

## EASEMENT, RIGHT-OF-WAY, AND SURFACE USE AGREEMENT

This Easement, Right-of-Way and Surface Use Agreement (“**Agreement**”) is entered into and effective this MARCH 22, 2022, by and between James E. White also known as James Everitt White and Marjorie F. White, not in tenancy in common but in joint tenancy, (“**Owner**”), whose address is 31483 Wedemeyer Road, Kiowa, Colorado, 80117, and GMT Exploration Company, LLC (“**Operator**”), with offices at 1560 Broadway, Suite 2000, Denver, Colorado 80202 sometimes referred to each as a (“**Party**”), or collectively as the (“**Parties**”).

### WHEREAS:

- Owner owns the surface and mineral estate of the lands located at:
  - Township 6 South, Range 64 West, 6<sup>th</sup> P.M., Elbert County, Colorado
  - Section 19: N2N2, deed of record Elbert County Clerk and Recorder office, Book 542 Page 125
  - Section 19: S2N2, deed of record Elbert County Clerk and Recorder Book 714, Page 901
  - Section 19: N2NW4 less a 35’ strip of real property and across the W2NW4NW4, containing 1.067 acres, more or less, more particularly described in Deed Book 691, Page 207
  - Section 19: S2NW4 less and 35’ strip of real property and across the W2SW4NW4, containing 1.067 acres, more or less, more particularly described in Deed Book 698, Page 862
  - Containing 320.00 gross acres more or less (“**Property**”).
- **The Lease.** Owner and Operator are parties to the below documents, herein collectively referred to as the “**Lease**”:
  - Owner executed a paid-up oil and gas & mineral lease with an effective date of January 8, 2018.
  - Owner executed a memorandum of oil and gas lease, recorded with the Elbert County Clerk and Recorders office at Book 784, Page 313.
  - Owner executed an amendment to oil and gas lease, January 18, 2021, recorded with the Elbert County Clerk and Recorders office at Book 814 Page 514.

- Carol S. White, a widow entered into a paid up oil gas and mineral lease, executed by her Attorney-In-Facts, James E. White also known as James Everitt White and Marjorie F. White on January 9, 2018. A memorandum of oil and gas lease is recorded with the Elbert County Clerk and Records office at Book 786, Page 653.
- Carol S. White, a widow, by her Attorney-In-Facts, James E. White also known as James Everitt White and Marjorie F. White, executed a memorandum of oil and gas lease, recorded with the Elbert County Clerk and Records office at Book 786, Page 653.
- Owner executed an amendment to oil and gas lease, January 18, 2021, recorded with the Elbert County Clerk and Records office at Book 814 Page 513.
- **The Pipeline Right-of-Way.** Owner and Tenderfoot Pipeline Company, a wholly owned subsidiary of Operator are parties to the below documents, herein collectively referred to as the “Tenderfoot ROW”:
  - Owner executed a pipeline right-of way agreement with an effective date of 3/22/22, 2022.
  - Owner executed a memorandum of pipeline right-of-way, recorded with Elbert County Clerk and Records office at Book 826, Page 570.
- Operator and Owner have executed the Lease, and Owner acknowledges that the Operator may use so much of the surface as is reasonably necessary to explore for and produce oil and gas from the Property, or lands pooled therewith, subject to the express terms and conditions contained in the Lease and in this Agreement; and
- Operator desires to drill, complete, operate, produce and maintain vertical, directional or horizontal oil or gas wells (the “Wells” or “wells”) on the Property, the subsurface locations of which may be under lands other than the Property; and
- Operator has identified areas of the Property where Operator intends to propose oil and gas operations, as more specifically set forth on Exhibit A attached hereto; and
- This Agreement, in conjunction with the Tenderfoot ROW, is entered into in fulfillment of Paragraph 4 of Exhibit A of the Lease; and
- Operator and Owner desire to work collaboratively with this Agreement to facilitate development of the oil and gas resources based on reasonable access and use of the

Property, to reach an understanding and agreement regarding the Operator's surface access and use, and to minimize and mitigate surface impacts associated with oil and gas operations.

WITNESSETH:

Now, therefore, for and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **DEFINITIONS.** Capitalized terms not otherwise defined herein shall have the meaning set forth in the Lease.
2. **RIGHT-OF-WAY.** Subject to the terms and limitations contained herein, Owner hereby grants and conveys unto Operator, its successors and assigns and each of their agents, employees, contractors and subcontractors a non-exclusive easement and right-of-way along the route depicted on the attached Exhibit A on, over, across, and through the Property to enter upon and use the surface of the Property (the "**Right of Way**") for the purpose of constructing a new access road, and associated storm water management features, for ingress and egress to the Operations Area (defined below) and to construct, install, and operate underground powerlines and/or electric/data transmission lines (the "**Subsurface Lines**"). Such Right-of-Way also includes, and Owner hereby grants to Operator, the right for Operator, upon ten days' written notice to Owner, to construct from time to time additional conduits, cables, utility lines, and underground power lines used solely for oil and gas operations on the Property and other facilities necessary for its oil and gas operations on the Property within the Right-of-Way granted.
3. **SURFACE RIGHTS.** Operations on the Property shall be confined to a limited portion of the surface of the Property exclusively reserved for Operator's oil and gas operations (the "**Operations Area**"), which includes building well pad(s), production facilities, tank batteries, and drilling, completing, producing, operating and plugging and abandoning Wells (all of the foregoing, collectively, the "**Operations**") and the Right-of-Way. The Operations Area and the Right-of-Way are further identified on and defined by the attached Exhibit A. The Operator, its affiliates, contractors and subcontractors shall have exclusive right to utilize the Operations Area. The Owner may use the balance of the Property for its purposes, including the Right-of-Way provided that Owner's use does not materially interfere with Operator's use of the Right-of-Way and Operations Area. Other than the Operations Area and the Right-of-Way, the Property shall not be disturbed by Operator except in the event of an emergency situation. An emergency situation is defined as a

situation that requires immediate attention in order to protect human life or prevent further degradation of the Property. Operator shall be strictly and solely responsible for any damages that may occur as a result of such emergency situation, unless such situation is a result of Owner's willful or intentional misconduct or negligence.

4. **SUBSURFACE EASEMENT.** Owner further grants Operator a subsurface easement through the Property for the purpose of drilling, completing, operating and maintaining the Wells that produce and drain oil, gas, and other hydrocarbons from the Property and lands pooled with the Property.
5. **EXCLUDED RIGHTS.**
  - a. This Agreement expressly excludes (i) the right to construct any waste disposal facilities, compressor stations, or other facilities not used for the operation of the individual wells located on the Property and (ii) the right to inject waste drilling fluids, waste material or other deleterious substances into any well drilled on the Property.
  - b. The use of water is not provided for under this Agreement and Operator shall not have the right to use water from the Property for Operator's operations on any wells except as may be provided for by specific agreement between Operator and Owner or Owner's designee for the purpose of drilling and completing said Wells.
  - c. Operator's right to enter the Property is limited to the Right-of-Way and Operations Area. Electric companies and third party gatherers or transporters which transport electricity, oil, gas, water or waste must negotiate a mutually acceptable agreement with Owner, including compensation therefor, which shall not be unreasonably withheld, conditioned or delayed by Owner if for the benefit of Owner's mineral rights.
  - d. All underground storage and disposal rights are reserved to Owner.
  - e. Nothing in this agreement shall ever be construed as providing Operator with the right to install gas processing facilities, injection wells, or a central production facility, in each case, which may have off-lease gas, water and/or oil delivered to such location as a central point for transmitting to a downstream point. Operator shall not construct these facilities unless Owner has given its consent in a separate agreement, which consent may be withheld in the sole and absolute discretion of Owner.
6. **LOCATION.** Operator met with Owner prior to the execution of this Agreement to define the Operations Area and Right-of-Way as set forth on Exhibit A attached hereto and incorporated herein by this reference. Any change to Exhibit A requires prior consultation

and written approval of Owner, which approval may not be unreasonably withheld. Upon execution of this Agreement the location of the Operations Area and the Right-of-Way depicted on Exhibit A have been agreed to by the Parties. Subject to the notice provided for in Section 14(b) below, Operator may commence the operations contemplated by this Agreement at such time(s) as it deems appropriate, subject to limitations contained in the Lease.

