

## SURFACE USE AND COMPENSATION AGREEMENT

This Surface Use and Compensation Agreement ("**Agreement**") is made and entered into effective as of the 20<sup>th</sup> day of October, 2014 ("**Effective Date**"), by and between East Quincy Holding LLC, whose address is 1871 Rocky View Road, Castle Rock, CO 80108-9711 ("**Grantor**"), and ConocoPhillips Company, a Delaware Corporation, whose address is Attn: Manager, Real Property Administration, PO Box 7500, Bartlesville, OK 74004-7500 ("**Grantee**").

### **RECITALS**

- A. Grantor owns the surface and mineral estate or otherwise controls the surface and mineral rights in and to property located in Section 5, Township 5 South, Range 64 West, Arapahoe County, Colorado, as more particularly described and depicted on **Exhibit A**, attached hereto and made a part hereof ("**Property**").
- B. Grantee owns or operates oil and gas leases and rights and may become holder of other oil and gas leases and rights underlying or in the vicinity of the Property ("**Leases**") and desires to enter on the Property for the purposes of conducting oil and gas operations under or related to the Leases ("**Operations**").
- C. In addition to the rights granted in the Leases, Grantee desires to obtain the right to use the Property for the purpose of access to and from the Leases and right(s)-of-way related to Grantee's Operations.
- D. Grantor and Grantee desire to stipulate and agree on the rights to be granted by Grantor to Grantee and the compensation and damages to be paid for such rights.

### **AGREEMENT**

For and in consideration of TEN AND NO/100 DOLLARS (\$10.00), the foregoing recitals and the terms, covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee agree as follows:

#### **1. Surface Access Rights.**

- A. **Right-of-Way.** Grantor grants to Grantee and its agents, employees, and others authorized by them a private easement and right-of-way upon and across the Property to conduct its Operations, including without limitation, the rights to (a) locate, drill, complete, operate, and maintain wells and well pads and associated production equipment on the Property; (b) to construct, operate and maintain access roads, (c) to lay, construct, operate, inspect, maintain, repair, replace with same or different size pipe, remove, or abandon in place pipeline(s), compressor(s) power line(s) and/or communication line(s), and other facilities related to the Operations ("**Right-of-Way**"). Such Right-of-Way also includes the Ancillary Rights described in Paragraph 8, and the right for Grantee to construct from time to time and at any time or times additional pipelines, appurtenances, valves, metering equipment, cathodic protection, wires, conduits, cables, and/or underground power lines and other facilities needed for its Operations within the Right-of-Way granted. The Right-of-Way for the roads, pipeline(s),

compressor(s), power line(s) and/or communication line(s) shall not exceed 60 feet in width. Grantee may use an additional 20 feet along and adjacent to the Right(s)-of-Way during construction, repair or maintenance periods.

B. Grantor warrants that it is the owner of the Property and has the legal right to grant the Right-of-Way described herein and that Grantee shall have the quiet use and enjoyment of the Property in accordance with the terms and conditions of this Agreement.

2. **Location of Facilities and Well Pads.** The pipelines, power lines, communication lines, other planned facilities, access and the well pad locations will be located as specified and illustrated on the attached **Exhibit B**.
3. **Colorado Waiver of Notice and Consultation.** With respect to the Rules and Regulations ("**Rules**") of the Colorado Oil and Gas Conservation Commission ("**COGCC**"), Grantor waives the right to receive notices and/or to comment as set forth in COGCC Rule 305. Grantor hereby also waives any and all rights to consultations and/or meetings as set forth in COGCC Rule 306. Grantor acknowledges the receipt from Grantee of the information brochure for surface owners described in COGCC Rule 306. Grantor acknowledges and agrees that Grantee has complied with all notice, meeting, comment and consultation requirements of COGCC Rules 305 and 306. Grantor also waives the right to receive any required notice or give consent under the county code of the county in which the Property is located.
4. **Grantor Use of Property.** Grantor expressly acknowledges that this Agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligation of Grantee to reasonably accommodate Grantor's use of the surface of the Property, existing or future, and Grantor waives any statutory or common law claims to the contrary. Further, Grantor acknowledges that Grantee's proposed use of the Property reasonably accommodates the Grantor by minimizing intrusion upon and damage to the Property, and that Grantee has fully complied with Colorado's statutory reasonable accommodation doctrine at Colo. Rev. Stat. §34-60-127, as amended or re-codified. Grantor agrees that Grantee will have the right to fence and will have exclusive use of the well pads located within the Right-of-Way, and Grantor specifically agrees not to place or store any personal property or material of any kind on any well pad, including but not limited to placing or storing vehicles, farm equipment, hay or other crops on any well pad. Following notice to Grantor, Grantee may remove any such equipment from the Right-of-Way to another location on the Property, at Grantor's risk and expense.
5. **Compensation.** Compensation for the rights granted hereunder and for damages incurred with respect to Grantee's use of any of the Property for the purposes stated herein, is provided for in a separate unrecorded agreement between Grantor and Grantee signed concurrently with this Agreement.
6. **Release.** Grantor, for itself and its successors and assigns, acknowledges the receipt and sufficiency of all compensation paid by Grantee pursuant to this Agreement as full and complete settlement for and as a release of all claims for loss, damage or injury to the Property arising out of Grantee's Operations.

