

SURFACE USE AND DAMAGE AGREEMENT

This Surface Use and Damage Agreement ("Agreement"), effective as of January 23rd, 2020, is made and entered into between **Richard Stanley Swartz Jr. and Heather Colleen Swartz** and each of its successors, herein referred to as "**Owner**", whose address is **8751 County Road 36.5, Platteville, CO 80651** and Kerr-McGee Oil & Gas Onshore LP, whose address is 1099 18th Street, Suite 1800, Denver, Colorado 80202, and its successors and assigns, herein referred to as "**Operator**."

WITNESSETH:

WHEREAS, Owner has ownership of certain land(s) located in Weld County, Colorado, identified as follows:

Part of the NE 1/4 of Section 4, Township 3 North, Range 67 West of the 6th P.M., more specifically described on attached Exhibit "A", being Assessor Parcel No. 120904000020.

containing **approximately 151.8897** acres, more or less. Hereafter the "**Subject Lands**."

WHEREAS, Operator holds or owns the leasehold rights to access the Subject Lands to explore for and produce oil and gas therefrom; and

WHEREAS, the Subject Lands are used for agricultural purposes; and

WHEREAS, Owner's overall objective is to preserve the Subject Lands, vistas and maintain the Subject Lands primarily for Agriculture; and

WHEREAS, Owner wishes to ensure, through testing and other measures, that water sources, water quality, and the Subject Lands are protected and not adversely impacted by Operator's exploration and production activities; and

WHEREAS, the parties intend by this Agreement to define and assign responsibilities with regard to the activities discussed herein associated with the exploration, capture, production, storage and transportation of oil and/or gas from the Subject Lands and lands pooled therewith in a fashion which will preserve the current and future use of the Subject Lands while allowing for the production of oil and/or gas from the Subject Lands and lands pooled therewith.

NOW, THEREFORE, In consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

SECTION 1- OPERATOR'S RIGHTS

1.1 Grant of Easement. Owner hereby grants Operator, its employees and designated agents, a non-exclusive easement ("**Easement**") on, over and across the surface of the Subject Lands as depicted on Exhibit "A" attached hereto and incorporated herein by reference and ("**Surface Areas**") for the purpose of drilling, staking, completing, equipping, producing and operating oil and gas wells on Operator's leasehold under the Subject Lands and lands pooled therewith. All of Operator's surface activities shall take place within the Surface Areas which shall include a "Wellhead Pad," "Temporary Drill Pad" and "Production Facilities," as depicted on Exhibit "B" (collectively the Wellhead Pad, Temporary Drill Pad, and Production Facilities, the "Operation Areas"). The Easement includes the right to construct, install and maintain access roads ("Roads"), underground power lines, temporary above ground waterlines and flow and gathering lines to gather and transport oil or gas from not more than fourteen (14) well sites located on the Wellhead Pad or other lands as approved by Owner, which shall not be unreasonably withheld, conditioned, or delayed by Owner, to the Production Facilities in the Surface Areas depicted on Exhibit "B." The Easement does not include or confer a right to access or occupy any portion of the Subject Lands other than the Surface Areas designated on Exhibit "B" and the Surface Areas may be used only for the purposes specifically set forth in this Agreement

1.2 Subsurface. The Easement includes all depths below the surface of all the Subject Lands and right to use the subsurface including pore space, for the purposes of (i) drilling wells for oil, gas, and/or other substances to be produced from the Subject Lands or other pooled lands; (ii) for installing casing, tubing, and other equipment therein; (iii) reworking, recompleting, repairing, side-tracking, plugging, and abandoning such wells; and (iv) gathering information, exploring for, and/or producing oil, gas, and/or other substances from the Subject Lands or other pooled lands through such wells.

1.3 Wells. The rights granted to Operator hereunder shall cover operations related to the drilling and producing of not more than fourteen (14) oil and gas wells pursuant to the Operator's oil and gas lease covering the Subject Lands and lands pooled therewith. Company may, at its discretion, change the well name of any well in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC").

1.4 Termination of Rights. This Agreement and Operator's obligations and rights hereunder will terminate upon (i) the plugging and abandonment of all wells drilled by Operator on the Surface Lands or lands pooled therewith and (ii) the complete reclamation and restoration of the Surface Areas according to the standards prescribed herein and by the state or federal rules, regulations and statutes relating to oil and gas operations in the state of Colorado as well as any required approval of such reclamation by state and/or federal authorities which have jurisdiction over such reclamation.

1.5 Non-Exclusive Rights. The rights granted by Owner to Operator are nonexclusive, and Owner reserves the right to use all Roads and reserves all surface and subsurface (excluding oil and gas as provided for in Operator's oil and gas lease) uses of the Subject Lands provided that such uses do not interfere with Operator's exercise of its rights and responsibilities provided herein. Owner shall have the right to grant successive easements on or across the Subject Lands on such terms and conditions as Owner deems necessary or advisable provided that any access or use rights granted to any third parties before or after the effective date of this Agreement shall not

unreasonably interfere with Operator's exercise of its rights and responsibilities as provided herein. Operator is not responsible for any damages to Roads caused by any third parties that have been granted access by Owner. Owner agrees to advise Operator in writing, within thirty (30) days of any written approval granted by Owner for the use of the Roads by others so that Operator may assess the other users their pro-rata share of maintenance or repair work performed by Operator. Upon Operator's request, Owner shall assist Operator in entering into a road sharing agreement with any third party with is granted access to the Roads. Operator shall not assess Owner any maintenance for use of the Roads for any reason. Operator shall not assume any liability associated with actions or inactions of any third parties granted access to the Subject Lands.

