

EASEMENT, RIGHT-OF-WAY AND SURFACE USE AGREEMENT

This Easement, Right-Of-Way, and Surface Use Agreement (this "**Agreement**") is made and entered into this 8 day of Feb. 2022 (the "**Effective Date**") by and between Shelton Land and Cattle LTD ("**Owner**") with an address at P.O. Box 65 Roggen, Colorado 80652-0065 and Crestone Peak Resources Holdings LLC, a Delaware limited liability company ("**Operator**") with an address at 555 17th Street, Suite 3700, Denver, Colorado 80202. Operator and Owner may sometimes be collectively referred to herein as the "**Parties**" or each individually as a "**Party**".

RECITALS

- A. Whereas, Operator desires to drill oil and gas wells (individually a "**Well**" and collectively, the "**Wells**") on the following described lands (the "**Lands**"):

Township 4 North, Range 65 West, of the 6th P.M.
Section 25: Part of SE/4.
 a/k/a Weld County Parcel #: 105525400017
 containing 41.75 acres more or less.
 Weld County, Colorado

- B. Whereas, Owner is the surface owner of the Lands.

NOW THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

OIL AND GAS OPERATIONS ON THE LANDS.

- A. Operator desires to drill, complete, operate, produce and maintain the Wells on the Lands or the leases, the subsurface locations of which may be under lands other than the Lands. In order for Operator, its agents, consultants, successors or assigns to explore, permit, survey, obtain consents and waivers, develop, drill, construct, complete, recomple, produce, maintain, rework, equip, deepen, stimulate, re-stimulate, assess, evaluate, inspect, test, update, upgrade, operate, secure, and transport production ("**Operations**") from the Wells and all facilities associated therewith including, but not limited to, access roads (including existing roads on the Lands) ("Access Roads"), pipelines, infrastructure, equipment, surface appurtenances and production facilities including but not limited to emission control devices, vapor recovery towers, vapor recovery units, flowlines, gathering lines, transmission lines, temporary above ground water lines, temporary above ground completion fluid pipelines, gas lift lines, meters and housing, separators, tank batteries, mlvts, lact units, pumping units, equipment for artificial lift, electrical lines, utility lines and any other facilities or property necessary for operator to conduct operations on the Wells (each a "Facility," collectively, the "Facilities"), Owner recognizes it is necessary that Operator, its agents, consultants,

successors or assigns enter and utilize a portion of the Lands in order to operate and maintain the wells and facilities.

- B. Owner and Operator desire to mitigate any surface damage to the Lands and to set forth their agreements with respect to future operations on the Lands, to accommodate operations and development of the surface, and to provide for cooperation between the Parties and the mutual enjoyment of the Parties' respective rights in and to the Lands.
- C. This agreement sets forth the Parties' rights and obligations regarding the development and use of the Lands by Owner and Operations conducted by Operator.

SURFACE EASEMENT AND RIGHT-OF-WAY; SUBSURFACE EASEMENT.

- A. Owner hereby grants, assigns, and conveys to Operator, its successors and assigns and each of their agents, employees, contractors and subcontractors, an exclusive easement and right-of-way on, over, across, and through the Interim Reclamation Pad Area identified on the attached Exhibit A and a non-exclusive easement and right-of-way across the Disturbance Area outside of the Interim Reclamation Pad Area identified on Exhibit A (Interim Reclamation area and Disturbance Area are referred to collectively as "Wellsite") for the duration of time described in paragraph 16 for the purpose of drilling, completing, operating, securing, producing, evaluating, deepening, reworking, equipping, maintaining, plugging and abandoning of Wells, constructing, using and maintaining Access Roads and locating, constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing the Facilities and all necessary appurtenant facilities, for the purposes specified in this Agreement including ingress and egress from the Facilities across the Lands.
- B. Owner grants Operator the right to drill, complete, operate and maintain Wells on the Lands that produce oil, natural gas, produced liquids, and associated hydrocarbons from the Lands and other non-Owner lands, collectively pooled therewith.
- C. Owner further grants Operator a non-exclusive subsurface easement through the Lands for the purpose of drilling, completing, operating, re-stimulating, reworking and maintaining oil and gas wells that may produce and drain oil, natural gas, produced liquids and associated hydrocarbons from lands other than the Lands and lands pooled therewith for the duration of time described in paragraph 16.
- D. Owner further grants Operator the right to gather to the Lands and transport from the Lands oil, natural gas, produced liquids and associated hydrocarbons produced from the Lands and lands other than the Lands and lands pooled therewith, and to transfer/assign such right to a third party gatherer.