**7. Conduct of Operations.**

- A. Grantee shall conduct its Operations in a safe and workmanlike manner and in compliance with all applicable federal, state or local laws, rules or regulations.
- B. Grantee will design and construct well locations to provide a safe working area while reasonably minimizing the total surface area disturbed.
- C. At the time any access road is initially constructed, Grantee will install a cattleguard and/or gate at each existing fence line crossed by such access road.
- D. Grantee shall maintain all disturbed areas affected by drilling or subsequent operations to control dust and minimize erosion. During the term of this Agreement, Grantee shall keep all disturbed areas as reasonably free of noxious weeds as practicable.
- E. Grantee shall have the right to clear all trees, undergrowth and other obstructions from the Right-of-Way.
- F. Grantor shall not impound water or build, construct, create or install, nor permit others to impound water or build, construct, create or install, any buildings, structures, fences, trees, engineering works, or any obstructions on the Right-of-Way and Grantor will not change the grade of the Right-of-Way without the express written consent of Grantee.
- G. Grantor agrees that during times of construction or other significant work, Grantee may park vehicles in areas near the work site or along roads.
- H. Grantee may store material (e.g., soil and gravel) excavated from the Property on the well pad to be used for construction or reclamation of the well pad. Grantee also may import material from off of the Property for construction or reclamation of the well pad. After constructing the well pad, if Grantee determines that there is material in excess of what is required for reclamation that can reasonably be stored on the well pad, then Grantee may deliver said excess material to a location on the Property that is mutually acceptable to Grantee and Grantor. Any such excess material so delivered shall become the sole responsibility of Grantor, and Grantee shall have no further responsibility for said excess material. Should a mutually acceptable location on the Property not be found, then Grantee will remove such excess material from the Property.
- I. Grantor hereby grants permission for any local electric company to raise, move and install utility lines on the Property when requested by Grantee in connection with the well. Grantor agrees to execute utility easements with such local electric company as necessary to comply with this provision.

8. **Ancillary Rights.** In addition to the other rights granted herein, Grantee shall be entitled to, and is granted a right-of-way and easement to use the surface and subsurface of the Property to drill, complete, produce, deepen, rework, drill additional laterals or wells, frac, re-

frac and recomplete vertical wells, directional and/or horizontal wells (collectively referred to as "Wells") under and through the Property to reach lands not covered by this Agreement and which Wells have bottom hole locations (if vertical wells) or horizontal drainhole locations (if horizontal wells) on lands not covered by this Agreement.

**9. Reclamation.**

- A.** As to all disturbed areas affected by Grantee's Operations, that are no longer needed or used for construction or operation of any facilities, or upon termination of this Agreement, Grantee shall commence operations and continue in a diligent manner to fully reclaim and re-seed areas to a condition as similar as is practicable to that existing prior to the commencement of Grantee's activities, or in accordance with any then applicable federal, state or local laws and regulations, and in accordance with these provisions.
- B.** Grantee shall consult with Grantor regarding seed mix to be used for reseeding.
- C.** Grantee shall notify Grantor prior to final reclamation operations on the Property, including plugging and abandonment, and shall comply with any federal, state or local notification rules, regulations or requirements. Grantee shall use its reasonable efforts to consult in good faith with Grantor regarding all aspects of final reclamation, including but not limited to timing of such operations, topsoil protection and reclamation of the Property.

