Owner hereby consents and grants permission to Applicant, its agents', contractors', employees', invitees', licensees' or permittees' to enter and use the Property for the purposes of re-entering the Offset Well and re-plugging and abandoning such Well under the Policy.

Finally, it is mutually understood and agreed by the parties that:

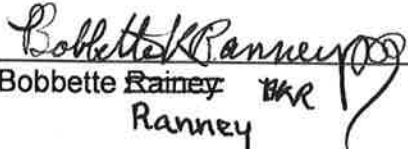
- Applicant's only responsibility for the Offset Well will be to re-enter and re-plug the Well consistent with its COGCC Form 6 Notice of Intent to Abandon under the COGCC Rules.

- Applicant is not the owner of the Offset Well and Applicant will not be considered the owner of the Offset Well because Applicant re-enters and re-plugs it.
- Applicant will be considered the operator of the Offset Well for the sole purpose of re-entering and re-plugging the Offset Well consistent with its COGCC Form 6 Notice of Intent to Abandon under the COGCC Rules. Applicant will not be considered the operator of the Offset Well for any other purpose.
- Applicant is not responsible for the current condition of the Offset Well and Applicant will not be responsible for the future condition of the Offset Well except for the work that Applicant, its agents', contractors', employees', invitees', licensees' or permittees' undertakes when it re-enters and re-plugs the Offset Well and any condition directly arising from and solely caused by Applicant's, its agents', contractors', employees', invitees', licensees' or permittees' work on the Offset Well, specifically including the failure of the Offset Well due to failure of the re-plugged Offset Well.
- Applicant is not responsible for any existing environmental contamination or condition associated with the Offset Well related to the prior construction, operation, production, maintenance, or abandonment of the Offset Well. Applicant will become responsible for any such future environmental contamination or condition caused by Applicant, its agents', contractors', employees', invitees', licensees' or permittees' re-entering and re-plugging the Offset Well or caused by fracking a horizontal well drilled by Applicant that is within 1,500 feet of the Offset Well. Should any environmental contamination or condition be found, Applicant will notify Owner in conjunction with its COGCC reporting requirements.
- This Agreement shall be interpreted according to the laws of the State of Colorado. Venue for any dispute shall be Adams County, Colorado.
- Applicant shall pay for, reimburse, indemnify, defend and hold Owner harmless from all claims or damages resulting from Applicant's, its agents', contractors', employees', invitees', licensees' or permittees' operations on the Offset Well or Property. Applicant shall promptly repair any damage on the Offset Well and Property that is caused by Applicant, its agents', contractors', employees', invitees', licensees' or permittees'.
- Owner shall pay for, reimburse, indemnify, defend, and hold Applicant harmless from all claims or damages resulting from Owner, its agents', contractors', employees', invitees', licensees' or permittees' operations on the Offset Well and Property.

- In return for Owner executing this Agreement, Applicant will pay Owner \$1,500, due and payable within 30-days of execution.

IN WITNESS WHEREOF, this instrument has been executed this 11 day of October, 2021.

OWNER:


Bobbette Rainey *BR*
Rainey

18 October 2021
Date

APPLICANT:


David Richardson
Its: VP Land *DR*

10/11/21
Date