- a. Operator shall not use the surface of the Property except as depicted on the attached Exhibit A and shall use no more of the Operations Area than is reasonably necessary to conduct its Operations.
- b. Operator's Operations on the Property will be conducted pursuant to the terms of the Lease, this Agreement, the rules and regulations of the Colorado Oil & Gas Conservation Commission ("COGCC"), applicable Colorado statutes and case law, and any applicable federal statutes and case law, in effect from time to time.
- c. Owner will not locate any lot line, building, or structure within the Operations Area. In order to give full effect to the purpose of this Agreement, Owner hereby waives its right to object to the location of any of Operator's facilities on the basis of setback requirements in the rules and regulations of the COGCC, as they may be amended from time to time, provided that in no event shall such waiver be construed as permitting any Operations or location of any structure, improvement or equipment by Operator outside the Operations Area. Operator or its successors and assigns may cite the waiver in this paragraph in order to obtain a location exception or variance under COGCC rules or from any other state or local governmental body. Owner agrees not to object to Operator's use of the surface in the Operations Area or Right-of-Way so long as such use is consistent with this Agreement.

7. **INITIAL SURFACE USE PAYMENT.** All payments made to Owner shall be made in good funds payable by certified funds, cashier's check, wire transfer or a check from Operator. Payment shall be made by Operator prior to commencement of the individual action described in Sections 7.b., 7.c., and 7.d. below, with such payments as contemplated herein being one-time payments not to have reoccurring effect unless stated otherwise herein.

- a. **Down Payment Towards Future Payments.** At the time this Agreement is executed, Operator shall deliver to Owner, a non-refundable down payment to be credited against future well pad payment obligations (as discussed in Section 7.b.), in the amount of [REDACTED]

- b. **Well Pad(s).** Operator shall pay to Owner the sum of [REDACTED] for each surface acre disturbed by Operator in the Operations Area and Right-of-Way. The surface use payment shall be a one-time payment tendered in advance of the commencement of construction Operations on the Property, or, prior to any expansion approved by Owner, which approval may not be unreasonably withheld. Notwithstanding anything to the contrary contained herein, any expansion of the Operations Area shall not exceed 0.5 acres without Owner approval.
- c. **Well Payments.** Operator shall pay Owner a one-time payment of [REDACTED] for each and every Well located on the Operations Area. The Well payment shall be a one-time payment tendered in advance of the actual spud date of a Well on a Well by Well basis to compensate the Owner for disturbance of the Property for the Operations. For the purposes of the previous sentence "spud date" is defined as when the drill bit contacts the ground to start the process to drill for and install surface casing for a Well.
- d. **Additional Rights and Payments.**
- i. **Road Payment.** In the event Operator constructs a road in the location according to Exhibit A, Operator shall pay to Owner [REDACTED] for use of such newly constructed road. For any existing roads used (or improved) by Operator on the Property, Operator shall pay the Owner five dollars per linear foot for use of the existing roadways. Payments shall be made before construction and use.
  - ii. **Subsurface Line Easement Payment.** Operator shall pay Owner an initial payment of [REDACTED] for the damage payment for the trenching, construction and installation of Subsurface Lines located in the Right-of-Way which shall only be used solely for oil and gas operations on the Property, regardless of the number of Subsurface Lines that are initially installed.
  - iii. **Above Ground Utility Lines Payment.** There shall be no above ground utility lines installed by Operator on the Property.
  - iv. **Temporary Surface Water Lines Payment.** Operator shall pay Owner [REDACTED] for temporary water lines placed on the Property. Prior to placing any temporary surface water pipeline(s) on the property, Operator shall first consult with Owner in good faith as to the

location of such temporary lines so that lines do not interfere with Owner's operations. Any temporary water lines or portions thereof that have been in place on the same route for a period exceeding four months will require a payment of an additional five dollars per linear foot and at each four month interval that the line(s) are present.

e. **LEGAL FEES.** Operator agrees to pay Owner the reasonable cost of attorney fees for review of this Agreement. [REDACTED]

f. **OTHER DAMAGES.**

i. The compensation paid to Owner is for the reasonable and customary use of the Operations Area and Right of Way. If by any reasons resulting from the conduct of Operator, there is damage to real or personal property upon the Property outside of the Operations Area or Right-of-Way, including, but not limited to, damages to livestock, crops, structures, buildings, fences, culverts, cement ditches, irrigations systems, and natural waterways, such damage will be repaired or replaced by Operator, or Operator will pay reasonable compensation to Owner for such additional damage or an amount equal to the reasonable costs to repair such actual damage.

ii. Owner agrees to notify any surface tenant that may be affected by Operations on the Property and Owner may allocate the payments made hereunder with such surface tenant as they shall mutually determine between themselves and Operator shall have no liability therefor.

iii. This Agreement does not relieve Operator from liability due to Operator's negligence or due to spills or discharges of any hydrocarbons or toxic substance or hazardous chemicals or wastes, or from leaks or breaks in Operator's pipelines. Any pollution of the Property or groundwater due to spills or leaks of hydrocarbons, chemicals, produced water, or other oilfield waste, shall be remediated and reclaimed to the pre-contamination condition of the Property and/or groundwater by Operator as quickly as reasonably practicable.

8. **ANNUAL USE PAYMENTS.** The individual annual payments set forth below (collectively the "Annual Payments") shall be tendered to the Owner on or before each successive anniversary date beginning when Operator has initiated construction on each individual action set forth in Sections 8.a., 8.b. and 8.c.. Each individual Annual Payment shall continue until such time the Operations Area and Right of Way are fully reclaimed,

in accordance with the Reclamation Plan set forth in paragraph 11 of this Agreement. If any Annual Payment is not timely tendered it will accrue interest at the rate of 18% per annum, compounded annually.

- a. **Operations Area Annual Payment.** Operator agrees to pay Owner annually for Operator's continued use of the Operations Area the sum of [REDACTED]
- b. **Roads Annual Payment.** Operator agrees to pay to Owner annually for Operator's continued use of all roads on the Property the sum of [REDACTED]
- c. **Subsurface Lines.** Operator agrees to pay for Operator's continued use of all Subsurface Lines located off any well pad but still on the lands the sum of [REDACTED]
- d. **Consolidated Use Payment.** In lieu of individual annual use payment provided for herein, Operator shall have the option, but not the obligation, to consolidate the annual use payments to one payment for all of Operator's surface operations on the Property.

## 9. SURFACE USE STANDARDS

### a. FACILITIES.

- i. **Off Lease Facilities.** No production facilities for oil and gas from lands other than the Property and lands pooled therewith is allowed.
- ii. **Produced Water.** With respect to any water produced from Wells drilled on the Property in connection with the production of oil or gas, Operator agrees to reuse, pipe, or haul the same away from the Property and properly dispose of such produced water off the Property. No production water shall be discharged on or under the Property without Owner's prior written consent, which consent may be withheld at Owner's discretion. No underground or subsurface storage rights are granted to Operator.
- iii. **Pits.** There shall be no pits of any kind nor disposal of oilfield waste on the Property.

- iv. **Compressors.** No compressors shall be located on the Property except for compressors used for drilling, completion, production and sales operations which shall be located on the Operations Area.

b. **ROADS.**

**Roads.** The width of the Right-of-Way dedicated to roads is depicted on the Exhibit A.

- i. **Use.** Roads shall only be used by Operator's employees, its co-owners, its designated agents, contractors and subcontractors, state, local and federal regulators and any other person as required by law or court order to conduct oil and gas operations on the Property. Roads shall not be used by Operator to access other lands for oil and gas operations or for any other purpose. Notwithstanding the foregoing, Owner may use the roads provided Owner's use does not materially interfere with Operator's Operations on the Property.
- ii. **Driveways.** Existing driveways are not to be used by oil and gas traffic. All existing driveways are depicted on Exhibit A, attached hereto.
- iii. **Maintenance.** Operator shall maintain the roads used to a level sufficient for its Operations on the Property and keep all roads reasonably free of ruts and potholes, and shall conduct routine inspections, and complete routine maintenance operations to keep roads to the standards set forth herein. Operator's maintenance of the roads shall include ditching, graveling, blading, mowing grass to avoid fire danger, installing and cleaning the cattle guards depicted on Exhibit A, maintaining storm water control devices or Best Management Practices ("BMPs"), dust control, and spraying for noxious weeds. This work will be done at such reasonable times as reasonably necessary for Operator's Operations and as Owner may request if Operator fails to maintain as provided herein. The costs of such maintenance and repair of all roads used for Operations shall be borne by Operator. If such road is used by parties with access to the Property other than Operator and Owner, Owner shall cooperate with Operator and the additional users to establish a maintenance cost sharing agreement providing for allocation of maintenance costs on a fair and reasonable basis, according to use and impacts by each user. Operator shall promptly repair at its sole expense any and all damage to the existing roads caused by its

use of the same. Owner will have no responsibility for Operator's Access Road maintenance.