**10. Designated Contact Person.** Grantor and Grantee designate the following as their primary contact person for discussions, consultation and/or notification purposes:

**GRANTOR:**

Ken Ash  
East Quincy Holding LLC  
1871 Rocky View Road  
Castle Rock, CO 80108-9711  
303-688-8151

**GRANTEE:**

ConocoPhillips Company  
Real Property Administration  
PO Box 7500  
Bartlesville, OK 75005-7500

**And to:**

ConocoPhillips Company  
Attn: Maxwell Blair  
Property Tax, Real Estate, Right of Way and Claims  
34501 E. Quincy Ave, Building #1  
Watkins, CO 80137  
Phone: 303-268-3711  
Fax: 303-268-3730

All notices and communications required or permitted under this Agreement shall be in writing and addressed as set forth above. Any communication or delivery hereunder shall be deemed to have been duly made and the receiving Party charged with notice, whether personally delivered, sent by facsimile transmission, mail or overnight courier, when received. Grantor or Grantee may notify the other of a change in its designated contact person.

11. **Assignability**. This Agreement may be assigned by Grantee without Grantor's consent to any person or entity holding an oil and gas leasehold interest in the Property but may not otherwise be assigned without Grantor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Failure to respond to a request for consent to assign within 30 days after receipt of the request will be deemed consent to the assignment. Such assignment will act to terminate the assigning party's duties, obligations, and liabilities under this Agreement from and after the effective date of the assignment, with the exception of any monetary obligations accruing prior to such date.
12. **Binding Effect**. All provisions of this Agreement shall be binding on and inure to the benefit of Grantor and Grantee and their heirs, executors, administrators, successors and assigns.
13. **Term**. This Agreement shall be effective as of the date it is fully executed and shall remain in force and effect as to all of the Property for as long as the oil and gas lease pursuant to which any wells located on the Property are or were drilled remain in effect and for a period of 1 year following termination of such oil and gas leases and rights.
14. **Shall Not Diminish Other Rights**. This Agreement is a clarifying and confirming document and shall not be construed as a waiver of any rights Grantee has under any other agreement or instrument pertaining to the Property. If it becomes necessary or desirable to utilize locations different from those agreed upon due to regulatory requirements or otherwise, the parties will negotiate a modification to this Agreement.
15. **Indemnity**. Grantee hereby agrees to indemnify, defend and hold Grantor harmless from and against all losses, damages, claims, demands and suits (including court costs and reasonable attorney's fees) that Grantor may incur or be liable for (collectively, "Claims"), to the extent that such Claims result directly from Grantee's exercise of the rights granted hereunder, EXCEPT to the extent any such Claims result from or are attributable to the negligence, gross negligence, willful misconduct or malicious acts (or omissions) of Grantor, its agents, employees, contractors or representatives.
16. **Force Majeure**. Neither Grantor nor Grantee shall be liable to the other for any damages for failure to perform its obligations under this 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 (including but not limited to inability to complete reclamation responsibilities; provided, however, that such responsibilities shall continue but with an extension of the completion deadline), nor for damages caused by public improvements or condemnation proceedings.
17. **Transfer of Grantor's Interest**. No transfer of Grantor's interest, by assignment or otherwise, shall be binding on Grantee until Grantee has been furnished with written notice, including copies of all recorded instruments or documents and other information necessary

to establish a complete chain of record title from Grantor. No present or future division of Grantor's ownership as to different portions or parcels of the Property shall operate to enlarge the obligations or diminish the rights of Grantee, and all Grantee's Operations may be conducted without regard to such division.

