



STATE OF COLORADO
STATE BOARD OF LAND COMMISSIONERS

SURFACE USE AGREEMENT
OT 116046
Non-State and Pooled or Communitized Minerals

THIS SURFACE USE AGREEMENT (“Agreement”), dated this 1st day of August, 2023, (“Effective Date”) is made by and between the State of Colorado, acting by and through the Colorado State Board of Land Commissioners, whose address is 1127 Sherman Street, Suite 300, Denver, CO 80203, herein called the “State Land Board”, and, Kerr-McGee oil and Gas Onshore LP, whose address is 1099 18th Street, Suite 700, Denver, CO 80202, herein called the “Operator”.

WHEREAS, the State Land Board represents that it is the surface owner and in possession of the surface estate in all or part of the following lands located in Weld County, Colorado (the “Property”):

Subdivision CS2, Section 16, Township 2N, Range 63W

WHEREAS, the State Land Board acknowledges that the Operator has certain rights to conduct oil and gas operations under the terms of oil and gas lease(s) underlying or adjacent to the Property;

WHEREAS, the State Land Board and the **Operator, together also herein be called the “Parties”**, desire to facilitate development of the oil and gas resources based on reasonable access and use of the Property, **and to reach an understanding and agreement regarding the Operator’s surface access and use and to minimize disturbance associated with oil and gas operations.**

NOW, THEREFORE, in consideration of the terms and conditions cited below, the State Land Board and the Operator agree as follows:

1. Surface Rights

The State Land Board agrees to allow the Operator reasonable use of a portion of the Property to build well pad(s), tank batteries, access road(s); construct pipelines, flowlines, gathering lines and powerlines; and to drill, complete, produce and operate vertical, directional or horizontal wells **(the “Operations”)**. Operations on the Property shall be confined to a limited portion of the **surface of the Property exclusively reserved for Operations (the “Operations Area”), together with an “Access Corridor,”** as necessary, for access roads and associated lines, containing 23.19 acres which is further identified on Exhibit A. The Operator shall have the exclusive right to utilize the Operations Area provided the State Land Board may use the balance of the Property and the Access Corridor for State Land Board purposes that do not materially interfere with Operations. Furthermore, the Operator shall have the right to access and use the Property in **“Emergency Situations”**. **Emergency Situations is defined as situations that require immediate attention in order to protect human life or prevent further degradation of the land.**

2. Subsurface Easement

To the extent the State Land Board owns the sub-surface rights underlying the Property, the State Land Board hereby grants the Operator a sub-surface easement for passage of any portion of the directional or horizontal wellbore for a well located on the Operations Area through the State Land Board owned sub-surface. If a wellbore from a well located on the Operations Area leaves the sub-surface boundaries of one State Land Board oil and gas lease and enters lands covered under a separate oil and gas lease or leases, the State Land Board grants an easement to allow the wellbore

to travel and produce from all applicable leases, provided such easement does not conflict with the terms of any State Land Board lease now in effect.

3. Term

This Agreement shall have a primary term of three (3) years (the “Primary Term”) and shall continue for so long thereafter as any well utilizing the Operations Area continues to produce oil or gas. If, after the expiration of the Primary Term of this Agreement, production from all wells utilizing the Operations Area should cease for any cause for a period of more than two (2) years, the State may terminate this Agreement, provided that the Operator may request annual one-year extensions to this Agreement by (i) providing evidence of compliance with the Colorado Energy and Carbon Management Commission (the “**ECMC**”) Mechanical Integrity Testing for Shut-in Wells, which may be in the form of ECMC Form 21 - Mechanical Integrity Test and, (ii) paying the State Land Board, in addition to the Annual Payment, \$1,000 per acre of the Operations Area.

If the Operator fails to commence Operations on the Operations Area during the Primary Term by established production from wells located on the Operations Area or from off-site Wells utilizing facilities located on the Operations Area, this Agreement will terminate at the end of the Primary Term.

Upon termination of Operations, this Agreement shall remain in effect as to other terms and conditions until all wells are plugged and abandoned and the reclamation and clean-up requirements **set out in the “Reclamation” section below have occurred consistent with the** ECMC regulations then in effect, and to the reasonable satisfaction of the State Land Board.

Agreement extensions in the absence of oil or gas production or in the event that the Operator fails to comply with 3.i and 3.ii above may be granted at the sole discretion of the State Land Board.

4. Payments to the State Land Board

- A. Initial Damage Payment - On the Effective Date of the Agreement the Operator shall pay the State Land Board \$150,450.00, based on the surface use rates set forth on Exhibit B for surface damage, impact and use of the Operations Area.
- B. Well Payments - In addition to the Initial Damage Payment, the Operator shall pay the State Land Board a one-time payment for any and all wells located on the Operations Area based on the rates set forth on Exhibit B. Well Payments are due on the next annual anniversary date of the Effective Date following the well spud date, defined as when the drill bit contacts the ground to start the process to drill for and install surface casing.
- C. Annual Payment - The Operator shall pay the State Land Board annually, on or before each anniversary of the Effective Date for so long as this Agreement remains in effect, an Annual Payment of \$15,045.00, calculated based on the rates set forth on Exhibit B. The State Land Board may accept, in lieu of Annual Payments, a lump-sum one-time payment on the Effective Date of this Agreement, at the sole and absolute discretion of the State Land Board.
- D. Access Corridor Payment: The operator shall pay a one-time Access Corridor Payment to the State Land Board of \$15,650.00, based on the rates set forth on Exhibit B, for access roads, pipeline and powerline easements, and all other disturbances outside the Operations Area. Payment shall be made on the Effective Date of the Agreement and the Operator may be

subject to either the SUA or a separate Right-of-Way (“ROW”) agreement. Operator shall consult with and obtain approval from the State Land Board for Access Corridors and shall cooperate with the State Land Board regarding the location and construction timing for any pipeline burial in order to minimize surface disturbance, and shall pay the State Land Board based on the compensation schedule set forth on Exhibit B. For accuracy of measurement, Operator shall provide an As-Built Survey and the Access Corridor Payment may be adjusted accordingly.

- E. Production Facilities Payment - Upon written approval by the State Land Board, the Operator shall pay the State Land Board a one-time payment for each well located off the Operations Area (“Off-Site Wells”) that uses facilities located on the Operations Area, including without limitation, tanks and compressors, and all associated oil and gas production and operational facilities (the “Production Facilities”), calculated based on Exhibit B (“Production Facilities Payment”). The State Land Board’s written approval and the Production Facilities Payment are due prior to constructing pipelines or producing hydrocarbons from Off-Site Wells to the facilities located on the Operations Area and such use will be granted at the State Land Board’s sole and absolute discretion.
- F. Rental Adjustment - On the tenth anniversary of this Agreement and every fifth anniversary date thereafter the Annual Payment shall be increased based on the change in Consumer Price Index - All Urban Consumers, “CPI-U” (CUUR0000SA4) (Base Period 1982-84=100) (the “Index”), as first published by the U. S. Department of Labor, Bureau of Labor Statistics, for the five year period preceding such anniversary date.

On the tenth anniversary of this agreement and annually thereafter the Annual Payment may be reduced based on a reduction in size of the Operations Area due to interim reclamation subject to written approval by the State Land Board’s District Manager or their appointee.

5. Excess Damage

If the Operations cause damage to (i) the Property located outside of the Operations Area or (ii) any other State Land Board-owned surface, or (iii) personal property located on Property outside of the Operations Area and Access Corridor, or if Operator’s surface use exceeds the use contemplated herein, causing damage, including without limitation damage or destruction of land, crops, livestock, structures, buildings, fences, culverts, concrete ditches, irrigation systems, and natural water ways, Operator shall repair or replace the damaged property, or shall pay reasonable compensation to the State Land Board or the owner of such personal property for the replacement or repair of the damaged property. Failure to timely repair, replace or pay for additional damages may result in termination of this Agreement subject to notice and cure rights contained in paragraph 20.

6. Consultation

- A. Surface Owner - Prior to execution of this Agreement, Operator shall meet with a State Land Board representative to define the Operations Area and Access Corridor as set forth on Exhibit A. Except for Emergency Situations, Operators shall be confined to the Operations Area and Access Corridor, and any change to Exhibit A requires prior consultation and written approval of the State Land Board. Except as indicated in paragraph 28, the State Land Board does not waive any ECMC surface owner consultation requirements, and the Operator shall not seek a variance to any required consultation without the advance written approval of the State Land Board.

B. Colorado Parks and Wildlife - Prior to executing this Agreement, Operator shall consult with Colorado Parks and Wildlife (CPW) representatives as required by ECMC Rules, and as required by the State Land Board, to determine if the Property contains CPW mapped High Priority Habitat (HPH) and/or occurrences of Federally-listed Endangered, Threatened, or Candidate Wildlife. **Evidence of such consultation and review and the Operator's design measures and best management practices (BMPs) to be employed to avoid and minimize adverse impacts to biological resources, species, and habitats must be attached to this Agreement as Exhibit C.** The Parties mutually agree that any violation or non-compliance with the Exhibit C design measures and BMPs, in whole or in part, arising directly or indirectly from the use, occupation or control of the Property and **the Operations Area, by the Operator or the Operator's** Contractors is a default of this Agreement and the State Land Board may terminate this Agreement, subject to notice and cure rights contained in paragraph 20. In addition, the Parties mutually agree that Operator will pay liquidated damages of \$1,000 per day for any such violation of or non-compliance with the Exhibit C design measures and BMPs.

7. As-Built Information

No later than 90 days after completion of construction of the well site, Production Facilities, access roads and pipelines, individually or together, **or concurrently upon an Operator's submission of an As-Built Survey** to the ECMC, whichever is earlier, the Operator shall provide the State Land Board with a certified plat showing the actual dimensions of the Operations Area and the Access Corridor and **the total number of acres disturbed ("As-Built Survey")**. Should the operator need to use lands to conduct additional operations outside of the area defined in the As-Built Survey, the Operator must obtain written approval from the State Land Board and the State Land Board can require a new As-Built Survey to include the additional acreage being used.

8. Operational Standards

At all times the Operator and its Contractors shall enter and use the Property, including the Operations Area, and shall conduct all Operations thereon, in a good, careful, safe, and workmanlike manner, in compliance with applicable state rules and regulations including those of the ECMC, the Colorado Air Quality Control Commission and any other State or Federal agency with jurisdiction over Operations, the applicable oil and gas lease(s), and this Agreement. Operator shall strive to identify and use the best management practices then available for surface management of oil and gas operations. The **term "Contractors"** shall include any third party and its employees, agents and affiliates that are retained, engaged or employed by the Operator to conduct Operations on the Property.

- A. Limitation - The Operator shall use the Operations Area only for Operations as depicted and detailed on Exhibit A. No Operations, compressors, pipelines, powerlines, access roads, facilities, and equipment beyond those provided for on Exhibit A are allowed without the prior written consent of the State Land Board, except for Emergency Situations.
- B. Compliance - Operator shall inform all Contractors of the standards contained herein. Should any Contractor fail to comply with Operator's obligations set forth herein, Operator shall be responsible and liable to the State Land Board for resulting damages.
- C. Road standards - To the extent technically feasible, as agreed to by the Parties, Operator shall use existing roads to access the Operations Area and Access Corridor, except for Emergency Situations.