- iv. **Dust Control.** Operator will control dust from all roadways it uses on the Property through the application of an appropriate dust suppressant and by controlling speed to 20 mph or less.
- v. **Gates.** If requested by Owner, Operator will install a swinging metal gate(s) in addition to a cattle guard(s) at property lines or at the entrance to the Operations Area.
- vi. **Culverts.** Culverts will be installed by Operator for any roads as needed to maintain current drainage. Roads will be crowned to the extent necessary to ensure appropriate drainage.
- vii. **Off-Road Travel.** No off-road travel is permitted, particularly off-road travel that has the effect of widening the road or area of damage. Except for maintenance activities described herein that require off road travel.
- viii. **Non-Exclusive.** The use of roads by Operator on the Right-of-Way is a non-exclusive use, and Owner shall be allowed full use of any roads, whether new or previously existing, at all times.
- ix. **Signage.** Operator will place an appropriate sign or signs on the access road designating it as a "private road", to install 20 mph speed limit signs, and to assist Owner in the control of the use of such road by unauthorized users. The size and color of such signs will be subject to Owner's reasonable approval.
- x. **Locks.** Owner may lock gates across its private roads, provided that Operator will have the right to place its own locks on such gates. Both Parties shall have keys or the combination to the other's locking mechanism.
- xi. **Reclamation.** Upon the expiration or earlier termination of this Agreement, all roads constructed by Operator shall be reclaimed in accordance with the Reclamation Plan, unless Owner assumes ownership of the road(s) in writing.

c. **LINES**

- i. **Location.** All flowlines shall be located within the Operations Area.
  - ii. **Construction Materials.** All flowlines shall be constructed of steel or other material of comparable strength and durability and wrapped or coated as determined appropriate in order to prevent corrosion, leaks and degradation. Prior to backfilling all lines will be checked for damage to the protective coating and damage shall be repaired prior to final installation to insure flowline integrity.
  - iii. **Testing.** Operator shall pressure test each flowline to a pressure level adequate to confirm the mechanical integrity of the lines.
  - iv. **Use.** The flow lines allowed by this Agreement are limited to those flowlines used in connection with Wells drilled on the Property.
  - v. **Powerline Design and Depth.** All power lines constructed by or for Operator downstream of the independent power company's meters within the Operations Area or the Right-of-Way will be buried at least 48 inches and in accordance with Section 9.c.ii. above, and all power line trenches will be fully reclaimed consistent with the Reclamation Plan. If Owner constructs a road or utility over or under the power lines, Owner will be responsible for and indemnify Operator from and against any damage thereto resulting from the operation and maintenance of any such road(s) or utility.
  - vi. Operator shall provide an as-built survey showing any lines installed in the Right-of-Way, to be amended upon installation of any additional lines.
- d. **Fences.** It shall be the responsibility of Operator, at its expense, to keep Operator's property and improvements on those portions of the Property on which Operator conducts its operations or activities, safe from damage, injury or death to people and Owner's livestock. Operator shall install stock tight fences around each permanent well pad, tank batteries and other potentially dangerous areas resulting from its operations. Owner shall not be liable or responsible for damage caused by Owner or its livestock to Operator or its employees, agents, contractors, or invitees, or its implements, tools, equipment, machinery, or any other fixtures belonging to Operator, unless such damage or injury was caused by the willful misconduct, gross negligence or intentional actions of Owner.

- i. **Fencing and Cattle Guards.** Operator agrees to fence off the perimeter of the Operations Area with permanent five strand fencing that is five feet tall. Operator will also install cattle guards and/or gates at the locations depicted in Exhibit A and where reasonably necessary in the future as determined by both Parties. All cattle guards and fences installed by Operator will be kept clean and in good repair and will become the property of Owner when Operator has conducted final reclamation on the Property.
  - ii. **Gates.** Operator and its employees, agents, and contractors will leave all gates located on the Property as they found them; gates found closed are to be closed; gates found open are to be left open. Gates installed exclusively for access to the Operations Area will be kept closed and locked at all times, except during periods of continuous operations within the Operations Area.
  - iii. **Wrangling.** In the event Owner's livestock stray from their designated pastures as a result of Operator's failure to close gates, Operator shall pay to Owner [REDACTED] for labor to gather the livestock but in no event more than [REDACTED]. Such payment shall be made within 30 days of Operator's receipt of Owner's invoice therefor.
- e. **Operations.** Operator's Operations on the Operations Area and the Right-of-Way granted herein will be conducted according to the below specifications.
  - i. **Maintenance.** Operator will at all times keep the Operations Area and the Right-of-Way safe and in good order, free of noxious weeds, litter and debris, and will spray for noxious weeds and will conduct periodic pickup of trash caused by its Operations, contractors or employees upon reasonable request by Owner or as required by Applicable Laws.
  - ii. **Hazardous Materials.** Operator will implement best management practices to avoid the spill, release or discharge of any pollutants, contaminants, chemicals, solid wastes, or industrial, toxic or hazardous substances or wastes on the Property. Any such spill, release or discharge, including of oil, gas, grease or solvents, that occurs on the Property will promptly be remediated in compliance with applicable laws. Any spill of oil, grease, solvents, chemicals, or hazardous substances on the Property that are reportable to regulatory authorities under applicable law or regulations will be promptly reported to Owner by telephone, fax, or e-mail.

- iii. **Erosion.** Using reasonable efforts, Operator shall not allow or permit erosion to continue on any disturbed sites and shall promptly repair, reclaim and reseed all erosion sites.
- iv. **Cattle Guards and Fences.** All cattle guards and fences installed by Operator shall be kept clean and in good working order and repair.
- v. **Vegetation.** Operator will remove only the minimum amount of vegetation necessary for the construction of roads, well pads, and other facilities all to be located in the Operations Area and Right-of-Way as depicted on the attached Exhibit A. Topsoil will be conserved during excavation, stockpiled and reused as cover on disturbed areas to facilitate regrowth of vegetation.
- vi. **Living Quarters.** No living quarters will be constructed upon the Property, except that drilling crews and geologists or service personnel may use temporary living quarters during drilling, completion, or reworking activities.
- vii. **Firearms, Recreational Activities, Animals.** None of Operator's employees, agents, or contractors, or any other person under the direction or control of Operator will be permitted to carry firearms or any other weapon on the Property and such persons will not hunt or engage in recreational activities on the Property. No dogs, other than Owner's dogs, will be permitted on the Property at any time. Operator will notify all of its contractors, agents, and employees that no dogs, firearms, weapons, hunting, or recreational activities will be allowed on the Property. Notwithstanding the foregoing, this provision does not apply to law enforcement units or personnel, whether on or off duty, who may serve as security contractors for Operator. None of Operator's employees, agents, or contractors, or any other persons under the direction or control of Operator, will possess or be under the influence of alcohol, marijuana, or drugs that are illegal under federal law while on the Property. Further, Operator and its employees, agents, or contractors, or any other person under the direction or control of Operator shall not cut or transport firewood or remove artifacts and other non-oil and gas materials from the Property.
- viii. **Fire.** Operator will take all reasonable steps to prevent fire and to promptly extinguish fire caused by its Operations. Operator will fully and promptly compensate Owner for all damages caused by fire arising out of Operator's

Operations, including, without limitation, any charges incurred by Owner for fire suppression and the replacement of fences and other property damaged or destroyed by fire.