18. **Amendments.** This Agreement may only be amended by the written agreement of both parties.
19. **Headings.** Paragraph headings or captions in this Agreement are for reference and convenience only and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision.
20. **Construction of Agreement.** Whenever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine gender shall include the feminine and neuter genders, and vice versa. The provisions of this Agreement have been independently, separately and freely negotiated by Grantor and Grantee as if drafted by both. The parties waive any statutory or common law presumption that would serve to have this Agreement construed in favor of or against either of them.
21. **Applicable Law.** This Agreement shall be governed by and interpreted in accordance with the laws of Colorado, excluding any choice of law provisions that would refer the matter to the laws of another jurisdiction.
22. **Notice of Breach or Default.** An alleged breach or default by Grantee of any obligation under this Agreement or the failure of Grantee to satisfy any condition or limitation contained in this Agreement shall not work a forfeiture or termination of this Agreement nor be grounds for cancellation of this Agreement in whole or in part. Grantor shall not initiate litigation with respect to any alleged breach or default by Grantee under this Agreement for a period of at least 30 days after Grantor has given Grantee written notice fully describing the breach or default, and if Grantee does not dispute the breach, then only if Grantee fails to remedy or commence to remedy the breach or default within such period.
23. **Relationship of Grantor and Grantee.** Grantor and Grantee acknowledge and agree that this Agreement does not create any special relationship between them including, without limitation, that of joint venturers or partners. Nothing in this Agreement shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principle-agent relationship between Grantor and Grantee for any purpose.
24. **Severability.** If any provision of this Agreement is illegal, invalid or unenforceable under present or future laws applicable to this Agreement, Grantor and Grantee intend that the remainder of this Agreement shall remain in full force and effect so as to fulfill as fully as possible their intent as expressed by the then existing terms of this Agreement, including the invalidated provision.
25. **Merger of Prior Agreements.** This Agreement contains the sole and entire agreement and understanding of Grantor and Grantee with respect to the Right-of-Way and shall supersede all prior agreements, if any, insofar as they pertain to the Right-of-Way. All prior discussions, negotiations, commitments and understandings relating to the Right-of-Way are merged into this Agreement.

26. **Counterparts.** This Agreement may be executed in two or more original counterparts, all of which together shall constitute one and the same Agreement.

**EXECUTED** as of the date of acknowledgement, but this Agreement is effective as of the Effective Date.

**GRANTOR:**

East Quincy Holding LLC

By: 

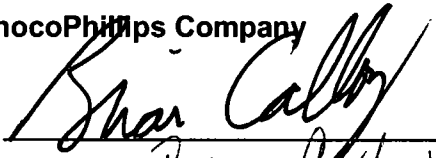
Printed Name: KENNETH E. ASH

Title: MEMBER

Date: OCTOBER 20<sup>th</sup>, 2014

**GRANTEE:**

ConocoPhillips Company

By: 

Printed Name: Brian Cheloway

Title: Attorney-in-Fact

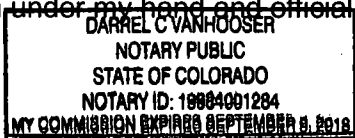
Date: DEC. 11, 2014

# ACKNOWLEDGMENTS

State of Colorado }  
 County of Arapahoe }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Kenneth E. Ash, whose name as Member of the East Quincy Holding LLC is signed to the foregoing Surface Use and Compensation Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument she, as authorized agent and with full authority, executed the same voluntarily and as the act of said Member.

Given under my hand and official seal, this the 20<sup>th</sup> day of October, 2014.



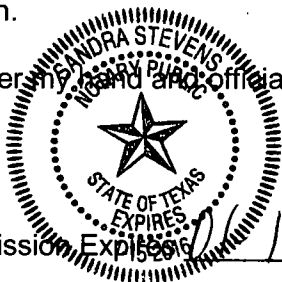
Darrel C VanHooser  
 Notary Public

My Commission Expires 9-8-18

State of Texas }  
 County of Midland }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Brian Callaway, whose name as Attorney In Fact of ConocoPhillips Company is signed to the foregoing Surface Use and Compensation Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument she, as authorized agent and with full authority, executed the same voluntarily and as the act of said corporation.

Given under my hand and official seal, this the 11<sup>th</sup> day of Dec, 2014.