1. Operator shall pay Owner compensation ("**Wellsite Payment**") in the amount and on the terms set forth in that certain Confidential Letter Agreement of even date herewith ("**Confidential Letter Agreement**").

2. After any of the Wells are drilled from the Wellsite, Owner agrees that Operator may at any time re-enter the Wellsite to conduct additional drilling, completion, recompletion, and reworking operations in accordance with Colorado Oil and Gas Conservation Commission ("**COGCC**") regulations. In such case, if the Wellsite has not been reclaimed to Interim Reclamation Pad Area, no additional consideration will be due to Owner. If, however, the Wellsite has been reclaimed and there are actual crop damages and/or crop losses resulting from these operations, then upon completion of drilling, completion, recompletion, or reworking operations Operator shall make an additional payment to Owner in an amount equal to actual crop damages and/or crop losses resulting from these operations. Any such additional payments are referred to as the "**Re-entry Payment**". The Re-entry Payment shall cover all damages caused by re-entry and use of the Lands for additional drilling, completion, recompletion, and reworking operations including the expansion of the Wellsite. If Operator re-enters the Wellsite to conduct drilling and completion operations on additional Wells, then Operator shall give Owner thirty (30) days prior notice and a revised Exhibit A to this Agreement showing the additional Wells and facilities.

3. The Wellsite Payment, and Re-entry Payment shall be referred to collectively herein as the "**Damage Amount**." The Damage Amount shall constitute payment in full by Operator and its affiliates for all normal damages, including but not limited to damages to growing crops, associated with the access to and the use of the property for the drilling, construction, completion, recompletion, reworking, re-entry, production, operation and maintenance of the Wells. Normal damages include, but are not limited to, reasonable and customary ingress, egress, rights-of-way, construction of all access roads, preparation and use of the wellsite area, and completions area, and construction, installation and maintenance of production equipment and facilities such as flowlines, underground electrical lines, separators, tank batteries and other equipment or facilities necessary or convenient for the production and sale of oil and/or gas therefrom.

4. If by reason of Operator's operations, there is damage to personal property located on the Lands or there is damage to the surface of the Lands caused by the negligence of Operator or an unreasonable use of the surface of the Lands by Operator that is not associated with reasonable and normal drilling, completion, recompletion, reworking, re-entry, production, maintenance and operation of the Wells, such as damage to structures, fences, culverts and cement ditches, such damage shall be repaired or replaced by Operator or Operator shall promptly pay Owner for such damage. Such repair or replacement or payment for damages shall be completed within twenty-one (21) days (or a different timing as agreed upon by Owner and Operator) after Owner provides detailed written notice to Operator of such damage including written repair/replacement estimates. Operator shall give Owner prompt notice of any of the following occurrences arising with regard to the Lands or Operator's activities thereon;

- A. Any spill, release, or other occurrence that constitutes a violation of the provisions of any applicable laws, rules or regulations or this Agreement; and
- B. Any notices, claims or allegations of environmental violations or contamination received from any federal, state or local governmental agency or authority or the filing or commencement of any judicial or administrative proceeding by any such agency.