- I. Access roads shall be limited to approximately thirty-feet, being fifteen feet on each side of the centerline, and shall be constructed along the boundary lines of the Property, or along the section lines of the Property, to the extent technically feasible, as agreed by the Parties.
 - II. Culverts shall be installed at ditch and drainage crossings, and shall be sized to prevent obstruction to the free flow of the volumes of water being carried, inclusive of flood stages. If existing culverts are damaged or destroyed Operator agrees to promptly repair or replace such culverts.
 - III. Upon the State Land Board's **written request, the Operator shall construct cattle guards** at all places where Operator requires access through the State Land Board's fences. Permanent gates shall be installed at each point where an access road intersects perimeter or cross fences. If the State Land Board or Operator elects to lock any gate on the access road, keys shall be provided to the other party.
 - IV. All access roads shall be kept and maintained free from ruts. Access roads shall be compacted and an adequate amount of crushed aggregate and lighter gravel shall be added on top of the surface of the access road to minimize rutting and damage to the surface.
 - V. During dry months, Operator shall apply fresh water (or water to a standard suitable for irrigation purposes) to the surface of the access roads to reasonably limit dissemination of dust.
 - VI. The use and construction of any access roads shall not include a right of use by the general public. Operator shall be responsible for maintaining all access roads and any **existing roads utilized by Operator, at Operator's sole cost and expense.**
 - VII. Operator shall impose a reasonable speed limit, not to exceed twenty miles per hour on the access road, and Operator shall be responsible for all traffic on the access road occurring in connection with Operations, including without limitation any damage to livestock or growing crops.
- D. Water Protection - Operator shall protect all water sources and conveyance structures, and test water quality in accordance with ECOM rules and regulations. All water sampling and testing **shall be completed at Operator's expense by a reputable testing consultant** selected by the Operator.
- E. Fencing - To exclude livestock, upon the State Land Board's **request, Operator shall fence any** drill site, or if production is established, any well site, with a wildlife friendly four strand wire fence secured by posts at appropriate intervals. Pits must be separately fenced and netted according to the State Land Board's **specifications to protect birds and wildlife.** Final fencing materials shall be determined based on best management practices for the protection of wildlife agreed to by the Parties.

- F. Production Containment - Operator will install and maintain steel containment rings around production tanks and associated facilities, and install steel berms and an impervious synthetic liner within bermed areas and use best management practices to prevent any hydrocarbon substances from infiltrating soil or ground water.
- G. Buried Pipelines - Operator shall bury all pipelines to a minimum depth of 36 inches.
- H. Additional Surface Installations - At the State Land Board's request, Operator shall install additional screening, fencing, and landscaping around a wellsite to minimize noise and aesthetic impacts.
- I. Prohibited Activities - The Operator and its Contractors may not hunt, fish, or possess firearms, alcoholic beverages, or illegal drugs on the Property.
- J. Weed Control - The Operator shall keep the Operations Area and Access Corridor free of weeds as required by ECMC. Noxious weeds shall be sprayed within two (2) weeks of any request by the State Land Board for such spraying.
- K. Trash and Debris - Operator shall keep the Operations Area free from trash and debris and shall provide for periodic removal of all trash and debris from the Operations Area.
- L. Erosion Control - If the State Land Board identifies portions of the Property where Operations have caused erosion Operator agrees to take reasonable measures to control erosion, including without limitation installation of soil berms or diversions, mulching, seeding or soil binders.
- M. Storage Prohibited - The Operator shall not store any oil and gas equipment, machinery, vehicles, pipe or other item on the Operations Area that is not required in connection with Operations, without the prior written consent of the State Land Board.
- N. Unmanned Aerial Systems - The State Land Board maintains the right to access, inspect and monitor the Leased Land at all reasonable times, utilizing all reasonable means and methods, including but not limited to gate counters, game cameras and Unmanned Aerial Systems (UAS). The use of UAS will be in accordance with applicable Federal Aviation Administration (FAA) rules and regulations. The Operator shall cooperate with the State Land Board and will not interfere with all reasonable means and methods of access, inspection and monitoring, including the State Land Board's actions necessary to comply with FAA rules and regulations.

9. Reclamation

Prior to initiating reclamation activities, Operator agrees to consult with the State Land Board. The Operator shall reclaim the Operations Area and the Access Corridor(s) and other associated impacted State Land Board-owned land for damages resulting from the Operator's Operations, at its sole expense as nearly as practicable to its original condition. Interim and final reclamation shall be to the satisfaction of the State Land Board and shall, at a minimum, comply with all appropriate reclamation regulations, including ECMC Reclamation Regulation Series 1000 and Series 1100, and any more stringent reclamation regulations adopted by the ECMC while this Agreement is in effect. Additional interim and final reclamation requirements and standards, if any, are attached hereto as Exhibit D.

The existence of this Agreement shall not relieve the Operator of its obligation to fully comply with all of the ECMC Rules.

10. Other Lessees

Subject to Section 1 of this Agreement, Operator acknowledges that the State Land Board may have granted rights of surface use to additional third-parties. The State Land Board will provide Operator, upon request from the Operator, with the necessary information regarding any rights granted to additional third-parties. The Operator must use reasonable efforts to minimize the impact of its Operations on the other surface lessees and their surface use(s).

11. Assignment

This Agreement is assignable, in whole or in part, by either party, subject to the following:

A. The Operator may assign this Agreement in whole or in part with written consent of the State Land Board. Such consent will not be unreasonably withheld. The Operator may assign its rights in the Agreement only following written disclosure to the assignee of the existence of this Agreement, and such assignment must be expressly subject to the assignee's assumption of all terms, conditions and obligations of this Agreement.

B. The State Land Board may assign or convey its interest in the Property or any portion thereof only following written disclosure to the assignee of the existence of this Agreement, and such assignment or conveyance must be expressly subject to all terms and conditions of this Agreement, and the assumption by such assignee or grantee of all obligations of the State Land Board under this Agreement.

12. Successors and Assigns

When the word Operator is used in this Agreement, it shall also mean the successors and assigns of the Operator, including but not limited to its employees and officers, agents, affiliates, Contractors, subcontractors and/or purchasers. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the Parties.

13. Confidentiality

The existence and terms of this Agreement may be a public record and subject to the Colorado Open **Records Act ("CORA")**, **C.R.S. § 24-72-200.1**, et. seq. Data, maps, surveys, and other information prepared by or furnished to the State Land Board pursuant to this Agreement are subject to the confidentiality provisions of C.R.S. § 36-1-138(2). The Operator may record a memorandum or redacted form evidencing the existence of this Agreement.

14. Governing Law/Venue

This Agreement shall be interpreted according to the laws of the State of Colorado. Venue for any dispute shall be the City and County of Denver.

15. Written Modifications

This Agreement, including its Exhibits, may only be amended in writing signed by both Parties. All notices to either party shall be in writing addressed to the Parties at the address first set forth below.

16. Notices

Any notice or other communication given by either party to the other relating to this Agreement shall be in writing, delivered by U.S. mail or sent by reputable overnight courier, to such other party at the respective addresses set forth in this Agreement (or at such other address as may be designated

from time to time by written notice given in the manner provided in this Agreement). If sent by certified mail, return receipt requested, such notice shall be deemed effective on receipt.

If to the State Land Board:
Colorado State Board of Land Commissioners
1127 Sherman St., #300
Denver, CO 80203

If to Operator:
Kerr-McGee Oil and Gas Onshore LP
1099 18th Street, Suite 700
Denver, CO 80202

17. Governmental Immunity

Liability for claims or injuries to persons or property arising from the negligence of the State of Colorado, its departments, institutions, agencies, boards, officials, and employees is controlled and limited by the provisions of the Governmental Immunity Act, C.R.S. § 24-10-101 et seq., and the risk management statutes, C.R.S. § 24-30-1501 et seq., as amended. No term or condition of this Agreement will be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Governmental Immunity Act as applicable now or hereafter amended.

18. Indemnification

The Operator assumes all liability arising from the use, occupation or control of the Property by Operator under this Agreement. This assumption includes, but is not limited to, liability for all personal injuries (including death) and environmental and property damage and destruction. The Operator agrees to defend, indemnify and hold harmless the State Land Board from and against any and all liabilities, losses, damages, liens, expenses, claims, demands, debts, obligations, fines, penalties, suits or actions, judgments, and costs of any kind whatsoever arising from the use, occupation or control of the Property, caused by any act, omission or neglect of Operator, or **Operator's employees, agents, guests, invitees, contractors or assigns**. The Operator further agrees to indemnify the State Land Board for any costs, including costs of suit and fees for consultants, experts, and attorneys, incurred by the State Land Board in terminating or canceling, enforcing obligations or defending itself against any matter arising under this Agreement caused or permitted by Operator or **Operator's employees, agents, guests, invitees, contractors or assigns**. This provision shall survive termination, cancellation or relinquishment of this Agreement and any cause of action by the State Land Board to enforce it shall not be deemed to accrue until the State Land Board's **actual discovery of said liability, claim, loss, damage, or exposure**. This indemnity is in addition to any other indemnity provided for in this Agreement. The Operator will not be responsible for any liability caused by persons granted other uses of the Property by the State Land Board.

19. Insurance

The Operator, at its sole cost and expense, shall during the entire term of this Agreement procure, pay for and keep in full force and effect an occurrence based general liability insurance policy from an insurance carrier licensed to do business in Colorado, in an amount not less than one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) aggregate. The Operator, at its sole cost and expense, shall during the entire term of this Agreement procure, pay for and keep in full force and effect a property insurance policy from an insurance carrier licensed to do business in Colorado covering all insurable improvements owned by the State Land Board located on the Property in an amount not less than necessary to cover the replacement cost. All policies shall name the State Land Board as an additional insured, shall provide that the coverage is primary and noncontributory over any other insurance coverage available to the State Land Board, its agents and employees and shall include a clause waiving all rights of recovery, under subrogation or otherwise against the State Land Board, its

agents and employees. Failure to buy and maintain the required insurance is a default of this Agreement. Before starting work under this Agreement, Operator shall, at the State Land Board's request, furnish a certificate of liability insurance, referencing the agreement number and reflecting the above requirements. The State Land Board may alter any requirements of this section to meet the requirements of the Colorado Governmental Immunity Act or any requirements determined by the Colorado Office of Risk Management.

20. Bond

Without impacting the requirements of the ECMC, prior to accessing the Property and commencing construction and Operations, the State Land Board will require Operator to file a good and sufficient bond in the initial minimum amount of \$25,000 securing the state against loss of rents or other loss or waste, or occupation of the land for more than thirty days after the cancellation or expiration of the lease by Operator, on up to five acres of the Property. The Bond amount will increase at a rate of \$5,000 per acre or fraction thereof for surface disturbance and damage in excess of five acres. The Operator may satisfy this individual lease bond obligation by maintaining a blanket bond with Lessor in an amount determined by Lessor. The State Land Board may accept cash, a surety bond, or a bank irrevocable letter of credit and will require that such bond be held in full force and effect after the termination or expiration of this Agreement until such time that the State Land Board has approved final reclamation of the Operations Area. The State Land Board agrees to take into account any additional bonding requirements imposed for the protection of the surface estate, provided there is no obligation that the State Land Board will reduce the bond amount.