1.6 Conduct of Operations. Operations upon the Subject Lands by Operator shall be conducted pursuant to the terms of the subject Lease, this Agreement, the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC") and applicable Colorado statutes.

1.7 Notwithstanding anything to the contrary herein, this Agreement shall terminate and Operator shall have no rights under this Agreement unless operations are commenced on or before May 1, 2022.

SECTION 2- OPERATIONS ON THE SURFACE AREAS

2.1 Notification, Consultation and Approval. Operator shall notify and consult with Owner at least fifteen (15) days in advance before construction or installation of any facilities contemplated under this Agreement.

2.2 Construction of Flow Lines.

a. Any flow lines constructed pursuant to this Agreement are not to exceed eight inches (8") in diameter and shall be located within the Surface Areas as set forth on the attached Exhibit "B." Except as otherwise agreed to by Owner, in writing, all such flow lines shall be used only for the transportation of oil, gas or water produced from or used for operations at Operator's wellheads located on the Wellhead Pad or lands pooled therewith.

b. Operator shall be responsible for segregating the topsoil, backfilling, repacking, reseeding and recontouring the surface of any disturbed areas so as not to interfere with Owner's operations and shall reclaim such areas to be returned to pre-existing conditions as best as possible with control of all noxious weeds. Operator shall provide Owner with a map or as-built drawing showing the surface location of all flow lines, transmission lines, and power lines after their installation. All flow lines located by Operator on the Surface Areas shall be buried to a depth of at least four (4) feet below the surface. Operator shall install metal locator strips above all lines installed. All easements for flow lines and power lines shall be limited to fifty (50) feet in width, except during construction when the easements shall not exceed seventy-five (75) feet in width.

c. Subject to certain conditions as described herein, if Operator fails to use any flowline for a period in excess of five (5) consecutive years, the flowline shall be deemed

abandoned. Operator shall take the actions necessary to clean up and mitigate the effects of use, including purging any remaining oil or gas from the flow line sufficient to render the flow line environmentally safe and fit for abandonment in place. The pipeline easement granted herein which has been deemed so abandoned shall thereon terminate and revert to Owner, and Operator shall execute and file the necessary releases to terminate said easement in the county land records.

d. Owner hereby gives notice to Operator that there may be stock, domestic waterlines, and drain tiles on the Subject Lands, some of which are buried. The Operator agrees that any areas disturbed to depths deeper than the stock water lines will be covered with a minimum of four (4) feet of dirt cover in order to prevent freezing or damage.

2.3 Pipelines. Operator may assign or delegate to a third party the right to install and operate pipelines in order to connect Operator's wells to a gas or liquids gathering system. Additionally, Operator may assign or delegate to a third party the right to install and dismantle temporary above ground water lines.

2.4 Power Lines.

a. Except as otherwise provided herein, or as otherwise agreed to by Owner, in writing, all power transmission lines built by Operator will be buried with a minimum of four (4) feet of dirt cover and constructed so as to cause the least possible interference with Owner's existing or future agricultural and residential use or operations. Existing power lines need not be relocated.

b. To the maximum extent possible, Operator shall use power from any existing power lines that currently cross the Subject Lands. If necessary, Operator shall pay for an upgrade or other charge resulting from such use.

c. At such time as Operator desires to abandon any buried power line located on the Subject Lands, it shall notify Owner of such desire, and Owner shall have sixty (60) days within which to make a written election to take over such power line for Owner's own use. If Owner elects to take over a power line, Owner shall assume all liability, costs and reclamation obligations associated therewith, and Operator shall have no further liability, nor responsibility for costs or reclamation for the power line, or that portion thereof, which Owner elects to take over. Owner shall promptly file all necessary notices or applications. If Owner does not elect to take over a power line, Operator shall continue to assume all liability, costs and reclamation obligations associated therewith, and Owner shall have no liability, nor responsibility for costs or reclamation for the power line. In the event Owner does not elect to take over a power line, Operator shall de-energize said power lines as soon as reasonably practicable.

2.5 Wells and Wellsite.

a. **Wellhead Pad.** Operator shall be entitled to one (1) Wellhead Pad to be located within the Surface Area as set forth on Exhibit "B."

b. **Temporary Drill Pad and Wellhead Pad.** The Temporary Drill Pad is

limited to an area of 8.64 acres on a site approximately 562 feet by 676 feet. Once drilling is completed the Temporary Drill Pad shall be converted to a permanent Wellhead Pad and reduced to a total of approximately 1.25 acres, being a 75' radius around Wellheads.

2.6 Maintenance. Operator shall keep the Wellhead Pad, Roads, and other areas used by Operator safe and in good order, including without limitation control of noxious weeds, litter and debris. Operator shall conduct periodic trash pickup as deemed necessary. Operator shall comply with state and federal laws, rules and regulations governing the presence of any petroleum products, toxic or hazardous chemicals or wastes on the Subject Lands.

2.7 Access to Operation Areas. Neither Owner nor any third party shall have the right to access the Operation Areas without the prior written consent of Operator, which may be withheld by Operator in its sole discretion. In the event Operator consents, access of an Operation Area shall be at the sole risk of such Owner or third party.