Sandra Stevens  
 Notary Public

My Commission Expires 12/15/2016



Exhibit A

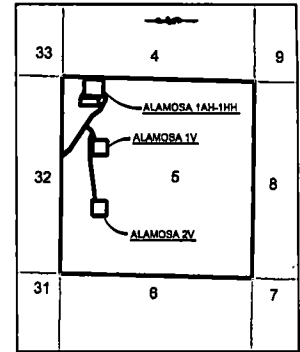
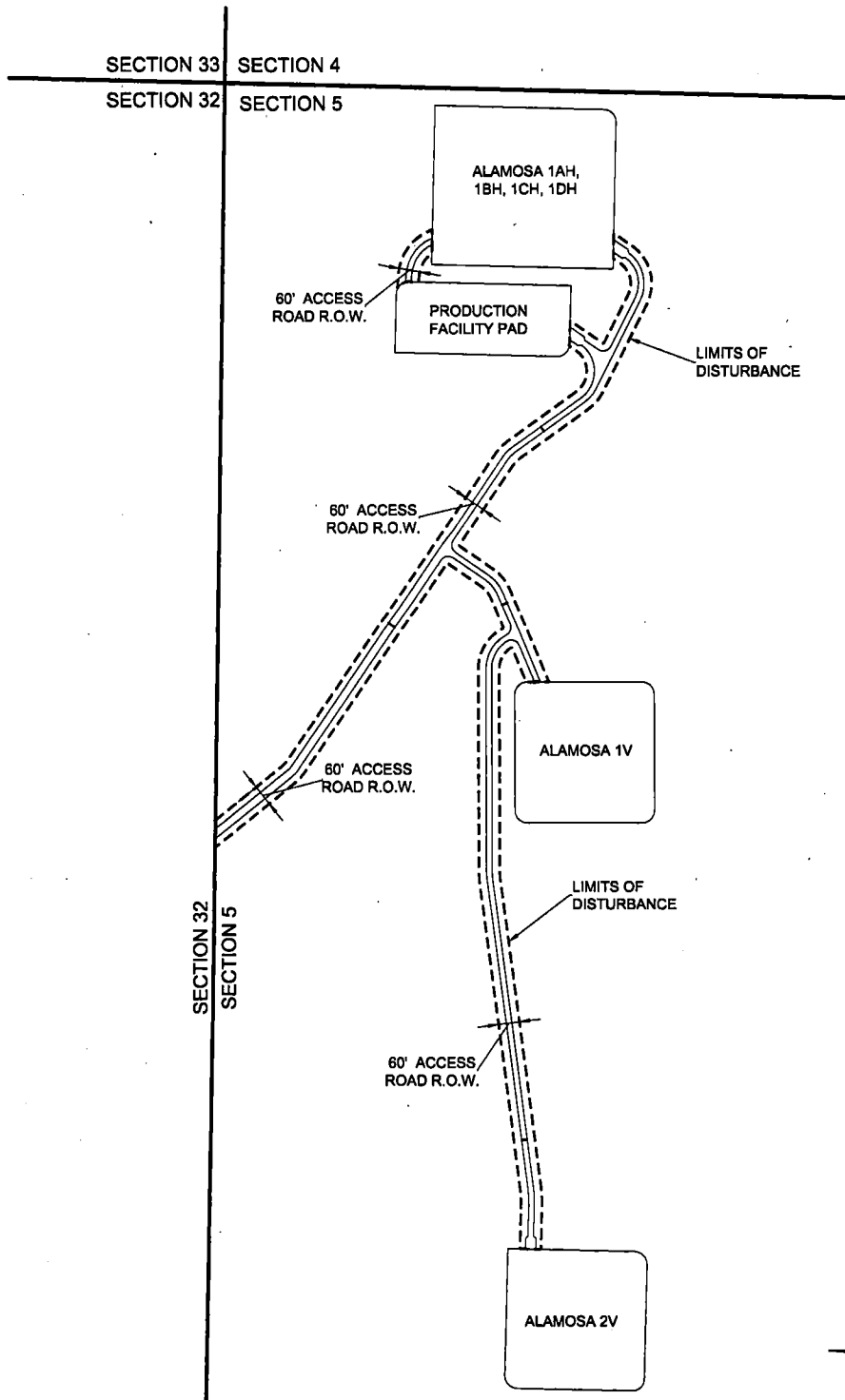
**As described in the Special Warranty Deed recorded in the records of Arapahoe County under reception #: D2087589**

**Property Description:**

**PARCEL 1:**

ALL OF SECTION 5, TOWNSHIP 5 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EXCEPT THAT PORTION CONVEYED IN DEED RECORDED JANUARY 8, 1997 UNDER RECEPTION NO. A7002842, AND EXCEPT THAT PORTION CONVEYED TO ARAPAHOE COUNTY, COLORADO IN DEED RECORDED AUGUST 8, 1978 IN BOOK 2826 AT PAGE 723,  
COUNTY OF ARAPAHOE,  
STATE OF COLORADO.