- ix. **Dust.** Silica dust must be contained to the extent reasonably practicable during the hydraulic fracturing process. Dust associated with on-site activities and traffic on roads shall be minimized throughout construction, drilling and operational activities. No untreated or unrecycled produced water or other process fluids shall be used for dust suppression.
- x. **Flaring.** Operator will only flare or vent natural gas in case of emergency or as permitted under applicable laws, regulations, and orders.
- xi. **Waste Management.** There will be no earthen pits of any kind on the Property. All drilling muds and any waste fluids will be removed from the site and taken to a licensed facility for its disposal or reuse.
- xii. **Storage.** The Property, Operations Area and Right-of-Way granted herein will not be used for storage of construction materials, equipment or other property except as may be incidental to Operator's on-going Operations on the Property.
- xiii. **Removal.** Operator agrees that all trash, refuse pipe, equipment, liquids, chemicals, or other materials brought on the Property that are not necessary for continued Operations of the Wells will be removed and disposed away from the Property no later than 30 days after the completion of the Wells. No such items will be burned or buried on the Property.
- xiv. **Water.** This Agreement does not give Operator any right to use any water or water rights of Owner, except as otherwise expressly agreed in writing by Owner. Operator shall act as a reasonable and prudent operator to prevent its operations from polluting any water source registered with the Colorado Division of Water Resources (collectively, "**Water Source**" in this subsection e.xiv.) located on or under the Property. All Wells drilled on the Property shall comply with COGCC Rules and Regulations. Upon request by Operator, Owner shall provide Operator with a plat (if in Owners possession) and legal description(s) (if known) of any Water Source which may be located on the leased premises, or within one-half mile of Operator's operations. Baseline water quality and quantity tests shall be conducted and paid for by Operator on all existing water wells on the Property and within

one-half mile of the Operations Area, provided that the water well owner consents to such testing, prior to drilling. Such existing water wells shall be tested on a yearly basis thereafter for a maximum of 72 months. Testing parameters will be those required by applicable COGCC regulations and shall include tests for turbidity. Test results will be provided to Owner. Owner shall be entitled to conduct its own tests at its sole cost. Test results will be provided to Operator. All water testing shall be conducted by a qualified third-party expert mutually agreed to by Owner and Operator and at Operator's sole cost and expense. If Owner's Water Source contains contaminants exceeding the concentration levels set forth in COGCC Rules and such contamination was caused by Operator's Operations, then Operator shall use its best efforts to remediate the Water Source to the level that existed prior to Operator's operations on the Property. In addition, during the reclamation of the Water Source Operator may, at its sole option, (i) drill a new water well at Operator's expense of at least the same quality and volume as the damaged Water Source provided prior to Operator's Operations, (ii) provide Owner with a replacement water source in a like volume to the damaged Water Source at the same or at a mutually agreed location; or (iii) mutually agree with Owner on an alternate method of addressing such contamination or damage, including but not limited to installation of a water treatment system.

- xv. **Anchors.** All guy line anchors for drilling and completion rigs shall be immediately removed after such work is completed.
- xvi. **Power.** When the use of three-phase electric power is available and reasonable, Operator agrees to use three-phase electric power for any artificial lift or any other production facilities located on-site.
- xvii. **Lighting.** Lighting within the Operations Area shall be limited to that reasonably necessary to illuminate areas for ongoing night-time Operations, safety and security.
- xviii. **Noise Mitigation.** The Operator shall install all noise mitigation measures as required by the COGCC or local regulations that are in effect from time to time.

#### **10. OWNERS USE OF RIGHTS-OF-WAY AND EASEMENTS.**

- i. **Right-of-Way.** Owner, and existing surface occupants, shall have the right to use the surface of the Right-of-Way described herein, at their sole risk and liability, for the purposes of ingress and egress to the Property, and for the transfer and/or relocation of livestock and/or farm or ranch equipment, so long as such uses do not materially interfere with Operator's Operations thereon. During such use, Owner, and existing surface occupants using the surface of the Right-of-Way as described in the immediately preceding sentence shall be required to adhere to the same standards of conduct contained herein. Any use of the Right-of-Way by Owner which requires dirt work, trenching and/or dozing, including, but not limited to the installation of utility lines, including, but not limited to those for water, gas, sewer, electric, telephone, cable, television, and fiber optic and other pipelines ("Additional Use") shall only be allowed by express written agreement of Operator, which agreement shall not be unreasonably withheld or delayed. Reasons in which Operator may reasonably withhold or delay approval for an Additional Use within the Right-of-Way include, but are not limited to, safety and Operator's Operations timing and logistics.
  
- ii. **Surface Crossing of Easements.** Owner shall have the right to cross the Right-of-Way with roadways and other utilities when necessary to conduct Owner's operations on the Property. Prior to Owner crossing the Right-of-Way it shall first provide Operator notice including a plat of the proposed roadway and or other utilities showing the point in which the Right-of-Way is crossed, the angle in which the proposed crossing made, which shall not be less than 60 degrees and not greater than 90 degrees, and the estimated commencement and completion date of construction and/or installation of such roadway or other utility.
  
- iii. **Land Development.** Owner acknowledges that it is the intent of Operator to conduct future Operations on the Property and Owner shall use best efforts in their use and development of the surface so as not to unreasonably interfere with such Operations within the Operations Area or Right-of-Way.

11. **RECLAMATION PLAN.** Unless Owner otherwise agrees in writing, within the times provided in applicable COGCC Rules in connection with Operator's Operations on the Property, Operator will comply with the following provisions (the "**Reclamation Plan**"):

- i. **Compliance with Laws.** Portions of the Property disturbed by Operator's activities pursuant to this Agreement will be to the satisfaction of the Owner and shall, at a minimum comply with all appropriate reclamation

regulations, including COGCC Reclamation Regulation Series 1000 and Series 1100, and any more stringent reclamation regulations adopted by the COGCC while this Agreement is in effect, and the obligations and/or requirements of this Agreement. Except as expressly provided herein, nothing in this Agreement will be deemed to waive or relieve Operator from the obligation of complying with such rules, laws and standards.

- ii. **Interim Reclamation.** Operator will perform interim reclamation in accordance with Commission Rule 1003. Operator will use its best efforts to complete interim reclamation within the time limits prescribed by such rule, without requesting an extension thereof unless a delay is caused by conditions outside of the control of Operator.
- iii. **Topsoil Separation.** Operator shall separate and store the topsoil horizon or the top six inches, whichever is deeper, and mark or document stockpile locations to facilitate subsequent reclamation. When separating the soil horizons, the Operator shall segregate the horizon based upon noted changes in physical characteristics such as organic content, color, texture, density, or consistency, provided, however, if the soil horizons are too rocky or too thin for Operator to practicably segregate, then the topsoil shall be segregated in accordance with COGCC rule 1002.b.(3).
- iv. **Final Reclamation.** Upon the plugging and abandonment of the last Well in the Operations Area, Operator shall remove all facilities, conduct testing for releases and spills within the Operations Area and remediate and reclaim the entirety of the Operations Area and Right-of-Way within six (6) months and will fully restore and level the surface of all areas disturbed by Operator's Operations on the Property as near as possible to the contours that existed prior to such Operations.
- v. **Owners Option.** In lieu of restoration pursuant to Subsection (iv) above, Owner, in its sole discretion, may direct Operator in writing not to reclaim specific areas, such as roads, that Owner desires to utilize for its future use of the Property.
- vi. **Revegetation.** Unless otherwise agreed by Owner, all areas disturbed by Operator's activities will be reseeded with suitable grasses or crops approved by Owner which approval shall not be unreasonably withheld. In the absence of direction from Owner, no reseeded will be required on any roads existing as of the date of this Agreement or roads designated by

Owner for retention. It will be the duty of Operator to ensure that a growing ground cover is established upon disturbed soils and Operator will reseed as necessary to fulfill that obligation until healthy growth is reestablished. If Owner so requests, Operator will construct and remove fences for the purpose of temporarily excluding livestock from newly seeded areas.

- vii. **Notice.** Operator shall notify Owner prior to final reclamation operations on the Property, including plugging and abandonment. Operator shall use its best efforts to consult in good faith with Owner regarding all aspects of final reclamation, including but not limited to timing of such operations, topsoil protection and reclamation of the Property.