21. Default and Remedies

- A. In addition to any defaults specified in other sections of this Agreement, the failure of Operator to comply with or to perform any of its obligations under this Agreement in whole or in part or in a timely or satisfactory manner may constitute a default.
- B. The State Land Board may also determine the Operator is in default any time the ECMC issues **to the Operator a Notice of Alleged Violation relating to the Operator's Operations on or** connected to the Property.
- C. The State Land Board shall promptly notify the Operator in writing of any default under this Agreement. Operator shall immediately commence and diligently pursue action calculated to cure the claimed default and prosecute such action as necessary to fully remedy and cure such default to the reasonable satisfaction of the State Land Board within 60 days after service of written default notice. Operator will contact the State Land Board within 10 days after service of written notice to the Operator by the State Land Board if the cure will reasonably require more than 60 days to complete or if concurrent corrective actions required by the ECMC may require an extension to the 60 day cure period.
- D. If Operator fails to cure the default as provided in this Paragraph 20.C., the State Land Board may:
 - I. Declare this Agreement terminated and the Operator shall surrender and peaceably deliver to the State Land Board the Property and the Operations Area, in accordance with and subject to the terms of this Agreement, and such Property shall be in good condition.

- II. Require the Operator to pay \$1,000.00 per day of the Default as Liquidated Damages commencing on the date that the Default occurs and ending on date that the Operator has fully remedied and cured the default to the reasonable satisfaction of the State Land Board or when the Parties have otherwise reached an agreement to settle the default. Whenever Liquidated Damages are available in this Agreement, the Parties have agreed **that the State Land Board's actual damages, in the event of the Operator's Default,** would be extremely difficult or impracticable to determine. After negotiation, the Parties have agreed that, considering all the circumstances existing on the date of this Agreement, this amount is a reasonable estimate of the damages that the State Land Board would incur in such event. Each party specifically confirms the accuracy of the statements made above and each party has had the opportunity to be represented by counsel to explain, at the time this Agreement was made, the consequences of this Liquidated Damages provision. The Parties represent that they have either retained legal counsel, or have declined to do so.
 - III. Enforce the terms of this Agreement through specific performance.
 - IV. Seek damages for the failure to comply with the terms of this Agreement.
 - V. Require payment from the bond required in Paragraph 19.
 - VI. Seek all other available remedies in law and equity.
- E. The State Land Board's **rights and remedies, including those not specifically described,** available in law or equity shall be cumulative, and the State Land Board may pursue any or all of such rights and remedies at the same time or separately. Nothing in this Paragraph 20 relieves the Operator of any responsibility for the final reclamation of the Property and the Operations Area and the Access Corridors, or the requirement to comply with all ECMC rules and regulations.

22. Title and Condition

The Operator enters into this Agreement with the Property in its "as is" condition with all faults, including the environmental condition of the Property. The State Land Board makes, and the Operator affirms that the State Land Board has made no representations or warranties, express or implied, of any kind whatsoever with regard to the title or condition of the Property or its fitness or suitability for any particular use. The Operator acknowledges that it is solely responsible for performing its own due diligence and for becoming fully familiar with the title, encumbrances and condition of the **Property and any applicable restrictions, uses, or other conditions that might affect the Operator's** development or use for a particular purpose.

23. Force Majeure

If performance of this Agreement or of any obligation hereunder is prevented or substantially **restricted or interfered with by reason of an event of "Force Majeure" (defined below),** the affected party, upon giving notice to and receiving approval from the other party, shall be excused from such performance to the extent of and for the duration of such prevention, restriction or interference for a period not to exceed ten (10) years, provided Force Majeure shall not excuse the obligation to timely pay the Annual Payment that shall continue to be due as set forth herein. The affected party shall use its reasonable efforts and due diligence to avoid or remove such causes of nonperformance, and shall continue performance hereunder whenever such causes are removed.

"Force Majeure" means flood, drought, earthquake, storm, fire, tornado, lightning, windstorm,

unusually inclement weather or other natural catastrophe; acts of God, casualty or accident; war, sabotage, vandalism, civil strife or other violence; strikes or labor disputes; or any law, order, proclamation, regulation, ordinance, action, demand or requirement of any government agency or utility. Such determination of Force Majeure shall be at the State Land Board's **reasonable sole** discretion.

24. No Partnership or Joint Venture

This Agreement does not create any agent-principal or principal-agent relationship, joint venture, partnership, or other similar relationship between the State Land Board and the Operator, and neither party shall have the power to bind the other except as expressly set forth in this Agreement.

25. Partial Invalidity

If any term, covenant, condition or provision of this Agreement or the application thereof to any person or circumstance shall at any time or to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected and each term, covenant, condition and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

26. Severability and Survival of Terms

No waiver of any right under this Agreement shall be effective for any purpose unless in writing signed by the party possessing the right, and no such waiver shall be construed to be a waiver of any subsequent provision, right, or term of this Agreement. Failure of the State Land Board or the Operator to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver of any of its rights under this Agreement. No waiver by the State Land Board or the Operator at any time, express or implied, of any breach of any provision of this Agreement shall be deemed a waiver of a breach of any other provisions of this Agreement or a consent to any subsequent breach of the same or any other provision.

27. Entire Agreement

This Agreement and all addenda, exhibits, and schedules attached hereto, contains the entire agreement with respect to the subject matter. No oral statement or prior written matter shall have any force or effect, with an exception being for **a separate Right of Way ("ROW") agreement**. The Operator agrees that it is not relying on any representations or agreements other than those contained in this Agreement.

28. Counterparts

This Agreement may be executed in any number of multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

29. Signatures

Signatures required in this Agreement **shall be either original "wet" handwritten signatures or digital** signatures in accordance with the Colorado State Controller Contract, Grant and Purchase Order Policies regarding the use of digital signatures issued under the State Fiscal Rules. If any signatory signs this Agreement using a digital signature in accordance with the Colorado State Controller Contract, Grant and Purchase Order Policies regarding the use of digital signatures issued under the State Fiscal Rules, then any agreement or consent to use digital signatures within the electronic system through which that signatory signed shall be incorporated into this Agreement by reference.

30. Rules and Laws

The terms and conditions of this Agreement shall be performed and exercised subject to all applicable federal, state, and local laws, rules, regulations, orders, local ordinances or resolutions applicable to and binding upon the administration of lands owned by the State of Colorado, and to laws, rules and regulations governing oil and gas operations in Colorado, including, but not limited to, the rules and regulations of the ECMC. The Operator must immediately forward any notice of noncompliance of violation related to Operations on the Property to the State Land Board. Should the Operator have a good faith dispute with any local government or authority, other than the State Land Board, regarding the application of a rule, regulation, ordinance, order or ruling, the State Land Board shall not consider the good faith contest or appeal of such rule, regulation, ordinance, order or ruling a violation of this Agreement while any appeal or other recognized legal or administrative process is pending to resolve the dispute.

The State Land Board shall approve all ECMC required waivers that are consistent with the terms of this Agreement and the Exhibit A Operations on the Operations Area. Waivers for operations outside of or in conflict with this Agreement may be approved at the State Land Board's absolute and sole discretion.

IN WITNESS WHEREOF, the State Land Board and the Operator, by their signatures below, agree to the terms of this Agreement:

Kerr-McGee Oil & Gas Onshore LP

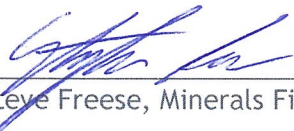
By: 
Signature

8/4/2023
Date

Don C. Jobe III
Printed Name

Attorney-in-fact
Title

STATE OF COLORADO BY THE
STATE BOARD OF LAND COMMISSIONERS

By: 
Steve Freese, Minerals Field Specialist

Date: 8/16/23

SURFACE USE AGREEMENT
OT 116046

EXHIBIT A
OPERATIONS, OPERATIONS AREA AND ACCESS CORRIDOR(S)

EXHIBIT B
PAYMENTS

EXHIBIT C
CONSULTATION
DESIGN MEASURES AND BMPs

EXHIBIT D
RECLAMATION (None Attached)

Table of Contents for Exhibit A, B, and C

23 Pages

Exhibit A

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Page 10	Access road map
Page 11	Reference area map
Page 12	Reference area photos
Page 13-17	Multi well plan

Exhibit B

Page 18	Surface use agreement pay table
Page 19-20	Payment calculators

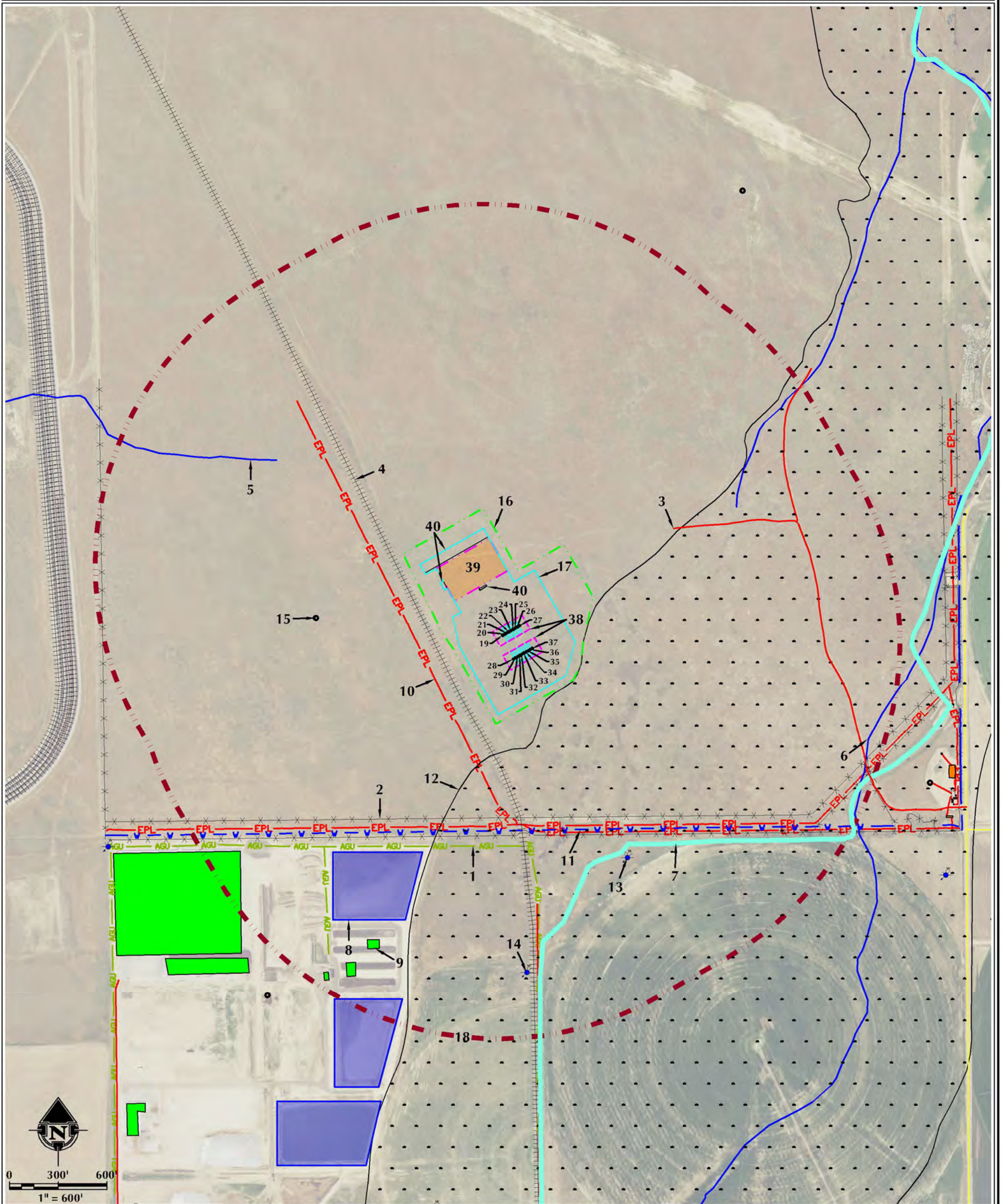
Exhibit C

Page 21	Original onsite approval letter
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Page 23	Letter regarding SLB mineral percentage