2.8 Roads. Operator will construct Roads as located and shown on the Exhibit "B" map. Any Road constructed upon the Subject Lands shall be all weather and constructed and used according to the following specifications:

a. Except in case of emergencies, no operations shall be conducted in the mud when activity leaves an impression of four inches (4") in depth unless Operator requires immediate access in its sole opinion and option. Operator agrees, if such immediate access is required during muddy conditions, to repair affected Roads as soon as reasonably practicable.

b. The surface of all Roads shall not exceed twenty four feet (24') in width for traveled surface. Improved Roads shall be constructed with a two percent (2%) crown from the center of the Road to the shoulder to promote positive drainage. Constructed Roads shall be limited to thirty feet (30') from the centerline of each Road easement area for fills, shoulders and crossings whenever practicable or unless otherwise dictated by local, state or federal laws or regulations governing such roads.

c. If requested by Owner, access to the Subject Lands from any County road shall be controlled by a metal, hinged gate, which gate Operator shall construct and install in accordance with the reasonable specifications of Owner. Operator shall not access the Subject Lands from any adjoining landowner's property.

d. Operator agrees, if requested by Owner, to place (within reason) an appropriate sign or signs on the Roads designating them as "Private Roads, No Trespassing or Hunting" and to assist Owner in the control of the use of such Roads by unauthorized users. The size and color of such signs shall be subject to Owner's approval. Owner may lock gates across its private roads (so long as Owner has the ability to unlock such gates without the assistance of Owner) and provided that Operator shall have the right to place its own locks on such gates. Owner shall give Operator fifteen (15) days advance notice of Owner's election to lock gates in order that Owner and Operator can consult with each other regarding the type of locks to be used and arrangements for Operator's access.

e. Operator shall employ best management practices to suppress dust from Owner's roads.

2.9 Operator's Use of Owner's Improved Roads. In the interests of safety and dust control, Operator and its contractors, agents, and employees shall not exceed twenty (20) miles per hour on improved roads located on the Subject Lands. If livestock is present, the speed limit shall be ten (10) miles per hour. Livestock and wildlife species, including but not limited to deer, antelope, game birds, and songbirds, shall have the right-of-way on improved roads located on the Subject Lands, and Operator and its contractors, agents, and employees shall come to a stop and give ample time for wildlife and livestock to move from the roadway.

2.10 Fences. Operator upon request from Owners, shall at its expense, construct stock tight fences around the Temporary Drill Pad to keep livestock out of this area during drilling operations. All fencing to be constructed shall be approved by Owner, which approval shall not be unreasonably withheld. Maintenance around Operator's surface facilities shall be the responsibility of Operator, and Owner shall not be responsible for damage to such fences or Operator's surface facilities in the event livestock gain access to these areas. Operator shall reasonably repair and/or replace any and all damage done to any fences or gates, or any other improvements of Owner, which result from Operator's operations on the Subject Lands. All fences shall be repaired in a manner consistent with surrounding fences and reasonable and customary ranching practices.

2.11 Improvements, Cultivated Land, Stock Water Pipelines. No existing fences, cattle guards, or other improvements shall be cut or damaged by Operator without the consent of Owner, which consent shall not be unreasonably withheld. In the event existing fences, cattle guards, or other improvements are cut or damaged by Operator, the damage shall be repaired by Operator or Owner shall be compensated for the repair costs.

2.12 Non-Disturbance. Operator and its employees and authorized agents shall not disturb, use or travel on any of the land of Owner not subject to this Agreement without Owner's consent except in the event of an emergency, or for reasonable incidental and temporary activities, provided that Operator shall be responsible for any physical damage to the lands that may be caused by such emergency or temporary activities.

2.13 Fire. Operator shall take reasonable steps to prevent fire and to promptly extinguish fire. No trash or timber slash will be burned or buried by Operator on the Subject Lands. Operator shall reimburse Owner for the reasonable expense of fire suppression incurred by Owner and shall immediately reimburse Owner for any charges assessed to Owner by a local, county, state or federal fire control agency.

2.14 Trash. Operator agrees that all trash, refuse, pipe, equipment, liquids, chemicals, or other materials brought on the Subject Lands that are not necessary for continued operations of Operator's wells will be removed and legally disposed of no later than fourteen (14) days after completion of drilling operations. No such items will be burned or buried on the Subject Lands.

2.15 Behavior of Operator's Employees, Agents and Contractors.

a. Operator is authorized to use the Surface Area solely for purposes of oil and gas exploration, production and development; accordingly Operator has no authority to and Operator shall not permit any of its employees or contractors operating hereunder to, among other things: bring any dog, firearm, explosive device, weapon, alcoholic beverage, or illegal drugs on Owner's property; hunt, prospect for antlers, fossils or antiquities, recreate, consume alcoholic beverages, or carry on any illegal activities on the Subject Lands.

b. Use of 4-wheelers by Operator on the Subject Lands will be restricted to occasions when surface conditions require their use OR with Owners prior written approval. Recreational activities of a 4-wheeler are forbidden. Operator will notify all its contractors, agents, employees and representatives of this restriction.

2.16 Pits. No pits of any type will be permitted to be used or constructed by Operator upon the Subject Lands.

2.17 Repairs from Damages. If by reason of the activities of Operator, including but limited to drilling, completing, equipping and operating the oil and gas wells, there is damage to personal property of Owner, including, but limited to irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation systems and for which Owner has not been previously compensated, Operator will repair or replace such items after consultation with and to the reasonable satisfaction of the Owner. Owner will notify Operator of any items damaged and Operator will repair or replace such items after consultation with the Owner within thirty (30) days of occurrence or discovery whichever first occurs.