12. **DEFAULT AND RIGHT TO CURE.** In the event of alleged default by Operator in the payment of any of the sums hereinabove provided to be made, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Owner will notify Operator by phone and by certified mail, return receipt requested, of the alleged default. Unless otherwise specified in this document, Operator will have 30 days from receipt of the written notification in which to dispute or otherwise respond to the notification before Owner may allege default. If Operator remedies the alleged default within 30 days of Owner's notice, or if the alleged default is of a nature that cannot be remedied within 30 days, then if Operator commences the remedy of the alleged default within that 30 day period and diligently pursues such remedy, then no default shall be deemed to have occurred.

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.

In the event that Operator fails to commence or take any action to remedy the alleged default and diligently pursue the same, within 120 days following receipt of written notice thereof by Owner, then in addition to any other remedy available at law or in equity, and without regard to election of remedies, Owner may suspend this Agreement upon written notice to Operator, with such suspension remaining in place until the alleged default is cured or the Parties have determined that such default is incurable, or one year from receipt of written notice of the alleged default, whichever is earlier. Operator may make any disputed payment under protest to the alleged default with reservation of all rights.

If after being afforded the right and time to cure within the time allowances set forth above Operator is still in default and Owner chooses to file a court proceeding against Operator, and in such event Owner fully prevails in the court proceeding, Operator agrees to pay for Owner's reasonable attorney's fees, costs and expenses incurred in connection with the proceeding.

13. **INDEMNITY/RELEASE.** Owner, for itself and its successors and assigns, acknowledges the receipt and sufficiency of all compensation paid by Operator pursuant to this Agreement as full and complete settlement for and shall release and discharge Operator, its agents and employees from all claims, losses, demands and causes of action for damage to land, loss of and damage to crops, and use of land, hereafter arising as a result of Operator's drilling, producing and marketing operations in the locations set forth on the attached Exhibit A, so long as such operations are conducted in accordance with this Agreement and not otherwise in violation of applicable law. Operator shall not be liable for any punitive or exemplary damages in tort or contract by its use of the Property and lands spaced therewith contemplated by this Agreement. Notwithstanding the foregoing, Operator shall reasonably compensate Owner for loss or damage to the Property, improvements, personal property or livestock caused by or resulting from Operator's use or occupancy of the Property occurring outside of or beyond the boundaries of the areas set forth on Exhibit A. All livestock lost, injured or killed as a result of Operator's activities shall be paid for at market prices. Autopsies shall be required in the event Operator cannot substantiate the cause of death by observation. Cost of autopsy to be paid by Operator only if the autopsy indicates Operator was directly at fault for the loss of the livestock.

Operator shall, and hereby expressly agrees to defend, protect, indemnify and hold Owner, its subsidiaries, affiliates, successors, assigns, employees and agents, harmless from and against any and all judgments, fines, penalties, costs, damages, injuries, losses, expenses, liens, claims, demands, causes of action and other liabilities of every kind and character (including those of the parties, their agents and employees), including costs, attorneys' fees and settlements, arising directly from, out of, a result of, or in connection with the Operations, activities, and actions, inactions or omissions of Operator, or any of its subcontractors, agents, employees, invitees or licensees, or any other person or entity acting through or under them, or any of them, on the Property. The indemnity provisions herein shall survive the expiration or termination of this Agreement, shall not be construed to relieve any insurer of its obligations to pay claims consistent with the provisions of a valid insurance policy, and shall inure to the benefit of Owner and any successor and assignee of Owner and shall be binding upon Operator and its successors and assigns.

In the event that Owner shall bring a court proceeding to enforce this provision to establish the right to indemnity and prevails, Operator shall reimburse Owner's attorney's fees, costs, and expenses reasonably incurred in connection with such proceeding.

**14. WAIVER OF COGCC NOTICES AND OTHER REGULATORY MATTERS.**

- a. Owner hereby waives the following notices and consultations and shall not object or protest any Application for Permit to Drill (Form 2) and Oil and Gas Location Assessment (Form 2A) filed by Operator with the COGCC:
  - i. Rule 309.b.(2).a.: Surface Owners Consultation; and
  - ii. Rule 309.c.(2): Building Unit Owner and Tenant Consultation; and
  - iii. Rule 604.a.(2): Well Location Requirements; and
  - iv. Rule 412.a.: Statutory Notice to Owners; and
  - v. Rule 412.b.: Move-In, Rig-Up Notice; and
  - vi. Rule 309.e.: Owner Consultation and Meeting Procedures; and
- b. Notwithstanding the foregoing, Operator agrees it will provide an initial notice to Owner after it has submitted a request for an Application for Permit to Drill (Form 2) to the COGCC and at least 30 days in advance notice of commencing any earth moving or excavation operations, including moving in drill or completion rigs or other heavy equipment.
- c. Operator will incorporate the applicable provisions of this Agreement into the applicable Form 2A.
- d. Owner agrees not to object to the Form 2A, so long as it is consistent with this Agreement, and if consistent with this Agreement, Owner hereby waives any right granted by COGCC rule to comment on the Form 2A (other than to support it), 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 Form 2A, and any related Form 2 ("**Application for Permit to Drill**").
- e. Owner shall not oppose Operator in any COGCC, or other governmental proceedings related to Operator's use of the surface of the Property for Oil and Gas

Operations, provided that Operator's position and contemplated undertakings in such proceedings are consistent with this Agreement. Owner will provide Operator or its successors and assigns with written support they may reasonably require to obtain permits from the COGCC, other state agency, or any local jurisdiction.

- f. Owner waives the COGCC required 150-foot setback from surface property lines to the extent waivable by Owner.
- g. 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. Owner also agrees that it will not object in any forum to the use by Operator of the Operations Area and Right of Way consistent with this Agreement and that it will also provide Operator with whatever written support it may reasonably require to obtain permits from the COGCC or any local jurisdiction.

15. **NOTICES.** Notice by either Party will be promptly given, orally if possible (with the exception of the default notice described in Section 12), with subsequent written confirmation (optional) sent by United States mail, postage prepaid and addressed to either Party at the address as designated below; or to such other place as either Party may from time to time designate by notice to the other (Owner agrees to notify any surface tenant that may be affected by Operator's Operations on the Property and Owner may allocate the payments made hereunder with such surface tenant as they shall mutually determine between themselves and Operator shall have no liability therefor):

**Owner**

James and Marjorie White  
31483 Wedemeyer Road  
Kiowa, Colorado, 80117  
Phone: (303) 621-2399

**Operator**

GMT Exploration Company LLC  
Attention: Land Department  
1560 Broadway, Suite 2000  
Denver, Colorado 80202  
Phone: (303) 586-9280

16. **BINDING EFFECT.** The covenants and conditions herein contained, and all of the provisions of this Agreement will inure to the benefit of and will be binding upon the

Parties hereto, their respective heirs, representatives, successors or assigns. Owner agrees to contact any and all tenants of the Property or any other third parties utilizing the surface of the Property that may be affected by Operator's activities on the Property. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement and Operator's right to utilize the Operations Area and Right of Way pursuant to this Agreement for the payment of any consideration, if any, due such third party from Owner.

17. **RECORDING MEMORANDUM.** Owner and Operator, simultaneously herewith, have executed a memorandum of this Agreement, attached hereto as Exhibit "B," which shall promptly be recorded in Elbert County, Colorado.
  
18. **ENTIRE AGREEMENT.** Except to the extent otherwise provided herein, this Agreement, and the attached Exhibits constitute the entire agreement between the Parties. No other agreements have been made modifying, adding to, or changing the terms hereof. This Agreement may not be abrogated, modified, rescinded, or amended in whole or in part without the consent of Owner and Operator, in writing and executed by each of them, and, when appropriate, duly recorded in the appropriate real property records. No purported modifications or amendments, including, without limitation, any oral agreement (even if supported by new consideration), course of conduct or absence of a response to a unilateral communication, shall be binding on either Party.
  
19. **REASONABLE ACCOMMODATION.** Owner acknowledges the use of the Property by Operator as herein described is in full satisfaction of the requirement that Operator conduct its oil and gas operations in a manner that accommodates Owner. Owner further acknowledges Operator's use of the Property as provided herein constitutes "reasonable accommodation" by Operator, its successors, and assigns as provided in Colorado Revised Statute 34-60-127.
  