Exhibit A

LOCATION DRAWING ALDER 23-16HZ HORIZONTAL MULTI-WELL PAD

S1/2 SECTION 16, TOWNSHIP 2 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO



- | | | | |
|--|--|--------------------------------------|-------------------------------------|
| 1. ABOVE GROUND UTILITY LINES ARE ±811' S AND ±1346' SW. | 9. EXISTING BUILDINGS ARE ±1568' SW, ±1762' SW, ±1797' SW AND ±1899' SW. | 17. WORKING PAD SURFACE | 29. PROPOSED WELL: ALDER 16-11HZ |
| 2. EXISTING FENCES ARE ±638' S, ±731' S, ±1793' SE, ±1922' E AND ±1961' W. | 10. EXISTING BURIED PIPELINES ARE ±222' SW AND ±683' S. | 18. 2000' WORKING PAD SURFACE BUFFER | 30. PROPOSED WELL: ALDER 16-12HZ |
| 3. EXISTING PRIVATE ROADS ARE ±871' NE, ±1194' S AND ±1548' NE. | 11. EXISTING WATERLINE IS ±717' S. | 19. PROPOSED WELL: ALDER 16-1HZ | 31. PROPOSED WELL: ALDER 16-13HZ |
| 4. ABANDONED RAILROAD IS ±130' SW. | 12. 100-YEAR FLOODPLAIN (EFFECTIVE, 2016) IS ±50' E. | 20. PROPOSED WELL: ALDER 16-2HZ | 32. PROPOSED WELL: ALDER 16-14HZ |
| 5. EXISTING DRAINAGES (NHD) ARE ±1095' NW AND ±1272' NE. | 13. EXISTING WATER WELL (PERMIT #87786-F, PERMIT ISSUED) IS ±1161' SE. | 21. PROPOSED WELL: ALDER 16-3HZ | 33. PROPOSED WELL: ALDER 16-15HZ |
| 6. LOST CREEK (NHD) IS ±1899' E. | 14. EXISTING WATER WELL (PERMIT #87785-F, PERMIT ISSUED) IS ±1598' S. | 22. PROPOSED WELL: ALDER 16-4HZ | 34. PROPOSED WELL: ALDER 16-16HZ |
| 7. LOST CREEK (RE-ROUTED) IS ±1085' SE. | 15. EXISTING WELL: STATE 15 (PA) IS ±721' SW. | 23. PROPOSED WELL: ALDER 16-5HZ | 35. PROPOSED WELL: ALDER 16-17HZ |
| 8. EXISTING PONDS ARE ±968' SW AND ±1851' S. | 16. PROPOSED OIL & GAS LOCATION | 24. PROPOSED WELL: ALDER 16-6HZ | 36. PROPOSED WELL: ALDER 16-18HZ |
| | | 25. PROPOSED WELL: ALDER 16-7HZ | 37. PROPOSED WELL: ALDER 16-19HZ |
| | | 26. PROPOSED WELL: ALDER 16-8HZ | 38. PUMP JACK OPERATIONS AREA |
| | | 27. PROPOSED WELL: ALDER 16-9HZ | 39. PROPOSED ALDER 23-16HZ FACILITY |
| | | 28. PROPOSED WELL: ALDER 16-10HZ | 40. TEMPORARY EQUIPMENT AREA |

<ul style="list-style-type: none"> EXISTING WELL PROPOSED WELL WATER WELL PUBLIC ROAD PRIVATE ROAD EXISTING FENCE 	<ul style="list-style-type: none"> WORKING PAD SURFACE 2000' WORKING PAD SURFACE BUFFER PROPOSED OIL & GAS LOCATION PUMP JACK OPERATIONS AREA PROPOSED FACILITY DITCH/CANAL/DRAINAGE/CREEK LOST CREEK (RE-ROUTED) 	<ul style="list-style-type: none"> EXISTING FACILITY EXISTING BUILDING RESIDENTIAL BUILDING UNIT NON-RESIDENTIAL BUILDING UNIT TEMPORARY EQUIPMENT AREA 100-YEAR FLOODPLAIN (EFFECTIVE, 2016) 	<ul style="list-style-type: none"> AGU - ABOVE GROUND UTILITY LINE EPL - EXISTING PIPELINE EXISTING WATERLINE POND RAILROAD
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ALL MEASUREMENTS ARE MADE FROM NEAREST EDGE OF THE WORKING PAD SURFACE

SURFACE USE: RANGELAND

NEAREST BUILDING UNIT: ±3015' SE

PREPARED FOR:
Kerr-McGee Oil & Gas Onshore LP

609 CONSULTING, LLC
 LOVELAND OFFICE: 8700 South Franklin Avenue, Loveland, Colorado 80538, Phone: 970-576-4331
 SHERIDAN OFFICE: 1095 Suburban Avenue, Sheridan, Wyoming 82801, Phone: 307-671-8300

DATE SURVEYED: 4/27/23
 DATE: 6/30/23
 DRAFTER: JAC
 REVISED:

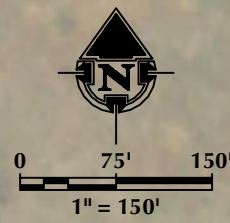
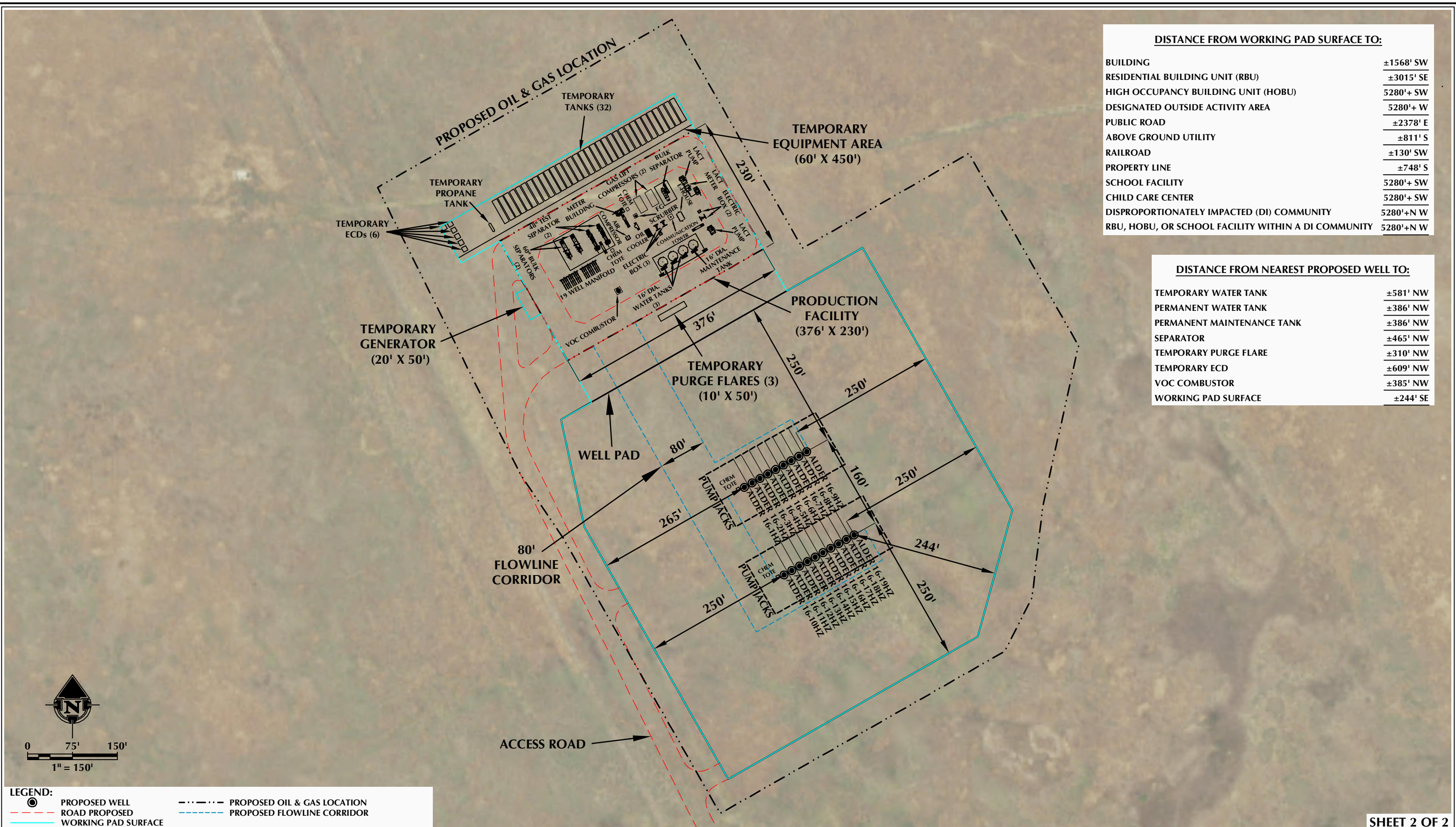
DATA SOURCES & NOTES:
 - AERIAL COURTESY OF NAIP.
 - WATER WELLS COURTESY OF COLORADO DIVISION OF WATER RESOURCES.
 - MANY FEATURES ON THIS MAP COME FROM PUBLICLY AVAILABLE DATA AND FEATURES LYING OUTSIDE THE SURFACE PROPERTY MAY HAVE BEEN OBTAINED FROM AERIAL IMAGERY. THE ACCURACY AND COMPLETENESS OF SAID DATA HAS NOT BEEN VERIFIED BY 609 CONSULTING, LLC. EXISTING CONDITIONS MAY DIFFER FROM WHAT IS SHOWN.

DISTANCE FROM WORKING PAD SURFACE TO:

BUILDING	±1568' SW
RESIDENTIAL BUILDING UNIT (RBU)	±3015' SE
HIGH OCCUPANCY BUILDING UNIT (HOBU)	5280'+ SW
DESIGNATED OUTSIDE ACTIVITY AREA	5280'+ W
PUBLIC ROAD	±2378' E
ABOVE GROUND UTILITY	±811' S
RAILROAD	±130' SW
PROPERTY LINE	±748' S
SCHOOL FACILITY	5280'+ SW
CHILD CARE CENTER	5280'+ SW
DISPROPORTIONATELY IMPACTED (DI) COMMUNITY	5280'+ N W
RBU, HOBU, OR SCHOOL FACILITY WITHIN A DI COMMUNITY	5280'+ N W

DISTANCE FROM NEAREST PROPOSED WELL TO:

TEMPORARY WATER TANK	±581' NW
PERMANENT WATER TANK	±386' NW
PERMANENT MAINTENANCE TANK	±386' NW
SEPARATOR	±465' NW
TEMPORARY PURGE FLARE	±310' NW
TEMPORARY ECD	±609' NW
VOC COMBUSTOR	±385' NW
WORKING PAD SURFACE	±244' SE



LEGEND:

	PROPOSED WELL		PROPOSED OIL & GAS LOCATION
	ROAD PROPOSED		PROPOSED FLOWLINE CORRIDOR
	WORKING PAD SURFACE		

NOTES:

- EQUIPMENT PLACEMENT IS APPROXIMATE AND SUBJECT TO MINOR MODIFICATION DUE TO SPECIFIC CIRCUMSTANCES.
- FLOWLINE CORRIDOR IS APPROXIMATE AND SUBJECT TO MINOR MODIFICATION DUE TO SPECIFIC CIRCUMSTANCES.