2.18 Guy Line Anchors. All guy line anchors for drilling and completion rigs shall be immediately removed after such work is completed.

2.19 Communication and Contacts Between Owner and Operator.

Notices as provided for herein shall be made in the manner provided for to:

OWNERS:

Richard Stanley Swartz Jr. and Heather Colleen Swartz
7503 County Road 19
Fort Lupton, CO 80621

OPERATOR:

Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street, Suite 1800, Denver, CO 80202

2.20 Equipment Storage and Maintenance; Employee Housing. Operator's equipment shall not be stacked or stored or maintained on the Subject Lands (unless such equipment is being stored or maintained during drilling or reworking operations) nor shall employees be housed on any of the Subject Lands without the express written consent of Owner and additional compensation paid for such storage. However, rigs may be stacked on the drill site

for not more than fourteen (14) days unless weather or mechanical reasons reasonably prevent such removal.

2.21 Seismic Operations. Operator shall notify Owner prior to the commencement of any seismic operations and shall pay Owner ten dollars (\$10.00) for each surface acre on the Subject Lands. Operator shall not conduct any seismic or geophysical operations whatsoever when surface conditions are not relatively dry. At all times, Operator shall use reasonable efforts to conduct its seismic operations so as to cause the least damage reasonably possible to the surface.

2.22 Access Permit and Authorization. Upon request of Operator or its successors and assigns, Owner agrees to execute, acknowledge and deliver to Operator and its successors and assigns all authorizations and permits, and all applications for authorizations and permits, required by any regulatory or governmental agency in connection with Operator's access to its operations on the Surface Areas.

2.23 Waivers. Owner, for itself and its successors and assigns, hereby waives the right to, and covenants not to, protest or object to the use of the surface of the Subject Lands by Operator as provided in this Agreement. Furthermore, Owner and its successors and assigns will provide Operator and its successors and assigns with all written waivers and other evidence of support Operator may reasonably require to obtain permits from the COGCC or any local jurisdiction.

As provided in COGCC Rule 318A or any successor rule or amendment adopted by the COGCC, or in any rule or ordinance of a local jurisdiction, relating to the location of wells within the Greater Wattenberg Area (GWA), Owner hereby consents to, and waives its right to protest or object to surface well locations that are outside of designated GWA windows and surface well locations that are more than fifty (50) feet from an existing well.

Surface Owner waives the reclamation timing requirement in COGCC Rule 1003.b. until Operator has completed all drilling and completion operations on the Subject Lands.

Owner further understands and acknowledges that COGCC rules and regulations govern the distance between a wellhead and public roads, production facilities, buildings, building units and surface property lines, among other things. To the fullest extent possible, Owner hereby waives all setback, consultation and notification requirements in COGCC Rules 305, 306, 603 and 604 and any successor rules or amendments, including Exception Zone setbacks and any other state or local setback requirements or other laws, requirements or regulations that would prohibit or interfere with the rights of Operator to explore for and produce oil and gas from the Subject Lands and to locate wells and production facilities anywhere on the Subject Lands. Owner further agrees not to object to the location of wells and production facilities on the Surface Areas on the basis of setback requirements in the noted COGCC rules and regulations and any state or local setback requirement.

Owner acknowledges that Operator and its successors and assigns may cite the waivers in this Agreement in order to obtain exceptions and variances from the COGCC or from any other state or local body having jurisdiction over oil and gas operations. Owner agrees that this SDA satisfies any requirement for a consent to an exception or variance signed by the surface owner,

Building Unit Owner (as that term is defined in the COGCC Rules and any successor rules or amendments), homeowner or the like and agrees that Operator and its successors and assigns may provide a copy of this SDA to the COGCC or to any other state or local body in satisfaction of such requirement.

Owner agrees to execute and deliver to Operator and its successor and assigns all consents and waivers requested, including waivers required from Building Unit Owners, homeowners and the like.

2.24 Notice to Future Owners. Owner shall provide notice to all buyers and assignees of an interest in the Subject Lands (or any portion thereof), including all builders, property owners, property owners' associations, and special districts, (each, a "*Future Owner*") of the existence of this Agreement, the grants and waivers contained herein and the fact that Owner has agreed to the amount of compensation for surface damages, for the grant of additional rights and easements and for the agreements and waivers in this Agreement. In addition, Owner will notify Future Owners that, as successors in interest to Owner, Future Owners will assume the obligations undertaken by Owner pursuant to this Agreement, including the obligation to execute and deliver waivers to Operator and its successors and assigns and to provide notice to subsequent Future Owners. It is expressly understood and agreed by Owner and Operator that the waivers, notice requirements and the obligations assumed by Future Owners as set forth in this Agreement are, and shall be construed to be, covenants that run with the Subject Lands. As a condition to any sale or assignment of the Subject Lands (or any portion thereof) by Owner and its successors and assigns, Owner and its successors and assigns will require that the buyer or assignee agree to provide to Operator and its successors and assigns all waivers required in the preceding section of this Agreement.