20. **TERMINATION.** This Agreement will terminate concurrently with the Leases as they relate to Operator's and/or its affiliates rights to explore, drill, and produce oil, natural gas, and associated hydrocarbons from the Property or lands pooled or unitized therewith or as otherwise provided herein. To the extent a moratorium or a restrictive governmental law or regulation prevents a Party from performing operations, this Agreement shall be extended for such period of time that the moratorium or restrictive governmental law or regulation is in place. Notwithstanding the termination of this Agreement, Operator may access the Property to plug and abandon the Wells and to reclaim the Property as provided in this Agreement and the Leases and for such other purposes as necessary to comply with the rules and regulations applicable to Operator's Operations.

21. **COUNTERPARTS.** This Agreement may be executed by facsimile or electronic mail, in counterparts, each of which will be considered an original and enforceable against either Party.
22. **TITLE.** OWNER EXPRESSLY MAKES NO CLAIMS, PROMISES, OR GUARANTEES ABOUT ITS TITLE TO THE PROPERTY. NO WARRANTY OF ANY KIND, WHETHER IMPLIED, EXPRESSED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF TITLE, IS GIVEN WITH RESPECT TO OWNER'S PURPORTED OWNERSHIP OF THE PROPERTY. OPERATOR SHALL CONDUCT A TITLE REVIEW TO DETERMINE IF THERE ARE ANY TITLE DEFECTS THAT WOULD AFFECT OPERATOR'S ABILITY TO USE THE PROPERTY AS INTENDED. THE RISK, COST AND EXPENSE OF TITLE FAILURE SHALL REST WITH OPERATOR AND NOT WITH OWNER.
23. **WAIVER.** The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under this Agreement shall not waive such rights and such Party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, either in law or in equity. Acceptance of partial payment by Owner shall not constitute a waiver of any default of this Agreement by Operator (including failure to make payment in full) or any rights of Owner under this Agreement or as otherwise provided by law. No waiver of any right under this Agreement shall be effective for any purpose unless it is in writing and is signed by the Party hereto possessing the right, nor shall any such waiver be construed to be a waiver of any subsequent right, term, or provision of this Agreement.
24. **INTERPRETATION OF THIS AGREEMENT.** This Agreement is the result of negotiations between the Parties, neither of whom has acted under duress or compulsion, whether legal, economic, or otherwise. Accordingly, the terms and provisions hereof shall be construed in accordance with their usual and customary meanings. Owner and Operator hereby waive the application of any rule of law which otherwise might be applicable to the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the Party who (or whose attorney) prepared the executed the Agreement or any earlier draft of the same.
25. **NO PARTNERSHIP.** Nothing contained in this Agreement, nor any agreements or transactions contemplated hereby, shall be construed to create a partnership, trust, association, fiduciary relationship, joint venture, or other relationship between the Parties, or to impose any partnership obligation or liability or any trust or agency obligation or relationship upon either Party. The duties, obligations, and liabilities of the Parties are intended to be several and not joint or collective. Owner and Operator shall not have any

right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of the other Party.

26. **ENVIRONMENTAL MATTERS.** Operator shall promptly notify Owner upon Operator's acquiring knowledge of the presence of, or any contamination by, Hazardous Materials on the Property in violation of Environmental Laws, resulting from Operator's Operations thereon and Operator shall comply with all Environmental Laws applicable thereto. In the event of any emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste attributable to Operator's Operations, Operator shall immediately assume any required environmental remediation (including, without limitation, monitoring with respect to any groundwater contamination, or any soil remediation, monitoring, or containment) of the Property (or any adjacent property or any groundwater which has become contaminated), in order to comply with any laws, rules, regulations, orders, directives, or mandates of any local, state, or federal governmental or quasi-governmental authority having jurisdiction over the Property and/or any environmental risks or hazardous conditions associated therewith, relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste into the environment (including, without limitation, ambient air, surface water, ground water or land or soil). In this regard, Operator shall immediately comply with any governmental requirements for the removal, treatment or disposal of such Hazardous Materials or Hazardous Materials contamination, and Operator shall immediately provide to Owner satisfactory evidence of such compliance. The use and storage of any Hazardous Materials by Operator shall not occur in any manner that is harmful to Owner and shall be in full compliance with all Environmental Laws. Operator's obligations under this Section 26 shall survive the surrender, expiration or earlier termination of the Lease or this Agreement. "Environmental Laws" means any and all federal, state, and local laws, ordinances, codes, and regulations relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any Hazardous Materials. Environmental Laws includes, but is not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and the common law. ("Hazardous Materials") means (i) any and all substances, materials, chemicals, and wastes which are now or hereafter classified or regulated under current or future Environmental Laws; and (ii) "hazardous substance," "pollutant or contaminant," "petroleum," and "natural gas liquids" as such terms are defined or used in Section 9601 of CERCLA. Notwithstanding anything to the contrary contained in this paragraph, Operator shall use its best efforts to remediate all pollution on the Property caused by Operator's Operations to the condition that existed prior to the existence of pollution on the Property.

27. **FORCE MAJEURE.** In the event either Party is rendered unable, by an event of Force Majeure (defined below) to perform, wholly or in part, any obligation set forth in this Agreement, other than the obligation to pay money, then the performance by the affected Party will be suspended during the continuance of such event of Force Majeure. The Party experiencing an event of Force Majeure will promptly provide reasonable notice to the other Party regarding the Force Majeure. As used herein, the term (“**Force Majeure**”) shall mean any act of God, acts of the public enemy, wars, blockages, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, severe weather, floods, washouts, arrests and restraints of the federal, state or local government, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, the binding order of any court or governmental authority, delay in securing environmental approvals, and any other causes, whether of the kind herein enumerated or otherwise not within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome.
28. **CONSTRUCTION LIENS.** Owner shall have no liability for any costs or expenses incurred in connection with the siting, testing, construction, operation, maintenance, or removal of Wells, tank batteries, oil and gas flow lines, or any other facilities or improvements of any kind made on the Property by Operator. The rights granted to Operator hereunder shall not be construed to create any responsibility on the part of Owner to pay for any improvements, alterations or repairs occasioned by Operator. Operator shall, at all times, keep the Property free and clear of all claims and/or liens for labor and services performed, and materials, supplies or equipment furnished in connection with Operator’s use of the Property; provided, however, that if such a lien is filed against the Property, Operator shall protect, indemnify and hold Owner harmless against the consequences thereof.
29. **PAYMENTS MADE NON-REFUNDABLE.** Except in the event of a mathematical mistake in calculating any payment due under this Agreement by Operator, all payments made in accordance with this Agreement by Operator to Owner are non-refundable. Under no circumstances shall Operator be entitled to a refund of any part of any payment to Owner. Except in the case of mistake or payment under protest as defined in paragraph 12 of this Agreement, once a payment is issued by Operator to Owner, Operator disclaims any right, title or interest in and to any of the funds paid.
30. **REPRESENTATIONS OF OPERATOR.** As a material inducement and as part of the consideration for Owner entering into this Agreement, it is relying on the following representations of Operator: that Operator is a limited liability company in good standing; that it is authorized to do business in the State of Colorado; that at the time of execution of

this Agreement it is solvent and financially healthy; that there are no judgments against Operator which if satisfied would render Operator insolvent; that Operator has sufficient unencumbered assets to satisfy all of its obligations hereunder, including all obligations relating to the plugging and abandonment of its wells and the reclamation of the Property; and that bonds in the required amounts are in place with the State of Colorado to comply with all applicable laws, rules and regulations.

**31. INSURANCE.** Operator shall maintain during the term of this Agreement:

- a. Workmen's Compensation Insurance which shall comply with all applicable Workers' Compensation and Occupational Disease Laws and which shall cover all of the Operator's employees performing any work or activities on the Property.
- b. Commercial General Liability Insurance, including contractual liability coverage as well as sudden and accidental pollution liability coverage, with a combined bodily injury and property damage limit of not less than \$2,000,000 per occurrence.
- c. All vehicles traveling on the Property owned or operated by Operator and any of its employees, contractors or agents entering the Property shall be covered by automobile liability insurance covering owned, non-owned, and hired automobiles with limits of at least \$1,000,000 for injury to or death of any one person for any one occurrence, and \$500,000 property damage per occurrence.
- d. Umbrella or excess liability Insurance coverage with a limit of not less than \$10,000,000.