5. Owner represents that, to the best of its knowledge, it is the owner of the entire surface estate of the Lands that is subject to this Agreement, and that no one who is not a party to this Agreement is entitled to payment for normal damage to the surface of the Lands pursuant to Sections 1, 2 and 3 above. Owner acknowledges that Operator has no obligation under this Agreement to compensate or otherwise notify, conduct business, communicate, or interact whatsoever with a tenant or other occupant of the Land.

6. Except as provided in Section 4 above for cases of unreasonable surface use and/or negligence by Operator, Owner, for itself and its successors and assigns, does hereby, in consideration of the Damage Amount, release, relinquish and discharge Operator, its affiliates, successors and assigns from all claims, demands, damages and causes of action that Owner may have by reason of the reasonable and customary drilling of the Wells, and all other damage or injury to the Lands caused by the reasonable and customary drilling, completion, recompletion, reworking, re-entry, production, operation and maintenance of the Wells and all flowlines, electrical lines, tank batteries and other facilities, and Owner accepts the Damage Amount as full compensation therefor. Notwithstanding the foregoing, Operator agrees to indemnify and hold Owner harmless from any and all claims and damages of third parties arising out of and caused by Operator's Operations.

7. Owner expressly acknowledges and hereby agrees that this Agreement satisfies the obligations and requirements of Operator pursuant to COGCC rules and regulations and Colorado statutes to consult in good faith with Owner regarding proposed oil and gas operations on the Lands. Owner also expressly acknowledges and hereby agrees that this Agreement shall be deemed to be specifically applicable to, and to satisfy fully, the obligation of Operator to accommodate the Owner's use of the surface of the Land, existing and future, and Owner waives any statutory or common law claims to the contrary including, but not limited to, any claims pursuant to C.R.S. 34-60-127, as amended. Owner also acknowledges that Operator has fully complied with all other applicable governmental regulations and statutes, if any, relating to the settlement of the damages contemplated herein.

8. Owner acknowledges that Operator's representative has met with and consulted with Owner (or Owner's representative) as to the location of the Wells, Wellsite, Access Roads, electrical lines, flow lines, and Facilities Area and that this Agreement incorporates the results of such meeting(s) and consultation(s). Owner further acknowledges that a COGCC onsite inspection of the Lands is not necessary or required.

9. In conducting operations on the Lands, Operator is authorized to use the surface of the Lands for and shall:

- A. Use the area for the Wellsite during any drilling, completion, or recompletion as shown on **Exhibit A**. The area required for the Wells and all facilities related to the Wells during production, maintenance, and operation ("**Interim Reclamation Pad Area**") shall be as depicted on **Exhibit A**. After completions of the Wells the Access Road(s) shall not exceed twenty-five (25) feet in width, during drilling and completions the Access Road shall not exceed thirty-five (35) feet in width.
- B. A utility easement will be necessary for supplying electrical power and any other required utilities to the Wellsite during drilling, completion, and production of the Wells. Owner agrees to execute any and all necessary grant of easement, right-of-way, or such other document or agreement as necessary to memorialize a utility easement with Operator provided the Parties work together to determine a mutually acceptable easement route from electrical source to the Wellsite.
- C. Separate the topsoil at the time of excavation so that the topsoil and subsurface soil may be placed back in proper order as nearly as possible.
- D. Reclaim the Wellsite from Disturbance Area to Interim Reclamation Pad Area as nearly as practicable to its original condition and, if the location is in pasture, reseed the location with native grasses. Weather permitting, reclamation operations shall be completed within

three (3) months following drilling and subsequent related operations, unless Operator and Owner mutually agree to postponement because of crop or other considerations.