FACILITY COORDINATES:
LAT: 40.135664° LONG: -104.443718° (NAD83)

DATA SOURCES:
- AERIAL COURTESY OF NAIP

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Phone 970-776-4331
SHERIDAN OFFICE
1095 Saberton Avenue
Sheridan, Wyoming 82801
Phone 307-674-0609

Kerr-McGee Oil & Gas Onshore LP
1099 18th Street
Denver, Colorado 80202

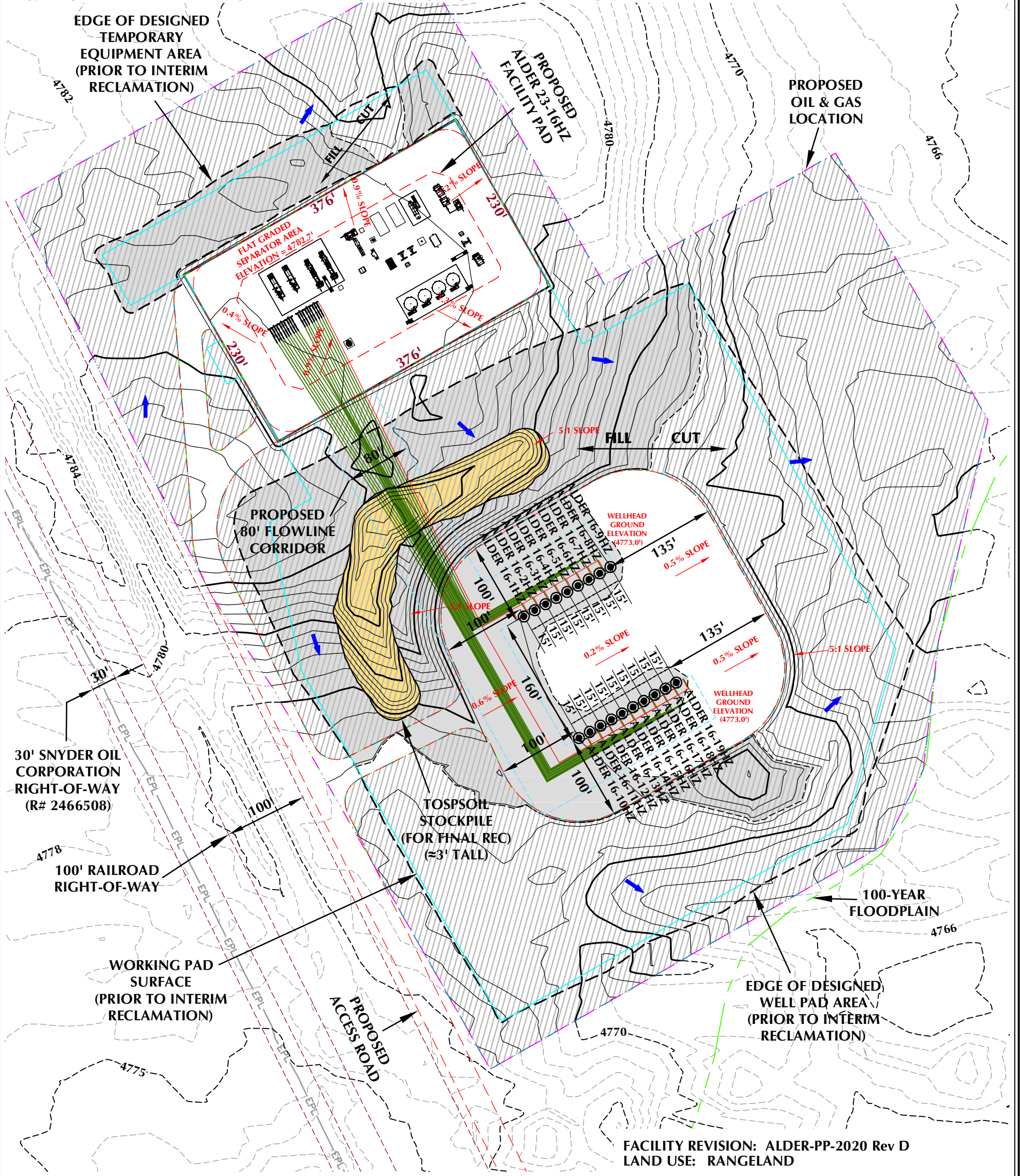
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DATE SURVEYED: 4/27/23
DATE: 6/30/23
DRAFTER: JAC
REVISED:

FACILITY LAYOUT DRAWING
ALDER 23-16HZ
LOCATED IN SECTION 16, T2N, R63W, 6TH P.M.
WELD COUNTY, COLORADO

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NOTES:

1. PIPELINE AND UTILITY CORRIDORS ARE PLANNED AND DETERMINED BY THIRD PARTY COMPANIES. SPECIFIC PIPELINE AND UTILITY CORRIDOR LOCATIONS WILL BE DECIDED BY THOSE THIRD PARTY COMPANIES CLOSER TO THE START DATE OF OPERATIONS BASED ON CONTRACT AND RIGHT-OF-WAY NEGOTIATIONS.
2. EXISTING UTILITIES DISPLAYED ON THE GRADING PLAN ARE FOR REFERENCE PURPOSES ONLY. PRIOR TO CONSTRUCTION OR EARTHWORK, CONTRACTOR WILL BE RESPONSIBLE TO CALL FOR LOCATES: (800) 922-1987
3. RECLAIMED AREA WILL BE RE-SEEDING AND RE-VEGETATED DURING INTERIM RECLAMATION.



FACILITY REVISION: ALDER-PP-2020 Rev D
LAND USE: RANGELAND

ALDER 23-16HZ FACILITY LAYOUT DRAWING

QUANTITIES AND DESIGN PARAMETERS

SHRINKAGE FACTOR = 1.00
 SWELL FACTOR = 1.00
 PROPOSED OIL & GAS LOCATION = 20.06 ACRES
 AREA RECLAIMED DURING INTERIM RECLAMATION = 14.68 ACRES
 TOTAL WELL PAD AREA AFTER INTERIM RECLAMATION = 3.40 ACRES
 TOTAL FACILITY PAD AREA AFTER INTERIM RECLAMATION = 1.98 ACRES

PAD QUANTITIES

TOTAL CUT = 35,169 C.Y.
 TOTAL FILL = 35,169 C.Y.
 TOPSOIL @ 12" DEPTH FROM WELL PAD = 16,287 C.Y.
 TOPSOIL @ 12" DEPTH FROM FACILITY/TEMP TANK PAD = 4,823 C.Y.
 TOTAL TOPSOIL = 21,110 C.Y.
 TOPSOIL USED FOR INTERIM REC = 18,539 C.Y.
 TOPSOIL STORED FOR FINAL REC = 2,571 C.Y.

LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- - - EXISTING CONTOURS (1' INTERVAL)
- - - PROPOSED CONTOURS (1' INTERVAL)
- EPL - EXISTING PIPELINE
- - - PROPOSED FLOWLINE
- * * - EXISTING FENCE
- - - RECLAMATION AREA
- PLANNED FLOW DIRECTION
- WORKING PAD SURFACE (WPS)

SCALE: 1" = 120'

DATE: 4/17/23

SHEET NO: 1 OF 2

REVISIONS:

DATE:	4/17/23	SHEET NO:	1
REVISIONS:	HJL	DATE:	6/30/23

PAD - ALDER 23-16HZ

FACILITY LAYOUT DRAWING
 ALDER 16-1HZ, ALDER 16-2HZ, ALDER 16-3HZ,
 ALDER 16-4HZ, ALDER 16-5HZ, ALDER 16-6HZ, ALDER 16-7HZ,
 ALDER 16-8HZ, ALDER 16-9HZ, ALDER 16-10HZ, ALDER 16-11HZ,
 ALDER 16-12HZ, ALDER 16-13HZ, ALDER 16-14HZ, ALDER 16-15HZ,
 ALDER 16-16HZ, ALDER 16-17HZ, ALDER 16-18HZ & ALDER 16-19HZ
 LOCATED IN SECTION 16, T2N, R63W, 6TH P.M.
 WELD COUNTY, COLORADO

Kerr-McGee Oil & Gas Onshore LP
 1099 18th Street
 Denver, Colorado 80202

609 CONSULTING, LLC

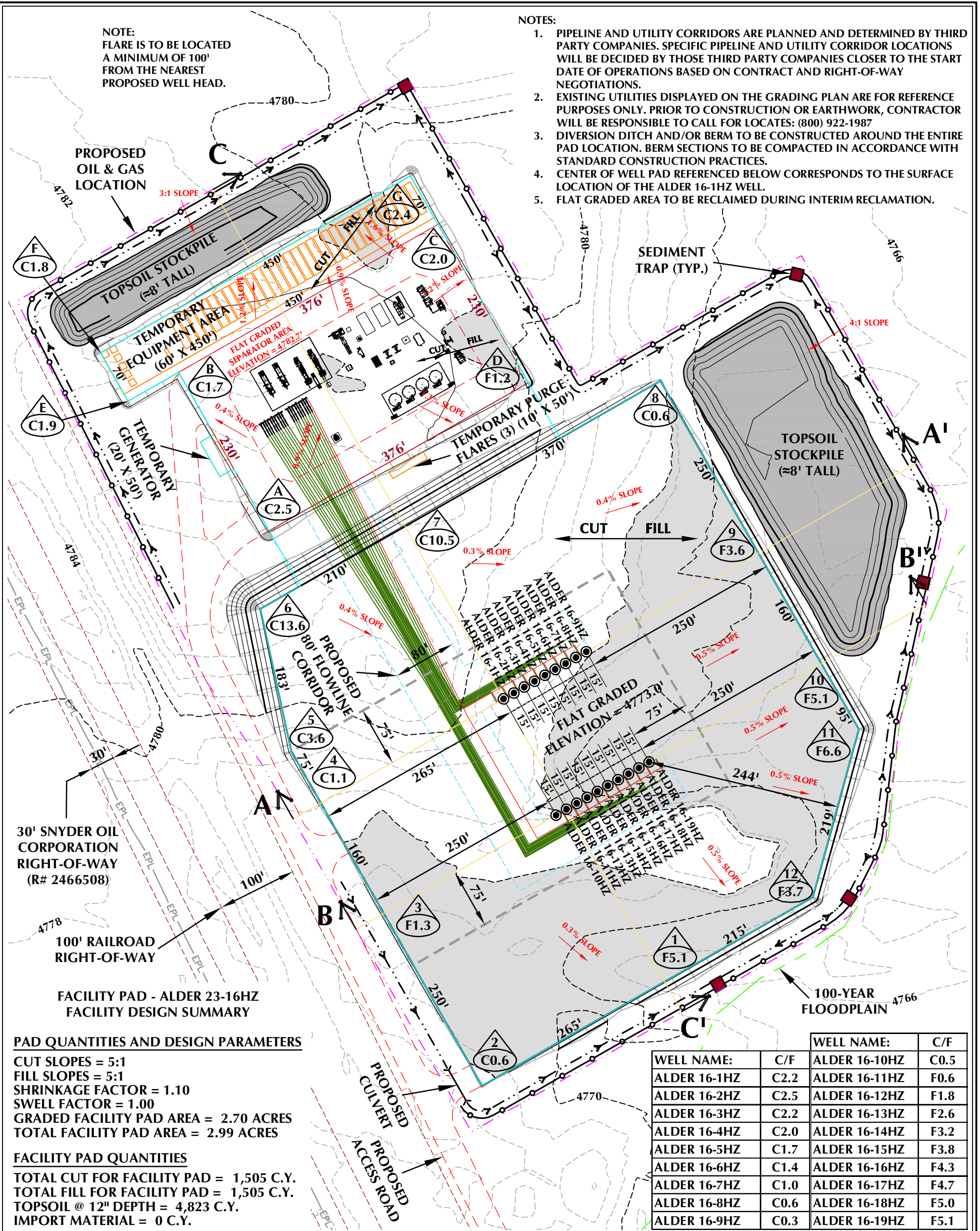
LOVELAND OFFICE
 6706 North Franklin Avenue
 Loveland, Colorado 80538
 Phone 970-776-4331

SHERIDAN OFFICE
 1095 Saberton Avenue
 Sheridan, Wyoming 82801
 Phone 307-674-0609

NOTE:
FLARE IS TO BE LOCATED
A MINIMUM OF 100'
FROM THE NEAREST
PROPOSED WELL HEAD.