PROPOSED WELL PAD LOCATION AREA = 15.4 ACRES  
 PROPOSED ACCESS ROAD DISTURBANCE = 4,712 LF X 60' = 6.49 ACRES



KEY MAP

500 250 0 500 1000

SCALE: 1" = 500'

DATE: 10-20-14

EXHIBIT B  
 ALAMOSA WELL PADS ACCESS ROADS  
 SECTION 5 T5S R64W, ARAPAHOE COUNTY  
 CONOCOPHILLIPS COMPANY

ATTN: MAXWELL BLAIR  
 34501 E. QUINCY AVE.  
 WATKINS, CO 80137  
 PHONE: (303) 268-3711



10333 E. Dry Creek Rd.  
 Suite 240  
 Englewood, CO 80112  
 Tel: (720) 482-9526  
 Fax: (720) 482-9546

## AMENDMENT TO SURFACE USE AND COMPENSATION AGREEMENT

This amendment to surface use agreement ("**Amendment**") is dated effective February 7, 2019 and is between East Quincy Holding, LLC, a Colorado limited liability company ("**Grantor**"), and ConocoPhillips Company ("**Grantee**"), a Delaware corporation.

### Recitals

1. Grantor and Grantee entered into a Surface Use and Compensation Agreement ("**Original Agreement**") dated October 20<sup>th</sup>, 2014 recorded at Reception No. D5002403 of the Recorder's Office of Arapahoe County, Colorado.
2. The legal description for the Original Agreement is:  

Township 5 South, Range 64 West, 6<sup>th</sup> P.M., Arapahoe County, CO  
Section 5: All  
Section 6: E/2
3. Grantor and Grantee desire to amend the Original Agreement.

Now, therefore, for valuable consideration, the Parties agree to amend the Original Agreement as follows:

1. Paragraph 10 is deleted and replaced with the following:

**10. Designated Contact Person.** Grantor and Grantee designate the following as their primary contact person for discussions, consultation, and/or notification purposes:

Grantor:  
East Quincy Holding LLC  
34501 E Quincy Ave, Box 1  
Watkins, CO 80137  
Attention: Ken Ash 303-517-5248

Grantee:  
ConocoPhillips Company  
Attn: Surface Land  
34501 E Quincy Ave, Building #1  
Watkins, CO 80137

All notices and communications required or permitted under this Agreement should be in writing and addressed as set forth above. Any communication or delivery hereunder will be deemed to have been duly made and the receiving Party charged with notice, whether personally delivered, sent by mail or overnight courier, when received. Grantor or Grantee may notify the other of a change in its designated contact person.

2. Exhibit A and Exhibit B are deleted and replaced with the Exhibit A and Exhibit B that are attached to this Amendment.

This Amendment is binding upon and is for the benefit of the Grantor and Grantee and their successors and assigns.

This Amendment may be executed in one or more counterparts, each of which is an original, and all of which constitute only one agreement between the parties.

Each party is signing this Amendment on the date stated in the introductory clause.

**Grantor**

East Quincy Holding, LLC

**Grantee**

ConocoPhillips Company

By:

Name: Kenneth E. Ash

Title: Member

By:

Name: Lindsay B. Weddle

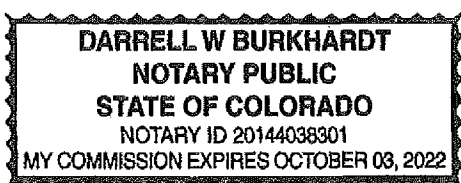
Title: Attorney-in-fact

*Acknowledgments on the following page*

## ACKNOWLEDGMENTS

Colorado  
Arapahoe County

The foregoing instrument was acknowledged before me on 2-8, 2019, by Kenneth E. Ash, as a Member of East Quincy Holding, LLC, a Colorado limited liability corporation, on behalf of that company.



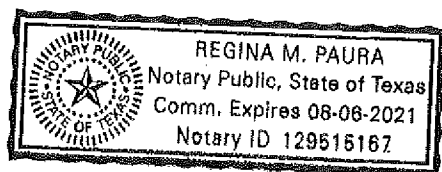
  
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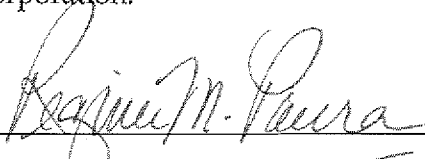
Notary Public, State of Colorado

My Commission expires 10-3-22

Texas  
Harris County

The foregoing instrument was acknowledged before me on February 12, 2019 by Lindsay B. Weddle, Attorney-in-fact for ConocoPhillips Company, a Delaware Corporation.