2.25 COGCC Consultation. Owner acknowledges and agrees that the Operator has consulted in good faith with Owner as to its proposed operations, in accordance with COGCC requirements or, in the alternative, hereby waives such requirements. Owner expressly waives the application of any COGCC setbacks inconsistent with this Agreement. Owner and Operator further agree as follows:

a. Operator will provide Owner with the COGCC Form 2A for the OGOA ("Oil and Gas Location Assessment") upon submission to the COGCC, and Operator undertakes to ensure that said Form 2A accurately reflects the provisions of this Agreement;

b. Owner agrees not to object to the Form 2A, so long as it is consistent with this Agreement, and Owner hereby waives any right granted by COGCC rule to comment on the Form 2A, to request an extension of the comment period, to request an onsite inspection pursuant to COGCC policy, or to appeal the approval and issuance of the Form 2A, and any related Form 2 ("Application for Permit to Drill"); and

c. Owner shall not oppose Operator in any COGCC or other governmental proceedings related to Operator's operations, including, but not limited to, permitting, formation of drilling units, well spacing, pooling, drilling, completion, stimulation, restimulation, workovers,

deepening and recompleting, provided that Company's position in such proceedings is consistent with this Agreement.

SECTION 3– PAYMENTS TO OWNER

As consideration for the rights granted herein by Owner to Operator, Operator shall pay to Owner the amounts set out below.

3.1 Surface Use Payments. The total amount of consideration to be paid by Operator to Owner is established by a separate letter agreement dated January 23, 2020 between Operator and Owner (“**Letter Agreement**”).

3.2 Payment Limitation. The payments herein provided are acknowledged as sufficient and in full satisfaction for ordinary damages caused or created by the reasonable and customary entry, rights of way, operation and use of the Surface Areas for oil and gas operations, but do not include damages to livestock, buildings or improvements or injuries to persons or to damage or destruction to Owner’s water wells or water supply caused by Operator’s operations pursuant to this Agreement. In consideration of the Surface Use Payments in Section 3.1 above, Owner hereby waives all surface damage payments pursuant to any COGCC, location regulation, state statute, common law or other prior agreement for each and every well that is drilled, well site constructed, tank battery and emissions control devices located on the property, including any access road, flowline, water line or other pipeline constructed.

SECTION 4 – RECLAMATION

4.1 Interim Reclamation. All disturbed land affected by oil and gas operations shall be reclaimed in accordance with applicable COGCC regulations, specifically series 1003. All disturbed areas within the Surface Lands affected by drilling, completion and oil and gas operations, except areas reasonably needed for production operations or for subsequent drilling or completions, shall be reclaimed as early, and as nearly as practicable, to the condition (including contouring) which existed prior to such operations in accordance with COGCC regulations. Operator shall use appropriate measures to control stormwater runoff in a manner to minimize erosion, transport of sediment offsite, and site degradation. Following completion of a well, all disturbed areas of the Surface Lands no longer needed for oil and gas operations are to be reseeded with native grasses in a mixture selected by Owner. Weed control measures such spraying noxious weeds shall be conducted by Operator as part of reseeded.

4.2 Final Reclamation. Upon plugging and abandonment of the wells and well sites, all disturbed land affected by oil and gas operations shall be reclaimed in accordance with applicable COGCC regulations. Where requested by Owner, Operator shall restore all access roads, drainage and irrigation ditches disturbed by Operator’s operations as near as practicable to the condition that existed prior to such operations. All disturbed areas of the Surface Lands no longer needed for oil and gas operations shall be reseeded with native grasses in a mixture selected by Owner. Weed control measures such as spraying noxious weeds shall be conducted by Operator as part of reseeded. Reseeding shall continue until vegetation is established that reflects pre-disturbance vegetation levels or otherwise meets the standards of the COGCC regulations. Any

surface equipment shall be removed within (3) months of plugging a well unless otherwise waived by the Owner. Reclamation of disturbed areas shall occur as early as practicable after completion of plugging and abandonment of wells.

SECTION 5– ENFORCEMENT AND RESOLUTION OF DISPUTES

5.1 Default. In the event that the Owner or the Operator hereunder shall fail to comply with any of their duties or obligations hereunder, the other party shall so notify the defaulting party in writing by certified mail and if said default is not corrected within thirty (30) days after receipt of said notice or activity is not initiated to cure such default in those instances where said default could not be cured within said thirty (30) day period, the non-defaulting party shall have the right to terminate this Agreement, to enforce the provisions of this Agreement in law or in equity and/or have such other rights and remedies as may be provided to it under the laws of the State of Colorado. The defaulting party agrees that it shall be responsible for all costs and expenses, including reasonable attorney's fees, incurred by the non-defaulting party as a result of said default as may be determined by a court of law or equity; *provided, however*, neither party shall be liable for any incidental, punitive, exemplary, multiplied, special or consequential damages, and the parties hereby waive any right to seek such damages.

SECTION 6– MISCELLANEOUS

6.1 Special Warranty. Owner makes no representation or warranty in entering into this Agreement as to any matter of title, condition, suitability for Operator's purposes, or regulatory status of the Subject Lands, except for claims arising by, through, or under Owner.