NOTES:

1. PIPELINE AND UTILITY CORRIDORS ARE PLANNED AND DETERMINED BY THIRD PARTY COMPANIES. SPECIFIC PIPELINE AND UTILITY CORRIDOR LOCATIONS WILL BE DECIDED BY THOSE THIRD PARTY COMPANIES CLOSER TO THE START DATE OF OPERATIONS BASED ON CONTRACT AND RIGHT-OF-WAY NEGOTIATIONS.
2. EXISTING UTILITIES DISPLAYED ON THE GRADING PLAN ARE FOR REFERENCE PURPOSES ONLY. PRIOR TO CONSTRUCTION OR EARTHWORK, CONTRACTOR WILL BE RESPONSIBLE TO CALL FOR LOCATES: (800) 922-1987
3. DIVERSION DITCH AND/OR BERM TO BE CONSTRUCTED AROUND THE ENTIRE PAD LOCATION. BERM SECTIONS TO BE COMPACTED IN ACCORDANCE WITH STANDARD CONSTRUCTION PRACTICES.
4. CENTER OF WELL PAD REFERENCED BELOW CORRESPONDS TO THE SURFACE LOCATION OF THE ALDER 16-1HZ WELL.
5. FLAT GRADED AREA TO BE RECLAIMED DURING INTERIM RECLAMATION.



30' SNYDER OIL CORPORATION
RIGHT-OF-WAY
(R# 2466508)

100' RAILROAD
RIGHT-OF-WAY

FACILITY PAD - ALDER 23-16HZ
FACILITY DESIGN SUMMARY

PAD QUANTITIES AND DESIGN PARAMETERS

CUT SLOPES = 5:1
FILL SLOPES = 5:1
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00
GRADED FACILITY PAD AREA = 2.70 ACRES
TOTAL FACILITY PAD AREA = 2.99 ACRES

FACILITY PAD QUANTITIES

TOTAL CUT FOR FACILITY PAD = 1,505 C.Y.
TOTAL FILL FOR FACILITY PAD = 1,505 C.Y.
TOPSOIL @ 12" DEPTH = 4,823 C.Y.
IMPORT MATERIAL = 0 C.Y.

WELL NAME:	C/F	WELL NAME:	C/F
ALDER 16-10HZ	C0.5	ALDER 16-11HZ	F0.6
ALDER 16-1HZ	C2.2	ALDER 16-12HZ	F1.8
ALDER 16-2HZ	C2.5	ALDER 16-13HZ	F2.6
ALDER 16-3HZ	C2.2	ALDER 16-14HZ	F3.2
ALDER 16-4HZ	C2.0	ALDER 16-15HZ	F3.8
ALDER 16-5HZ	C1.7	ALDER 16-16HZ	F4.3
ALDER 16-6HZ	C1.4	ALDER 16-17HZ	F4.7
ALDER 16-7HZ	C1.0	ALDER 16-18HZ	F5.0
ALDER 16-8HZ	C0.6	ALDER 16-19HZ	F5.1
ALDER 16-9HZ	C0.3		

ALDER 23-16HZ CONSTRUCTION LAYOUT DRAWING - PLAN VIEW

WELL PAD QUANTITIES AND DESIGN PARAMETERS

EXISTING GRADE @ CENTER OF WELL PAD = 4775.2'
FINISHED GRADE ELEVATION = 4773.0'
CUT SLOPES = 3:1
FILL SLOPES = 3:1
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00
GRADED WELL PAD SURFACE AREA = 9.23 ACRES
TOTAL WELL PAD AREA = 10.10 ACRES
PROPOSED OIL & GAS LOCATION = 20.06 ACRES

WELL PAD QUANTITIES

TOTAL CUT FOR WELL PAD = 31,241 C.Y.
TOTAL FILL FOR WELL PAD = 31,241 C.Y.
TOPSOIL @ 12" DEPTH = 16,287 C.Y.
IMPORT MATERIAL = 0 C.Y.
TOTAL DISTURBANCE AREA
OIL & GAS LOCATION = 20.06 ACRES
WORKING PAD SURFACE = 12.65 ACRES
ACCESS ROAD = 3.73 ACRES
PIPELINE/UTILITY CORRIDOR = SEE NOTE 1
FACILITY REVISION: ALDER-PP-2020 Rev D

LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- - - EXISTING CONTOURS (2' INTERVAL)
- - - PROPOSED CONTOURS (2' INTERVAL)
- EPL - EXISTING PIPELINE
- - - PROPOSED FLOWLINE
- * * - EXISTING FENCE
- PUE - PROPOSED UNDERGROUND ELECTRIC LINE
- - - WORKING PAD SURFACE (WPS)
- - - DIVERSION DITCH
- - - BERM

HORIZONTAL 0 60' 120' 1" = 120'

2' CONTOURS

ALDER 23-16HZ

CONSTRUCTION LAYOUT DRAWING - PLAN VIEW
ALDER 16-1HZ, ALDER 16-2HZ, ALDER 16-3HZ,
ALDER 16-4HZ, ALDER 16-5HZ, ALDER 16-6HZ, ALDER 16-7HZ,
ALDER 16-8HZ, ALDER 16-9HZ, ALDER 16-10HZ, ALDER 16-11HZ,
ALDER 16-12HZ, ALDER 16-13HZ, ALDER 16-14HZ, ALDER 16-15HZ,
ALDER 16-16HZ, ALDER 16-17HZ, ALDER 16-18HZ & ALDER 16-19HZ
LOCATED IN SECTION 16, T2N, R63W, 6TH P.M.
WELD COUNTY, COLORADO

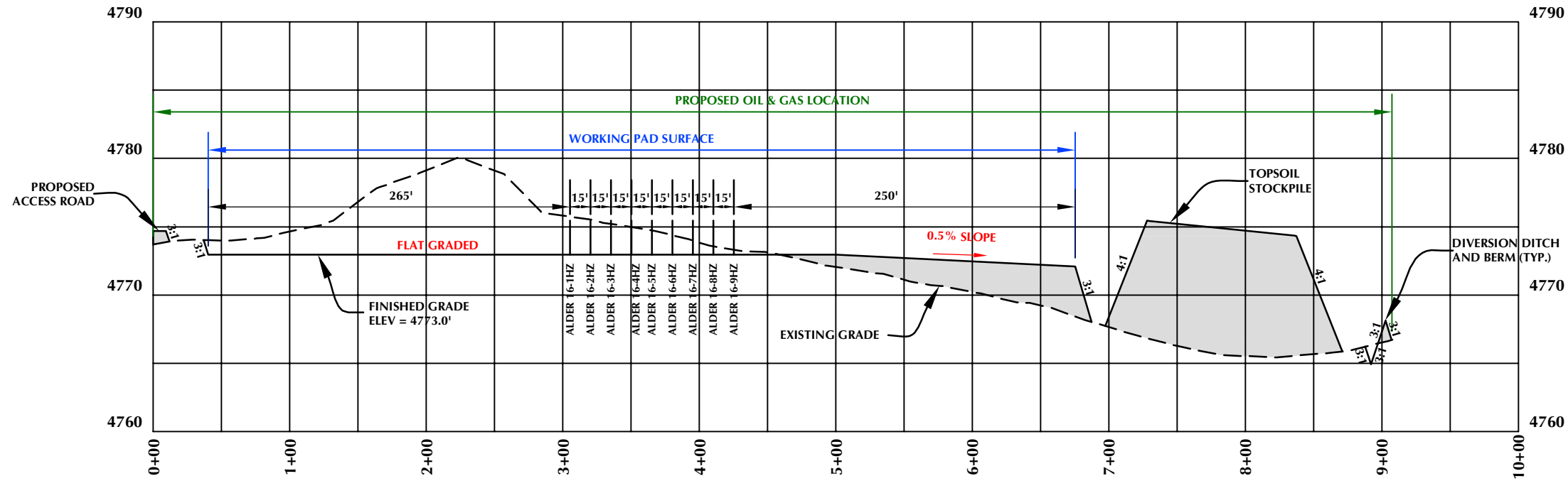
**Kerr-McGee Oil &
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1099 18th Street
Denver, Colorado 80202

**609
CONSULTING, LLC**

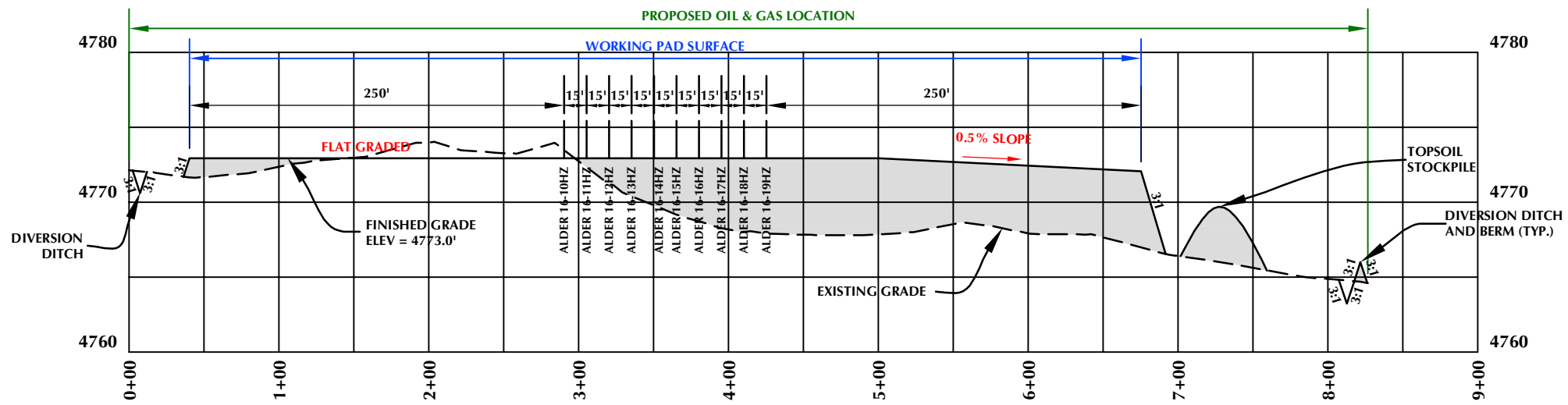
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Sheridan, Wyoming 82801
Phone 307-674-0609

SCALE: 1"=120' DATE: 6/30/23 SHEET NO:
1 OF 1



CROSS SECTION A-A'



CROSS SECTION B-B'