Operator shall ensure that it and its contractors' insurers waive all rights of recovery or subrogation against Owner and its parents, subsidiaries, affiliates, agents, directors, officers, employees, servants, co-lessees or co-venturers. As to such liability insurance, Owner shall be named as an additional insured to the extent of Operator liabilities and obligations hereunder that are covered by such liability insurance. Such liability insurance of Operator shall be written on customary policy forms and by insurance companies with ratings of no less than A-VII or better. Upon request, Operator shall endeavor to furnish Owner with certificates of insurance evidencing compliance with this provision. All such certificates must be signed by authorized representatives of the insurance companies and provide for not less than ten days' prior written notice to Owner in the event of cancellation affecting Owner's interest, as applicable. Neither failure to comply, nor full compliance with the insurance provisions of this Agreement, shall limit or relieve Operator from its indemnity obligations in accordance with this Agreement. Operator agrees to maintain all such liability insurance in accordance with the terms of this Section until the termination of this Agreement. On the second anniversary date of this Agreement, and every two years

thereafter (or, upon request of Owner if the Parties have failed to meet during any biennial period), the Parties shall meet to discuss whether the policy limits stated in this Section should be adjusted and, as appropriate, adjust such policy limits to reflect then-current economic conditions and industry practices.

32. **PARTIAL INVALIDITY.** If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any of the other provisions hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
33. **COOPERATION.** The Parties agree to act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this Agreement. Unless expressly provided otherwise in this Agreement, (i) wherever this Agreement requires the consent, approval, or similar action by a Party, such consent, approval, or similar action shall not be unreasonably withheld or delayed, and (ii) wherever this Agreement gives a Party a right to determine, require, specify or take similar action with respect to matters, such determination, requirement, specification or similar action shall be reasonable.
34. **DISPUTE RESOLUTION.** In the event of any dispute, disagreement or controversy arising out of, relating to or connected with this Agreement, the Owner and Operator will use reasonable, good faith efforts to settle such dispute or claim through negotiations with each other. If such negotiations fail to produce a mutually acceptable resolution to the matter in dispute, the Parties will submit the same to non-binding mediation before a sole mediator. The mediation will be conducted by the Judicial Arbiter Group, Inc., 1601 Blake St, Suite 400, Denver, CO 80202 (“JAG”). The matter in dispute will be submitted to mediation within 15 days of a written demand for mediation from one Party to the other. If the mediation is not successful, the matter may be resolved in the courts located in Elbert County, Colorado.
- a. **Record of Agreement.** During any negotiations conducted pursuant to this Agreement, the Parties will keep and maintain a record of all issues upon which agreement has been reached. To narrow and focus the issues that may need to be resolved in an arbitration proceeding, each of the submittals by the Parties will include all points that have been agreed to by the Parties during their negotiations.
  - b. **Jurisdiction.** For any matter requiring judicial resolution in connection with this Agreement, the Parties agree to the exclusive jurisdiction of the District Court of Elbert County, Colorado.

- c. **Fees and Costs.** The Parties will share equally in the cost of retaining the services of JAG for any mediation conducted hereunder and each will be solely responsible for its own costs and expenses of preparing for and pursuing any mediation.

35. **GOVERNING LAW AND VENUE.** This Agreement will be governed by, construed and enforced in accordance with the laws of Colorado. Venue shall be deemed to be in Elbert County, Colorado.

36. **DISCLAIMER OF WARRANTIES.** Operator shall, upon execution of this Agreement, be deemed to have waived any and all objections (except in the case of any breach of any representation or warranty made by Owner as expressed herein) to the physical characteristics and conditions of the Property which would have been disclosed by Operator's reasonable inspection and inquiry. Operator acknowledges that, except as set forth in this Agreement, neither Owner nor any of its respective employees, agents, officers, directors or representatives has made any representations, warranties, or agreements to or with Operator as to any matters concerning the Property, the present use thereof, and/or the suitability of Operator's intended or contemplated use of the Property. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, present and future zoning, soil, subsoil, the purpose(s) to which the Property is suited, the physical condition of the Property, drainage, proposed routes of roads or extensions thereof or the availability of utility tie-ins, and governmental permits or approvals of any kind. Operator represents and warrants to Owner that it and its representatives and employees have made or will make their own independent inspection and investigation of the Property.

37. **AUTHORITY OF SIGNATORIES.** The signatories below declare, warrant and represent that they have the authority to enter into this Agreement on behalf of their respective principals, if any.

38. **SUCCESSORS.** This Agreement constitutes an easement, right-of-way, and covenant running with the Property and will be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective successors, affiliates, administrators, trustees, executors, and assigns.

[INTENTIONALLY LEFT BLANK – SIGNATURE PAGE TO FOLLOW]

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Parties have set their hands, the day and year first written above

**Owner**

**Operator**

GMT Exploration Company, LLC



By: James Everitt White

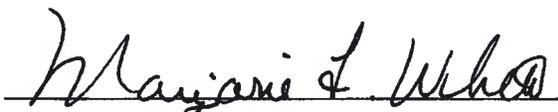
Date: 3-22-2022



By: Philip G. Wood, VP of Land

Date: 3/17/2022

**Owner**



By: Marjorie F. White

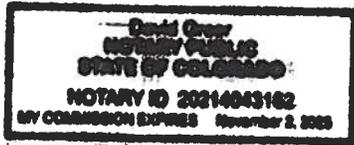
Date: 3/22/2022

[Acknowledgments on following page]

ACKNOWLEDGEMENTS

STATE OF COLORADO  
COUNTY OF ELBERT

The foregoing instrument was acknowledged before me on this 22<sup>ND</sup> day of MARCH, 2022 by James Everitt White and Marjorie F. White, husband and wife.



Notary Public, State of Colorado  
My commission expires: 11/2/2025

*[Handwritten Signature]*

STATE OF COLORADO  
COUNTY OF DENVER

The foregoing instrument was acknowledged before me on this 17<sup>th</sup> day of March, 2022 by Philip G. Wood, Vice President of Land of GMT Exploration Company, LLC.

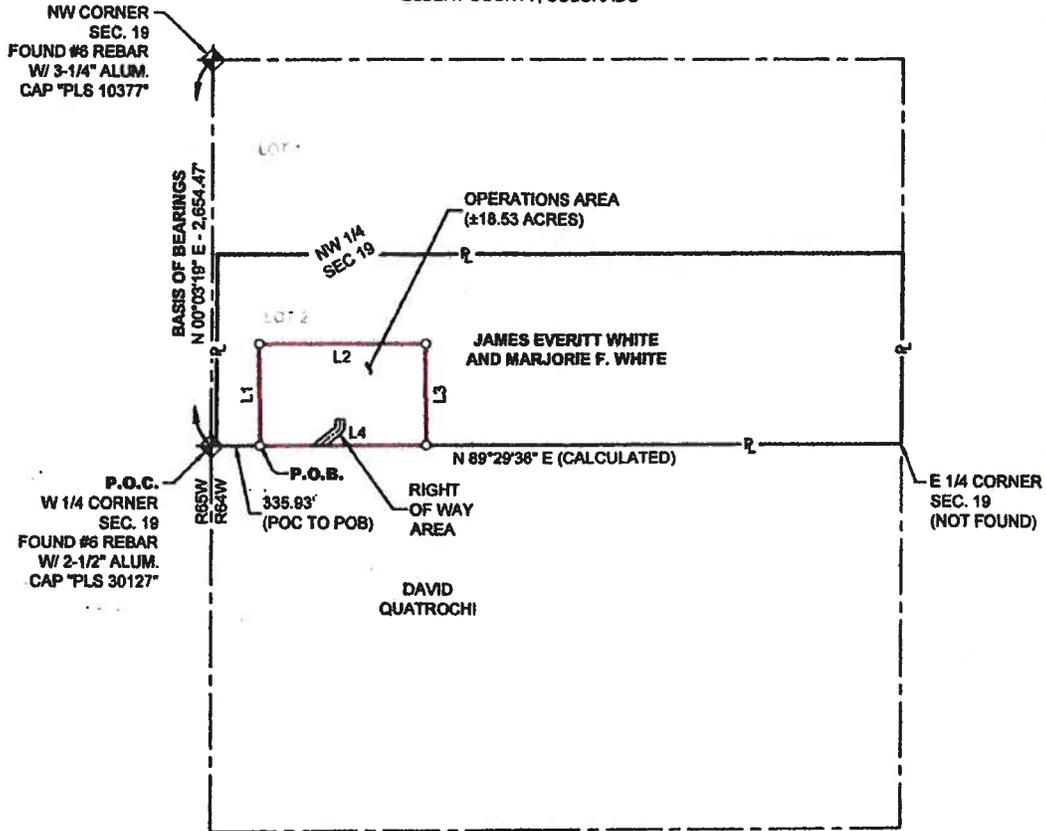


Notary Public, State of Colorado  
My commission expires: 10/14/23

*[Handwritten Signature]*

# EXHIBIT "A"

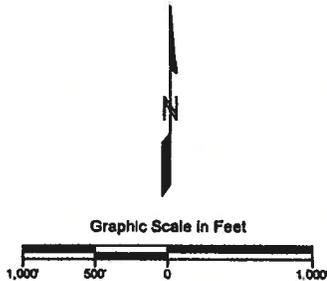
IN A PART OF THE NW 1/4 OF SECTION 19, TOWNSHIP 6 SOUTH, RANGE 64 WEST, 6TH P.M.  
ELBERT COUNTY, COLORADO