- E. Use its best efforts to keep the area around Wellsite free of weeds and debris both during drilling operations and after completion and production.
- F. Install such fencing as may be reasonably required by the COGCC and/or applicable local government jurisdiction or requested by Owner.
- G. Ensure that all vehicles accessing the Lands on its behalf remain on the Access Roads. Upon request by Owner, Operator shall place a single strand fence on both sides of Access Roads during drilling operations.
- H. Install culverts on the Lands that may be necessary to maintain present drainage otherwise affected by its operations on the Lands or adjacent Lands owned by Owner.
- I. No later than 30 days after the first sales of the Wells Operator will remove and dispose of (away from the Lands) all trash, refuse, pipe, equipment, liquids, chemicals and other materials brought on the Lands that are not necessary for continued operations of the Wells. No such items will be burned or buried on the Lands.
- J. Bury all pipelines of any type or purpose not less than Three and one-half feet (3½') beneath the surface and water packed or compacted upon installation. In excavating for pipelines or for drilling operations or for any other purpose, all soils will be separated so that topsoil and subsurface soils shall be placed back in the proper order and leveled, with topsoil on top, where applicable. Any topsoil removed will be stockpiled, placed in berms, and/or stored onsite per COGCC rules and regulations for use during final reclamation post plug and abandonment of the Wells.
- K. Not construct or install any pipelines, telephone lines, electric lines or roads on the Lands which do not serve a Well located on the Lands, nor inject any water, brine or other fluids into the subsurface strata of the Lands for the purpose of disposal.

10. Except in the event of breach of this Agreement by Operator, under no circumstances shall Owner prohibit Operator or any third-party gatherer from flowing oil, condensate, hydrocarbons, natural gas, and/or water through flowlines and pipelines at any time.

11. Owner agrees to reasonably cooperate with third party gatherer on location of gathering lines (including pipelines for gathering of natural gas, oil, condensate, produced water and such) and Owner's consent to placement of such lines shall not be unreasonably withheld, delayed, or conditioned. Owner shall have the right to receive additional compensation from such third-party gatherer.

12. Owner agrees to reasonably cooperate with third party electricity provider on the location and execution of a Grant of Easement and/or Right-of-Way for an electrical pocket easement to provide electricity to Operator, provided that the location of such easement does not interfere with Owner's farming operations on the Property Owner's consent to placement of electrical equipment shall not be unreasonably withheld, delayed, or conditioned. Owner shall have the right to receive additional compensation from such third-party gatherer

A. SUBJECT TO PARAGRAPH 8 OF THIS AGREEMENT AND PROVIDED OPERATOR IS NOT IN DEFAULT UNDER THIS AGREEMENT, OWNER HEREBY WAIVES THE FOLLOWING NOTICES AND CONSULTATIONS:

- i. Rule 303.e.(1)A: Notice of Completeness Determination (OGDP) to Mineral Owners;
- ii. Rule 303.e.(1)B: Notice of Completeness Determination (OGDO) to Surface Owners;
- iii. Rule 309.b: Consultation – Surface Owners
- iv. Rule 309.c: Consultation – Building Unit Owners and Tenants
- v. Rule 401.c: Location of Well Completions – Exception Locations
- vi. Rule 412.a: Statutory Notice to Surface Owners;
- vii. Rule 412.a(4) and Rule 312.e: Notice of Subsequent Operations;
- viii. Rule 412.a.(5): Notice During Irrigation Season;
- ix. Rule 412.a.(6): Final Reclamation Notice;
- x. Rule 412.b.(1): Move-in, Rig-Up Notice;
- xi. Any other notice or consultation requirements of the COGCC.

Following Weld County Notices

- xii. Sec 21-5-355.B.1.: Surface Owner Notification prior to construction.
- xiii. Sec 21-5-355.B.2.: Surface Owner Subsequent Well operation notification
- xiv. Sec 21-5-355.B.3.: Surface Owner Final Reclamation notification
- xv. Sec 21-5-355.C.1.: Building Unit Owner Notification of Operations

B. Owner shall not object or protest any application for an Oil and Gas Development Plan (“OGDP”), Comprehensive Area Plan (“CAP”), Drilling and Spacing Unit (“DSU”), Oil and Gas Location Assessment (“Form 2A”) or Application for Permit to Drill (“Form 2”) filed by Operator with the COGCC for Wells or operations to be conducted in accordance with this Agreement.