  
\_\_\_\_\_

Notary Public, State of Texas

My Commission expires 8-6-2021

**EXHIBIT A**

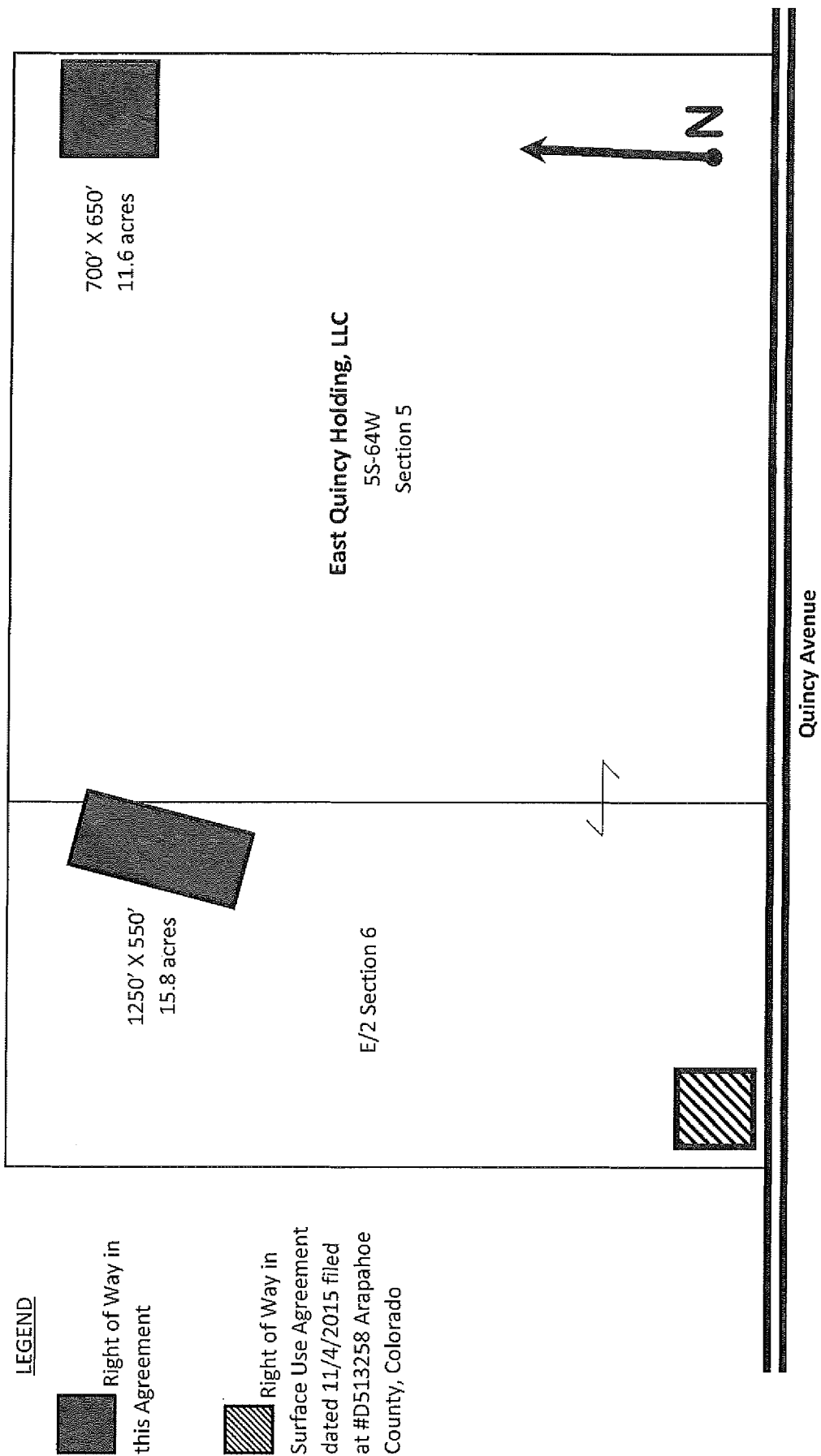
Township 5 South, Range 64 West, 6<sup>th</sup> P.M.

Section 5: All

Section 6: E/2

Arapahoe County, Colorado

# EXHIBIT B



*[Handwritten signature]*