LINE TABLE		
NUMBER	BEARINGS	DISTANCE
L1	N 00°30'24" W	702.32'
L2	N 89°29'36" E	1,149.33'
L3	S 00°30'24" E	702.32'
L4	S 89°29'36" W	1,149.33'

## LEGEND

	P.O.B.	POINT OF BEGINNING
	P.O.C.	POINT OF COMMENCEMENT
		ANGLE POINT
		FOUND MONUMENT
		SECTION LINE
		INTERIOR SECTION LINE
		OPERATIONS AREA
		PROPERTY LINE



THE CENTERLINE LENGTH OF THE RIGHT OF WAY AREA SHOWN HEREON THIS JAMES EVERITT WHITE AND MARJORIE F. WHITE PROPERTY IS 249.49 FEET.

- NOTES:
1. THIS EXHIBIT AND LEGAL DESCRIPTION WERE PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT AND THEREFORE ENCOMPASS ENERGY SERVICES HAS NOT RESEARCHED OR SHOWN ANY OTHER EASEMENTS, RIGHTS-OF-WAY, VARIANCES AND OR AGREEMENTS OF RECORD EXCEPT AS SHOWN HEREON.
  2. THIS EXHIBIT AND LEGAL DESCRIPTION ARE NOT A AND SURVEY PLAT, OR AN IMPROVEMENT SURVEY PLAT.
  3. SEE ATTACHED LEGAL DESCRIPTION WHICH BY THIS REFERENCE IS MADE PART HEREOF.
  4. THIS EXHIBIT IS FOR A PROPOSED LOCATION AND IS NOT INTENDED TO REPRESENT AN EXISTING EASEMENT LOCATION.
  5. NOTICE: ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.
  6. BEARINGS AND DISTANCES SHOWN ARE GRID VALUES ESTABLISHED BY COLORADO STATE PLANES NORTH ZONE.

**GMT**  
Exploration Company LLC

**CINNAMON PAD OPERATIONS AREA**  
LANDOWNER: JAMES EVERITT WHITE AND  
MARJORIE F. WHITE  
IN A PART OF THE NW 1/4 OF SECTION 19, TOWNSHIP 6 SOUTH,  
RANGE 64 WEST 6TH P.M., ELBERT COUNTY, COLORADO

SCALE: 1" = 1,000'    DRAWN BY: MSF    2/28/2022    CHECKED BY: TC    2/28/2022    REV: 0

encompass    ENCOMPASS ENERGY SERVICES    10201 N. 10TH AVE. SUITE 400    BROOKFIELD, CO. 80021    OFFICE NUMBER: 303-855-0000    DWG NO.    0305-CINNAMON\_PAD SEC19 T6S R64W\_REV0    SHEET    1 of 2

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**PARCEL DESCRIPTION**

AN AREA OF LAND FOR AN OPERATIONS AREA ON A PARCEL OF LAND OWNED BY JAMES EVERITT WHITE AND MARJORIE F. WHITE AND IS LOCATED IN A PART OF THE NW 1/4 OF SECTION 19, TOWNSHIP 6 SOUTH, RANGE 64 WEST OF THE 6TH P.M., COUNTY OF ELBERT, STATE OF COLORADO;

**SITE DESCRIPTION**

COMMENCING AT THE W 1/4 CORNER OF SAID SECTION 19, (AS MONUMENTED BY A FOUND #6 REBAR WITH 2-1/2" ALUM. CAP "PLS 30127"), FROM WHICH THE NW CORNER OF SAID SECTION 19, (AS MONUMENTED BY A FOUND #6 REBAR WITH 3-1/4" ALUM. CAP "PLS 10377"), BEARS N 00°03'19" E. A DISTANCE OF 2,854.47 FEET, FORMING THE BASIS OF BEARINGS USED IN THIS DESCRIPTION;

THENCE, N 89°29'36" E, A DISTANCE OF 335.93 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID PARCEL OF LAND, SAID POINT BEING THE SOUTHWESTERLY CORNER OF SAID OPERATIONS AREA AND BEING THE POINT OF BEGINNING;

THENCE, ALONG THE PERIMETER OF SAID OPERATIONS AREA THE FOLLOWING FOUR (4) COURSES:

- 1) DEPARTING SAID SOUTHERLY LINE, N 00°30'24" W, A DISTANCE OF 702.32 FEET;
- 2) N 89°29'36" E, A DISTANCE OF 1,149.33 FEET;
- 3) S 00°30'24" E, A DISTANCE OF 702.32 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID PARCEL OF LAND;
- 4) ALONG SAID SOUTHERLY LINE, S 89°29'36" W, A DISTANCE OF 1,149.33 FEET TO THE POINT OF BEGINNING, CONTAINING AN AREA OF 807,194 SQUARE FEET OR APPROXIMATELY 18.53 ACRES, MORE OR LESS.

**SURVEYOR'S STATEMENT:**

I, THOMAS G. CARLSON, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THIS DESCRIPTION AND ACCOMPANYING EXHIBIT WERE PREPARED UNDER MY SUPERVISION AND THAT THE OPERATIONS AREA SHOWN HEREON IS CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF AND IS NOT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT.



THOMAS G. CARLSON, CO PS #24657  
FOR AND ON BEHALF OF ENCOMPASS ENERGY SERVICES, LLC

**NOTES:**

- 1. THIS LEGAL DESCRIPTION AND EXHIBIT WERE PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT AND THEREFORE ENCOMPASS ENERGY SERVICES HAS NOT RESEARCHED OR SHOWN ANY OTHER EASEMENTS, RIGHTS-OF-WAY, VARIANCES AND OR AGREEMENTS OF RECORD EXCEPT AS SHOWN HEREON.
- 2. THIS LEGAL DESCRIPTION AND EXHIBIT ARE NOT A LAND SURVEY PLAT, OR AN IMPROVEMENT SURVEY PLAT.
- 3. SEE ATTACHED EXHIBIT WHICH BY THIS REFERENCE IS MADE PART HEREOF.
- 4. THIS LEGAL DESCRIPTION IS FOR A PROPOSED LOCATION AND IS NOT INTENDED TO REPRESENT AN EXISTING EASEMENT LOCATION.
- 5. NOTICE: ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.
- 6. BEARINGS AND DISTANCES SHOWN ARE GRID VALUES ESTABLISHED BY COLORADO STATE PLANES NORTH ZONE.

 <b>GMT</b> Exploration Company LLC			
<b>PROPOSED CINNAMON PAD EASEMENT</b> LANDOWNER: JAMES EVERITT WHITE AND MARJORIE F. WHITE IN A PART OF THE NW 1/4 OF SECTION 19, TOWNSHIP 6 SOUTH, RANGE 64 WEST 6TH P.M., ELBERT COUNTY, COLORADO			
SCALE: NONE	DRAWN BY: MSF 2/28/2022	CHECKED BY: TC 2/28/2022	REV: 0
encompass		ENCOMPASS ENERGY SERVICES 10901 W. 130TH AVE. SUITE 400 BROOMFIELD, CO 80021 OFFICE NUMBER: 303-955-6060	DWG NO. 63095-CINNAMON_PAD SEC19 T6S R64W_REV0 SHEET 2 of 2