C. Owner hereby waives any right granted by COGCC rule to comment on the OGDP, CAP, DSU, Form 2A, or Form 2 to request an extension of the comment period, to request an onsite inspection pursuant to COGCC policy, and to appeal the approval and issuance of the any of the above-captioned application including but not limited to the Form 2A and any related Form 2.

D. Owner shall not oppose Operator, its agents, consultants, attorneys, successors and assigns in any COGCC or other administrative or governmental proceedings related to Operator’s operations, including but not limited to permitting, formation of drilling units, well spacing, well density, pooling, drilling, completion, stimulation, re-stimulation, workovers, deepening and recompleting, provided that Operator’s position and contemplated undertakings in such proceedings are consistent with this Agreement. Owner will provide Operator, its agents, consultants, attorneys, successors and assigns with any and all written support they may reasonably required to obtain permits from the COGCC or other applicable governmental body.

E. Owner understands and acknowledges that the COGCC has rules and regulations that apply to the distance between a wellhead and public roads, production facilities, building units, occupied buildings, residential building units, and surface property lines, among other things. As to operations contemplated by this Agreement, Owner hereby waives its right to object to the location of any Well, the Access Road and Facilities on the basis of setback requirements in the

rules and regulations of the COGCC, including, but not limited to, the 150 foot setback from surface property lines and other requirements of rules 604.a.(2), and 604.a(4), except that the Parties intend to rely upon one or more exceptions of rule 604.b of the rules and regulations of the COGCC relating to siting requirements for proposed oil and gas locations near residential building units and high-occupancy building units, property lines and designated outside activity areas, as those terms may change or be defined and amended from time to time. For the operations contemplated by this Agreement, Owner hereby waives the Residential Building Unit and High Occupancy Building Unit setback distances, as required by COGCC rules and regulations, and agrees to provide informed consent as contemplated in Rule 604 and on a form(s) acceptable to COGCC.

F. Owner understands that Operator may provide a copy of this Agreement to the COGCC in order to obtain a waiver, exception location, or variance from the COGCC rules or from a local jurisdiction.

G. Upon request, at Operator's sole cost, Owner shall provide timely executed waivers, variances, documentation, agreements, plan sets, and any other such instruments necessary for Operator to obtain local, County or COGCC permits.

13. Operator will comply with COGCC rules and regulations requiring that advance notice be provided to Owner for subsequent operations on the Wells, including, but not limited to, reworking operations thereto.

14. Owner shall not construct industrial, commercial or residential structures or Building Units as that term is defined in the COGCC Rules or recreational facilities in the Wellsite, Access Roads, or utility easements within current existing county required building set-back or 500' thereof (whichever is less) until such time as the Wells have been plugged and abandoned.

15. Neither Owner nor Operator will be liable to the other for any damages for failure to perform its obligations under the Agreement due to fire, earthquake, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, acts of terrorism, strike or labor disputes and other like casualty or other causes beyond its reasonable control.

16. This Agreement shall commence and is effective upon the day of execution of this Agreement by both Operator and Owner. The Agreement and the easements provided herein shall continue in effect during the initial four-year term and extended two-year term (total possible 6-year term), if properly extended. Further, the Agreement will continue beyond the extended term, if applicable, as long as a Well drilled and completed by Operator on the Lands is producing or capable of producing in paying quantities. This Agreement shall terminate; (a) if and when all Wells drilled and completed by Operator on the Lands are no longer producing in paying quantities and all Wells are plugged and abandoned and the Land is reclaimed by Operator pursuant to COGCC rules and regulations or (b) after four years if Operator does not pay the Extension Payment detailed in the Confidential Letter Agreement or (c) if Operator does not begin constructing the Wellsite for drilling the Wells on the Land within six years of the execution date of this Agreement (provided the Extension Payment was timely made by Operator). Upon expiration or termination of this Agreement, Operator, at Owners request, will record in the county records that the Agreement has ended.