ALDER 23-16HZ

ALDER 16-1HZ, ALDER 16-2HZ, ALDER 16-3HZ,
 ALDER 16-4HZ, ALDER 16-5HZ, ALDER 16-6HZ, ALDER 16-7HZ,
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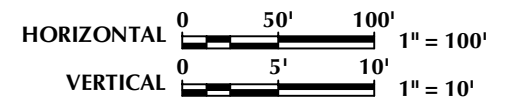
CONSTRUCTION LAYOUT DRAWING - CROSS SECTIONS

**Kerr-McGee Oil &
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 1099 18th Street
 Denver, Colorado 80202



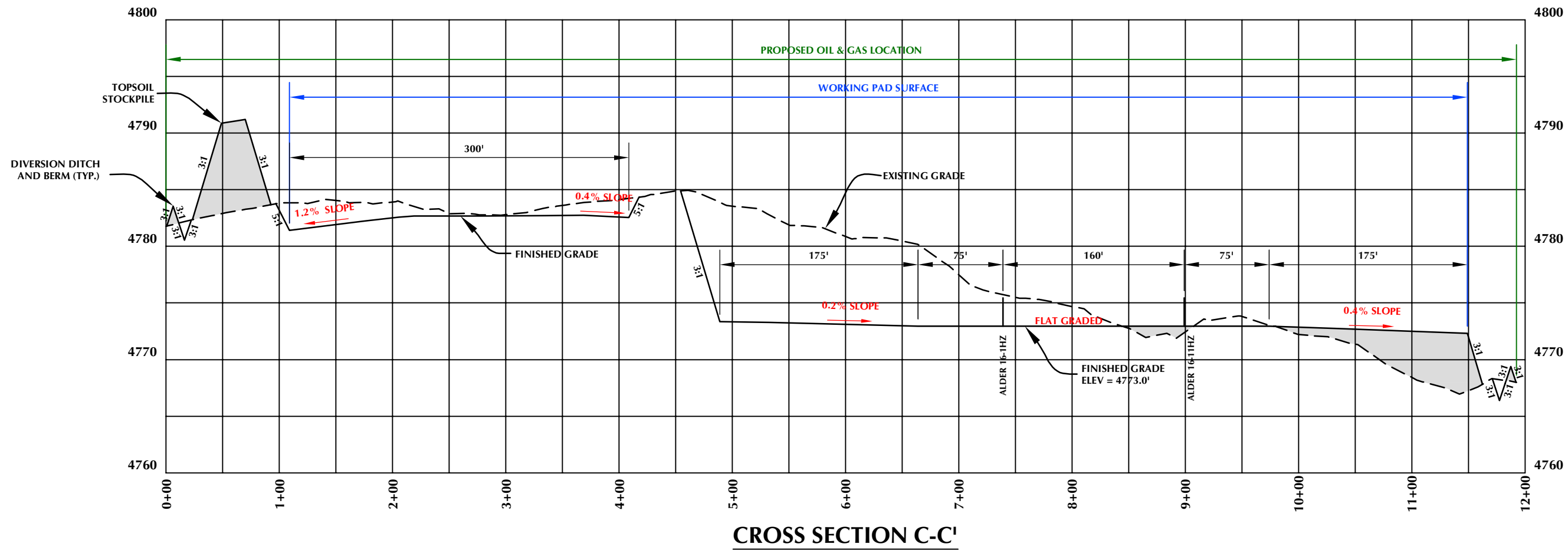
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SCALE: 1"=100'	DATE: 6/30/23	SHEET NO:
REVISED:		1 OF 2

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ALDER 23-16HZ

ALDER 16-1HZ, ALDER 16-2HZ, ALDER 16-3HZ,
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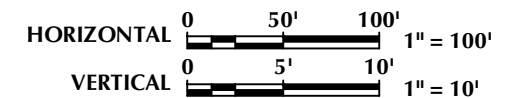
CONSTRUCTION LAYOUT DRAWING - CROSS SECTIONS

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SCALE: 1"=100'	DATE: 6/30/23	SHEET NO:
REVISED:		2 2 OF 2

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**WELL PAD LOCATION PICTURES
ALDER 23-16HZ**

S1/2 SECTION 16, TOWNSHIP 2 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO



LOCATION PICTURE OF ALDER 23-16HZ WELL PAD - CAMERA VIEW NORTH



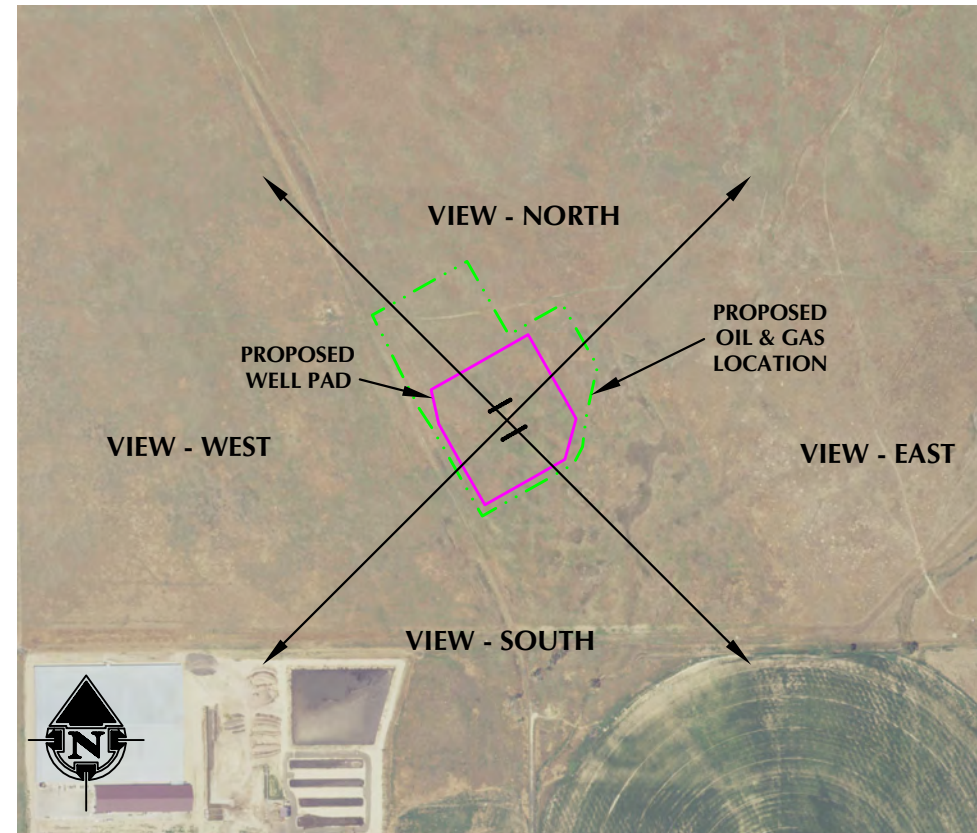
LOCATION PICTURE OF ALDER 23-16HZ WELL PAD - CAMERA VIEW EAST



LOCATION PICTURE OF ALDER 23-16HZ WELL PAD - CAMERA VIEW SOUTH



LOCATION PICTURE OF ALDER 23-16HZ WELL PAD - CAMERA VIEW WEST



VIEW - OVERHEAD
AERIAL IMAGERY COURTESY OF NAIP
(2021)

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Denver, Colorado 80202

DATE SURVEYED: 4/27/23
DATE: 6/30/23
DRAFTER: JAC
REVISED:

DATA SOURCES:
-AERIAL IMAGERY COURTESY OF NAIP.

FACILITY PAD LOCATION PICTURES
ALDER 23-16HZ

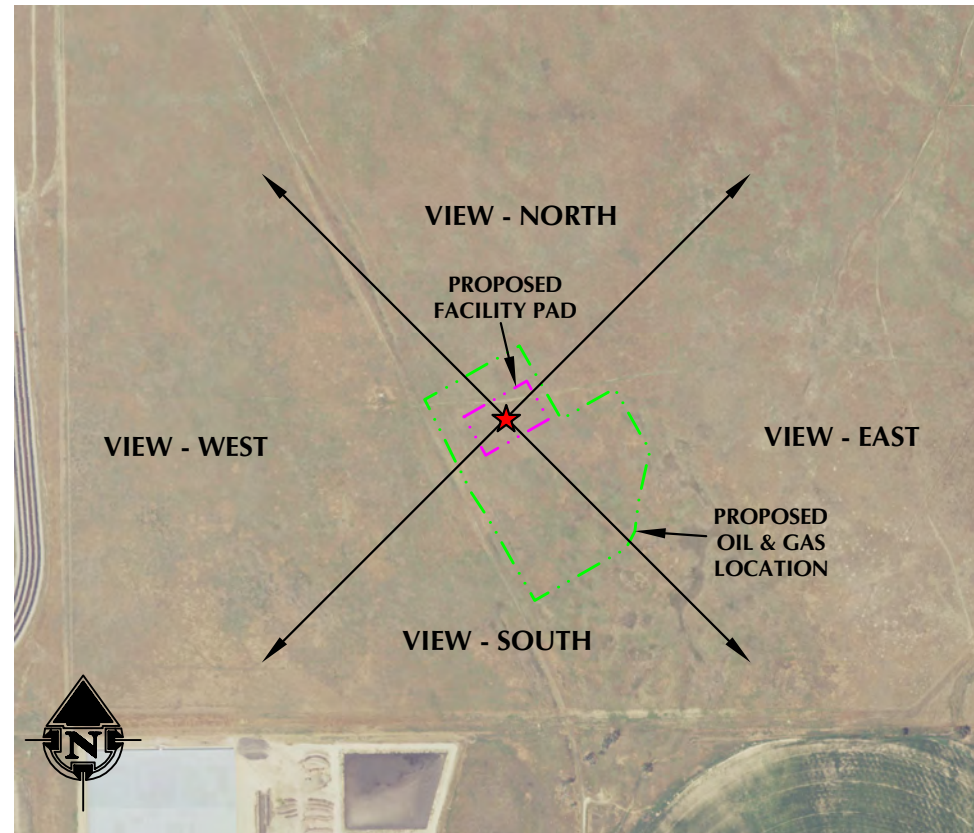
S1/2 SECTION 16, TOWNSHIP 2 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO



LOCATION PICTURE OF ALDER 23-16HZ FACILITY PAD - CAMERA VIEW NORTH



LOCATION PICTURE OF ALDER 23-16HZ FACILITY PAD - CAMERA VIEW EAST



VIEW - OVERHEAD
 AERIAL IMAGERY COURTESY OF NAIP
 (2021)