6.2 Indemnification. The consideration set forth in the Letter Agreement is acknowledged by Owner as sufficient consideration for the rights herein granted to Operator and is in full satisfaction of any present or future damages to the Surface Areas (including crop loss, if any) caused or created by the reasonable and customary entry, use and exercise of the rights granted herein, but does not include damage to personal property on the Surface Areas, such as damage to fences, gates, culverts and other extraordinary losses or physical damages caused by Operator ("**Extraordinary Damages**"). Owner shall provide timely notice to Operator of any Extraordinary Damages and Operator shall promptly compensate Owner for said Extraordinary Damages. Any failure to reach mutual agreement with respect to such compensation shall not, however, be deemed to constitute a breach or abrogation of this Agreement, nor to terminate or diminish the grants, conveyances, rights and obligations contained herein;

Except as expressly provided below and for Extraordinary Damages, Owner hereby releases and discharges Company, its agents, employees, contractors and licensees from and against any and all claims by Owner for damages to the Surface Areas, of whatsoever nature and character, including, but not limited to, crop loss or diminution in value of the Surface Areas, arising from, incident to, or in connection with Operators operations within the Surface Areas or lands pooled therewith, so long as such operations are conducted in accordance with this Agreement.

Operator hereby agrees to release, discharge, indemnify and hold Owner harmless from and against any and all third party claims, losses, liability, damages, and causes of action for

personal injury or property damage arising out of Operator's operations, unless, and to the extent that, the negligence of Owner, or any invitee or guest of Owner, causes or contributes to such third party claims.

Operator shall indemnify and hold Owner harmless from and against any and all claims and liens upon the easement for labor or materials furnished to Operator;

Access to and egress from the Easement shall be limited to direct access from established public roads or access from those other roads identified by Owner, in writing, as access roads. Operator shall provide seventy-two (72) hours notice of its intent to enter and begin construction. Operator will be responsible for any and all actual damages relating to its use of such access roads, including but not limited to any actual damages resulting from cattle or livestock straying out of the fenced area. Operator will assure that all gates are kept closed after any entry by Operator. If Operator has locked any such gates, Operator shall also lock such gates by use of the agreed upon locks and keys only. Operator will assure that at any times that the access roads are being utilized and any and all gates on the access roads are utilized are guarded, while open, so as to keep cattle and livestock within the fenced area and keep unauthorized persons from entering the Subject Lands. In addition, after construction is completed, Operator may utilize access roads under the same conditions as herein stated for necessary pipeline maintenance and repair at no additional cost.

6.3 Existing Underground Structures. Operator has been informed of and has determined the location of existing underground structures including but not limited to pipelines, water lines and tile lines. Operator shall make best efforts not to damage any such lines and in the event of damage, shall immediately repair the same.

6.4 Liability for Damage Resulting from Produced Water. Operator shall be responsible for complying with the current rules and regulations applicable to the removal and/or disposal of waters produced by its operations as established by the State of Colorado and other applicable authorities, and the Operator agrees to indemnify, defend and hold Owner harmless from any claims, demand, judgment or liability arising as a result of damages to persons or property caused by or in connection with the removal or utilization of said water. Nothing in this paragraph shall be interpreted to allow Operator to discharge produced water on Subject Lands, including any leased lands. Nothing herein permits Operator to use free of cost produced water or other water from Subject Lands. In the event that Operator seeks to use said water, Operator shall negotiate with Owner a fair and reasonable price and location.

6.5 Compliance with Law. Owner and Operator shall conduct all operations and activities in accordance with all applicable local, state and federal laws, rules and regulations.

6.6 Duty of Good Faith. Owner and Operator agree to cooperate in good faith in the reasonable and expeditious development of Operator's leasehold under the Subject Lands.

6.7 Notice. Notice may be given to either party to this Agreement by depositing the same via certified mail return receipt requested in the United States Mail postage prepaid, duly addressed to the other party at the address set out in section 2.19 of this Agreement, or at such

other address as each party may subsequently provide to the other. Such notice shall be deemed delivered when the party posting same in the United States Mail receives the returned mail receipt signed by the other party, or one of its authorized representatives.

6.8 Exhibits. All exhibits referred to herein are attached hereto and hereby incorporated herein for all purposes.

6.9 Memorandum of Agreement. This Agreement shall not be recorded, but Operator shall record with the County Clerk of the county in which the Subject Lands subject to this Agreement are located, a memorandum reciting that the parties have entered into this Agreement which affects the Subject Lands described in attached Exhibit "B," as modified from time to time.

6.10 Construction of Agreement and Venue. This Agreement shall be construed under the laws of the State of Colorado. Venue for any action shall be in Weld County, Colorado.

6.11 Benefits and Burdens. The benefits and burdens of this Surface Use and Damage Agreement shall be binding upon and shall inure to the benefit of Owner and Operator, their heirs, assigns, successors and personal representatives. The conditions, covenants and agreements contained herein shall also constitute covenants running with the Subject Lands and the lease hold interests.

6.12 Force Majeure. Should Operator be prevented from complying with any expressed or implied covenants of this Agreement, conducting normal operations, or from transporting natural gas or other hydrocarbons therefrom by reason of scarcity of, or inability to obtain or use equipment or material, or by operation of force majeure, or because of any federal or state law or any order, rule or regulation of a governmental authority then while so prevented, Operator's obligations to comply with such covenant shall be suspended, and Operator shall not be liable in damages for failure to comply therewith; and the express or implied covenant or other provision of the Agreement so affected shall be extended while and so long as Operator is prevented by any such cause from conducting normal operations or transportation of natural gas or other hydrocarbons from the leased premises; and the time while Operator is so prevented shall not be counted against the Operator, anything in this Agreement to the contrary notwithstanding.

6.13 Survival. The Operator's obligations and responsibilities hereunder shall survive the term of this Agreement on a well-by-well basis with regard to the Surface Areas, including without limitation, all reclamation obligations and the proper disposal of any hazardous materials.