17. This Agreement sets forth the entire understanding between the Parties and supersedes any previous communication, representation or agreement, whether oral or written. No change of any of the

terms or conditions herein shall be valid or binding on any party unless in writing and signed by an authorized representative of both parties.

18. The validity, interpretation and performance of this Agreement shall be governed and construed in accordance with the laws of the State of Colorado without reference to its conflicts of laws provisions. Venue for any action to enforce or interpret this Agreement shall be in Weld County, Colorado or the U.S. District Court for the District of Colorado.

19. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it conflicts with such laws; however, the remainder of this Agreement shall be in full force and effect. In the event that any part of this Agreement would otherwise be unenforceable or in conflict with applicable laws due to the term or period for which such part is in effect, the term or period for which such part of this Agreement shall be in effect shall be limited to the longest period allowable which does not cause such part to be unenforceable or in conflict with applicable laws.

20. An alleged breach or default by Operator of any obligation under this Agreement shall not be a forfeiture or termination of this Agreement unless adjudicated as such by a final order of the state courts of the state of Colorado. Owner will not pursue remedies under this Agreement against Operator with respect to any alleged breach or default unless and until Owner shall have given at least thirty (30) days advance written notice to Operator describing the details of the alleged breach or default and Operator fails to remedy or commence to, and diligently pursue, the remedy of the breach or default within ninety (90) days after receipt of such notice. The prevailing Party in any action resulting from an alleged breach of this Agreement will be entitled to its reasonable attorneys' fees and costs incurred therein. Except as otherwise agreed in writing, no waiver by Owner of any breach by the Operator of any of its obligations, agreements, or covenants hereunder will be deemed to be a waiver of any subsequent or continuing breach of the same, nor will any forbearance by Owner to seek a remedy for any breach by the Operator be deemed to be a waiver by Owner of its rights or remedies with respect to such breach.

21. This Agreement does not create any special relationship between the parties, including without limitation, that of joint ventures or partners, a fiduciary relationship, one of trust or confidence or principal-agent.

22. This Agreement and all of the covenants in it shall be binding upon the successors and assigns of the Parties and the benefits of this Agreement shall inure to their successors and assigns. This Agreement and all of the covenants in it shall be covenants running with the land.

23. Each Party shall at its own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

24. **Exhibit A** is incorporated into this Agreement by this reference.

25. Operator may record this Agreement or a Memorandum of this Agreement with the Clerk and Recorder of Weld County and provide evidence to Owner of the recording.


26. This Agreement 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.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.


OPERATOR:

CRESTONE PEAK RESOURCES HOLDINGS LLC,
a Delaware limited liability company


By: Allison Boes
Its: VP Land

OWNER:

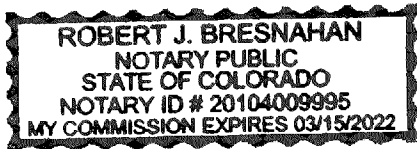
SHELTON LAND AND CATTLE LTD


By: Ronald E. Shelton
Its: president

ACKNOWLEDGMENTS

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 8 day of February, 2022, by Allyson Boies, as VP Land for Crestone Peak Resources Holdings LLC, a Delaware limited liability company.
Witness my hand and official seal.



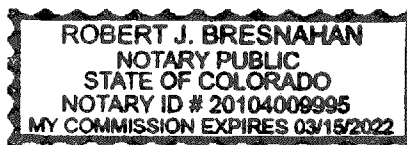
[Signature]
Notary Public
My Commission Expires: 3/15/2022

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this 8 day of February, 2022, by Ronald E. Shelton as President for Shelton Land and Cattle LTD.
Witness my hand and official seal.

[Signature]
Notary Public

My Commission Expires: 3/15/2022



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