6.14 Signatures. By signing below, the parties signing acknowledge and represent that each of them has the authority to sign this Agreement and the power to bind both Owner and Operator. The parties further agree that this Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed two (2) originals of this Agreement this 23rd day of January, 2020, the EFFECTIVE DATE being as of January 23rd, 2020

Owner:

Richard Stanley Swartz Jr.
Richard Stanley Swartz Jr.

Heather Colleen Swartz
Heather Colleen Swartz

Operator:

Kerr-McGee Oil & Gas Onshore, LP

By: Don C. Sobe III

Name: DON C. SOBE III

Title: ATTORNEY-IN-FACT

ACKNOWLEDGEMENTS

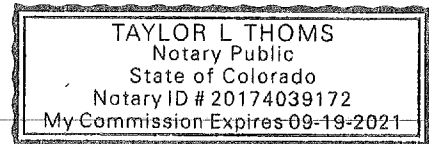
STATE OF COLORADO)
) ss
COUNTY OF Adams)

The foregoing instrument was acknowledged before me this 23 day of January, 2020, by Richard Stanley Swartz Jr. and Heather Colleen Swartz, to me known to be the identical people described herein, who executed the within and foregoing instrument of writing and acknowledgement to me that they duly executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal.

My commission expires: 9/19/2021

Taylor L Thoms
Notary Public



STATE OF COLORADO)
) ss
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 11 day of February, 2020, by Don C. Sobe III as Attorney-in-Fact for Kerr-McGee Oil & Gas Onshore, LP to me known to be the identical person described herein, who executed the within and foregoing instrument of writing and acknowledgement to me that s/he duly executed the same as her/his free and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal.

My commission expires: 02/12/2022

Antonio Cabral
Notary Public

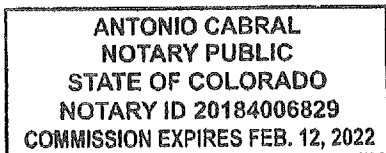


EXHIBIT A

THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 3 NORTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF WELD, STATE OF COLORADO.

EXCEPTING THEREFROM A PARCEL OF LAND CONTAINED IN DECREE TO UNION PACIFIC RAILROAD COMPANY RECORDED NOVEMBER 22, 1909 IN BOOK 314 AT PAGE 23.

EXCEPTING THEREFROM PARCELS OF LAND CONVEYED TO ROBERT D. KRUGER AND DONNA JEAN KRUGER BY DEEDS RECORDED AUGUST 31, 1979 IN BOOK 880 UNDER RECEPTION NO. 1802055 AND 1802056.

ALSO

THAT PART OF THE NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 3 NORTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:
BEGINNING AT THE NORTH QUARTER CORNER OF SECTION 3, RUNNING THENCE WEST ALONG THE NORTH LINE OF SAID SECTION 3, 2574 FEET TO THE NORTHWEST CORNER THEREOF;
THENCE SOUTH 2222 FEET ALONG THE WEST LINE OF THE SECTION, TO THE NORTH BANK OF THE ST. VRAIN RIVER; THENCE ALONG THE NORTH BANK OF THE RIVER,

NORTH 74 DEGREES 53 MINUTES EAST 304 FEET;
NORTH 82 DEGREES 12 MINUTES EAST 364 FEET
NORTH 20 DEGREES 10 MINUTES EAST 160.5 FEET;
NORTH 40 DEGREES EAST 150 FEET;
NORTH 74 DEGREES 48 MINUTES 576 FEET;
NORTH 49 DEGREES 30 MINUTES 236.7 FEET;
NORTH 60 DEGREES 45 MINUTES EAST 208 FEET;
NORTH 75 DEGREES 18 MINUTES EAST 179 FEET;
SOUTH 14 DEGREES 40 MINUTES EAST 223 FEET;
NORTH 71 DEGREES 12 MINUTES EAST 464 FEET TO THE NORTH AND SOUTH CENTER LINE OF SAID SECTION 3, THENCE NORTH 1422 FEET TO THE NORTH QUARTER CORNER, THE POINT OF BEGINNING.

EXCEPTING THEREFROM A PARCEL OF LAND CONVEYED TO WELD COUNTY BY DEED RECORDED JULY 9, 1915 IN BOOK 414 AT PAGE 30.

EXCEPTING THEREFROM PARCELS OF LAND CONTAINED IN DECREES TO UNION PACIFIC RAILROAD COMPANY RECORDED NOVEMBER 22, 1909 IN BOOK 314 AT PAGE 23, AND NOVEMBER 19, 1910 IN BOOK 332 AT PAGE 420.

EXCEPTING THEREFROM A PARCEL OF LAND CONVEYED TO O.R.
SCHMALLING BY DEED RECORDED AUGUST 2, 1918 IN BOOK 512 AT PAGE 303.

EXCEPTING THEREFROM A PARCEL OF LAND CONVEYED TO WELD COUNTY
BY DEED RECORDED NOVEMBER 10, 1924 IN BOOK 710 AT PAGE 525.

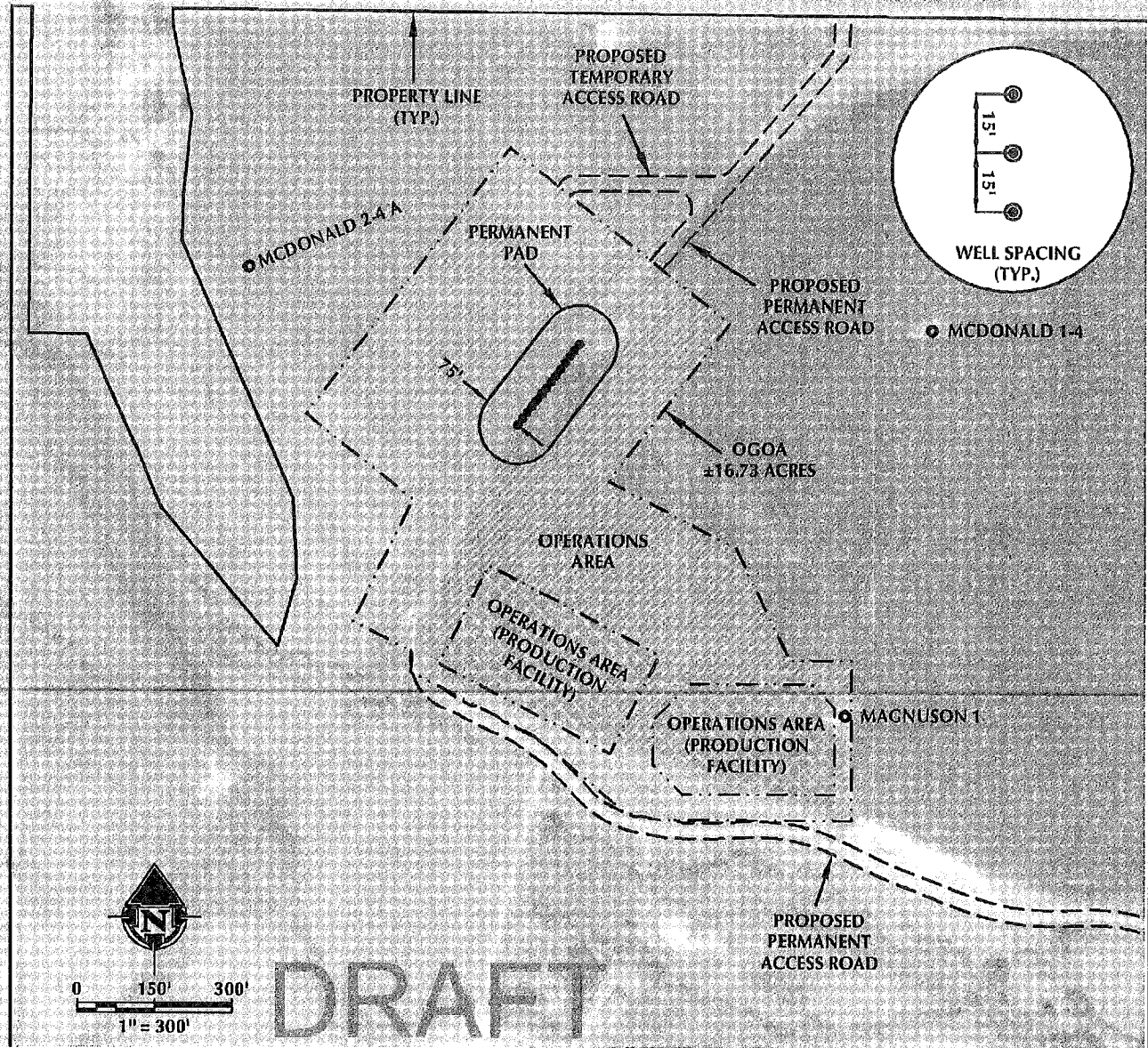
EXCEPTING THEREFROM A PARCEL OF LAND CONVEYED TO WELD COUNTY
BY DEED RECORDED FEBRUARY 26, 1969 IN BOOK 606 UNDER RECEPTION NO.
1528054.

EXCEPTING THEREFROM A PARCEL OF LAND CONVEYED TO ST. VRIAN
ASSOCIATES, A PARTNERSHIP BY DEED RECORDED MAY 12, 1978 IN BOOK
831 UNDER RECEPTION NO.1753313.

NOTE: A PORTION OF THE SUBJECT PROPERTY JS LOCATED WITHIN
PARCEL B OF RECORDED EXEMPTION NO. 1209-4-1- RE270, RECORDED
AUGUST 25, 1977 IN BOOK 806 UNDER RECEPTION NO. 1728405.

EXHIBIT "B" SWARTZ

NE1/4 SECTION 4, TOWNSHIP 3 NORTH, RANGE 67 WEST, 6TH P.M.



LEGEND

- OPERATIONS AREA
- PRODUCTION FACILITY OPERATIONS AREA
- EXISTING WELL
- PROPOSED WELL
- 50' FLOWLINE CORRIDOR
- PERMANENT WELL PAD

TEMPORARY DRILL PAD:

- a. 5.15 ACRES
- b. 390' X 575'



609 CONSULTING, LLC

LOVELAND OFFICE
6306 North Franklin Avenue
Loveland, Colorado 80518
Phone: 970-716-4331

SHERIDAN OFFICE
1099 5th Avenue
Sheridan, Wyoming 82801
Phone: 307-674-0609

DATE SURVEYED: N/A

DATE: 6/7/19

DRAFTER: SRS

REVISED: 12/11/19

DATA SOURCES:

- AERIAL COURTESY OF ESRI, INC.

PREPARED FOR:

Kerr-McCee Oil & Gas Onshore LP.