LOCATION PICTURE OF ALDER 23-16HZ FACILITY PAD - CAMERA VIEW SOUTH



LOCATION PICTURE OF ALDER 23-16HZ FACILITY PAD - CAMERA VIEW WEST

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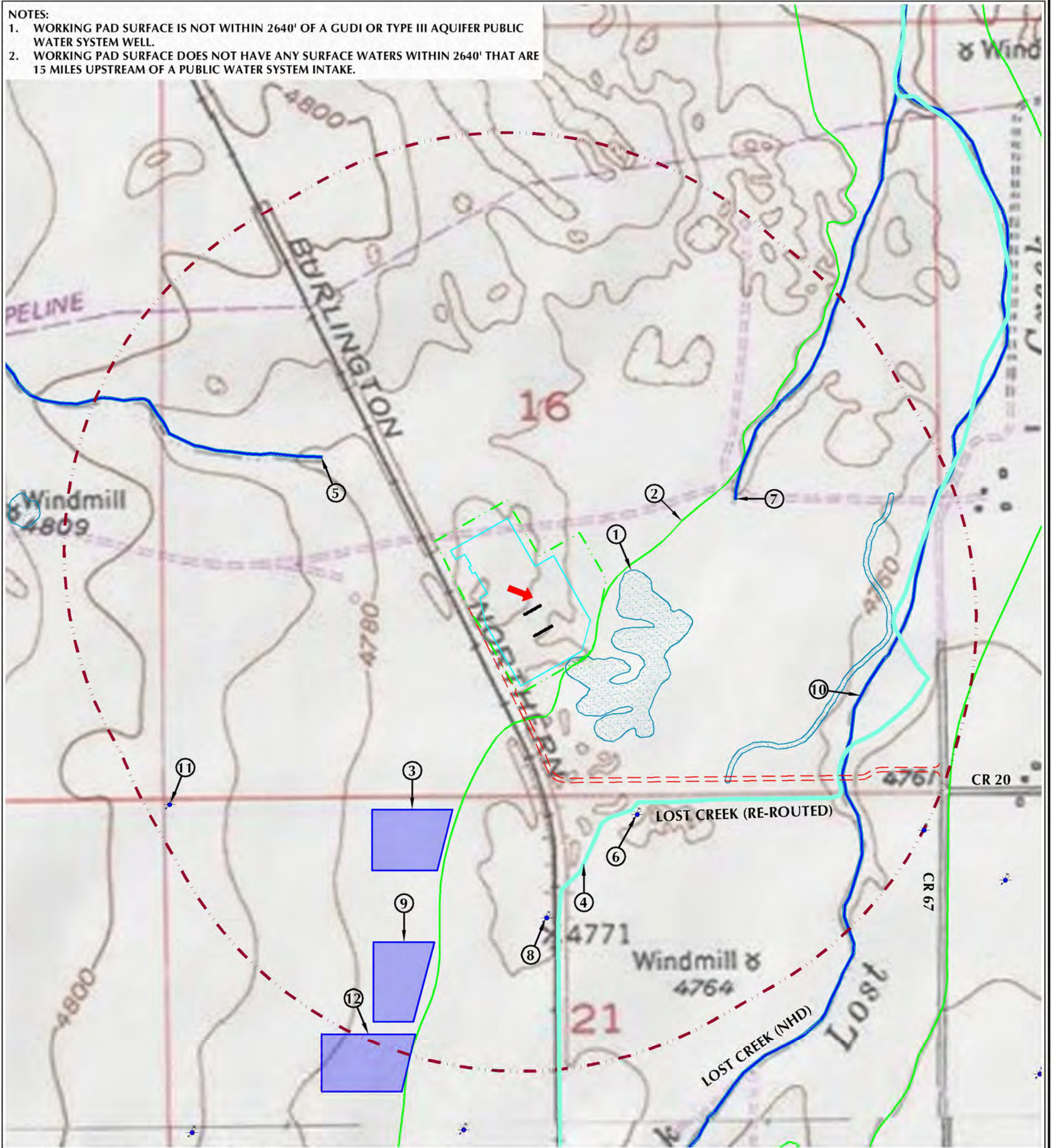
DATA SOURCES:
 -AERIAL IMAGERY COURTESY OF NAIP.

HYDROLOGY MAP ALDER 23-16HZ HORIZONTAL MULTI-WELL PAD

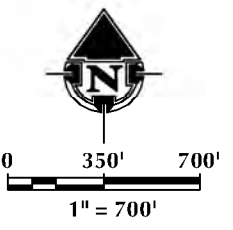
S1/2 SECTION 16, TOWNSHIP 2 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO

NOTES:

1. WORKING PAD SURFACE IS NOT WITHIN 2640' OF A GUDI OR TYPE III AQUIFER PUBLIC WATER SYSTEM WELL.
2. WORKING PAD SURFACE DOES NOT HAVE ANY SURFACE WATERS WITHIN 2640' THAT ARE 15 MILES UPSTREAM OF A PUBLIC WATER SYSTEM INTAKE.



1. NWI RIVERINE/POND/WETLAND AREAS ARE ±11' SE, ±1085' NW, ±1262' NE, ±1262' SE AND 1889' E.
2. 100-YEAR FLOODPLAIN (EFFECTIVE, 2016) IS ±50' E.
3. POND IS ±968' SW.
4. LOST CREEK (RE-ROUTED) IS ±1085' SE.
5. DRAINAGE (NHD) IS ±1095' NW.
6. WATER WELL (PERMIT #87786-F, PERMIT ISSUED) IS ±1161' SE.
7. DRAINAGE (NHD) IS ±1272' NE.
8. WATER WELL (PERMIT #87785-F, PERMIT ISSUED) IS ±1598' S.
9. POND IS ±1851' S.
10. LOST CREEK (NHD) IS ±1899' E.
11. WATER WELL (PERMIT #87784-F, PERMIT ISSUED) IS ±2489' SW.
12. POND IS ±2491' S.



LEGEND

- | | |
|--------------------------------|---|
| ● PROPOSED WELL | --- PROPOSED OIL & GAS LOCATION |
| ● WATER WELL | --- WORKING PAD SURFACE |
| --- PROPOSED ACCESS ROAD | --- 2640' WORKING PAD SURFACE BUFFER |
| --- DITCH/CANAL/DRAINAGE/CREEK | --- 100-YEAR FLOODPLAIN (EFFECTIVE, 2016) |
| --- LOST CREEK (RE-ROUTED) | --- NWI RIVERINE/POND/WETLAND |
| → DOWNGRADIENT | --- NWI RIPARIAN AREA |

ALL MEASUREMENTS ARE MADE FROM NEAREST EDGE OF THE WORKING PAD SURFACE



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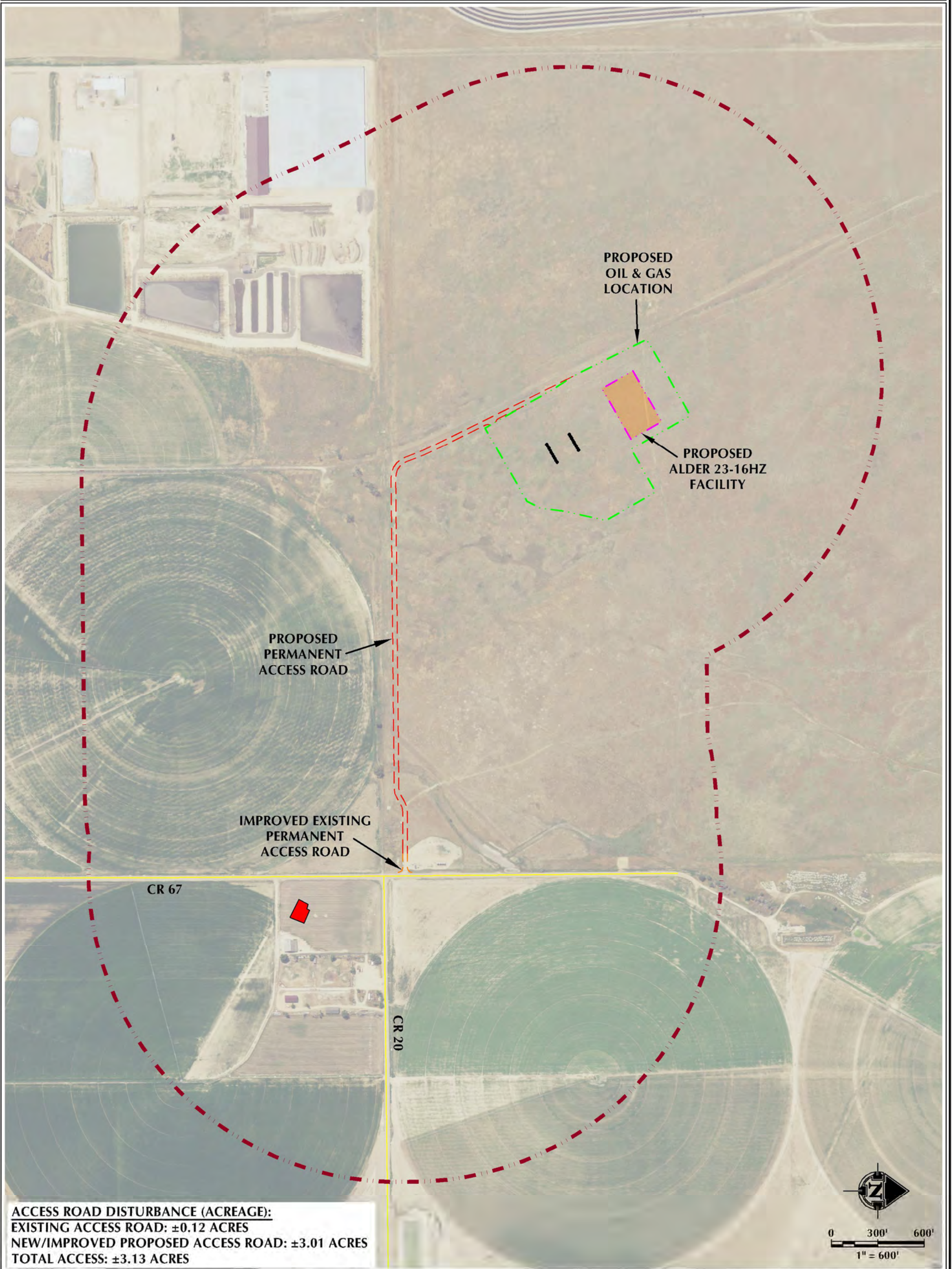
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DATE: 6/30/23
DRAFTER: JAC
REVISED:

DATA SOURCES & NOTES:
 - TOPOGRAPHIC MAP IS COURTESY OF USGS.
 - WATER WELLS COURTESY OF COLORADO DIVISION OF WATER RESOURCES.
 - MANY FEATURES ON THIS MAP COME FROM PUBLICLY AVAILABLE DATA AND SURFACE WATER LYING OUTSIDE THE SURFACE PROPERTY MAY HAVE BEEN OBTAINED FROM AERIAL IMAGERY. THE ACCURACY AND COMPLETENESS OF SAID DATA HAS NOT BEEN VERIFIED BY 609 CONSULTING, LLC. EXISTING CONDITIONS MAY DIFFER FROM WHAT IS SHOWN.

PREPARED FOR:
Kerr-McGee Oil & Gas Onshore LP

ACCESS MAP ALDER 23-16HZ

S1/2 SECTION 16, TOWNSHIP 2 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO



ACCESS ROAD DISTURBANCE (ACREAGE):
 EXISTING ACCESS ROAD: ±0.12 ACRES
 NEW/IMPROVED PROPOSED ACCESS ROAD: ±3.01 ACRES
 TOTAL ACCESS: ±3.13 ACRES

- | | |
|---|---------------------------------|
| ● PROPOSED WELL | - - - 2000' ACCESS BUFFER |
| - - - IMPROVED EXISTING PERMANENT ACCESS ROAD | ■ RESIDENTIAL BUILDING UNIT |
| - - - PROPOSED PERMANENT ACCESS ROAD | ■ NON-RESIDENTIAL BUILDING UNIT |
| — PUBLIC ROAD | ■ PROPOSED FACILITY PAD |
| — PROPOSED OIL & GAS LOCATION | |

**INTERSECTION OF
ACCESS ROAD AND CR 67**
 LATITUDE: 40.131539°
 LONGITUDE: -104.432972°



DATE SURVEYED: 4/27/23
 DATE: 7/17/23
 DRAFTER: GLK
 REVISED:

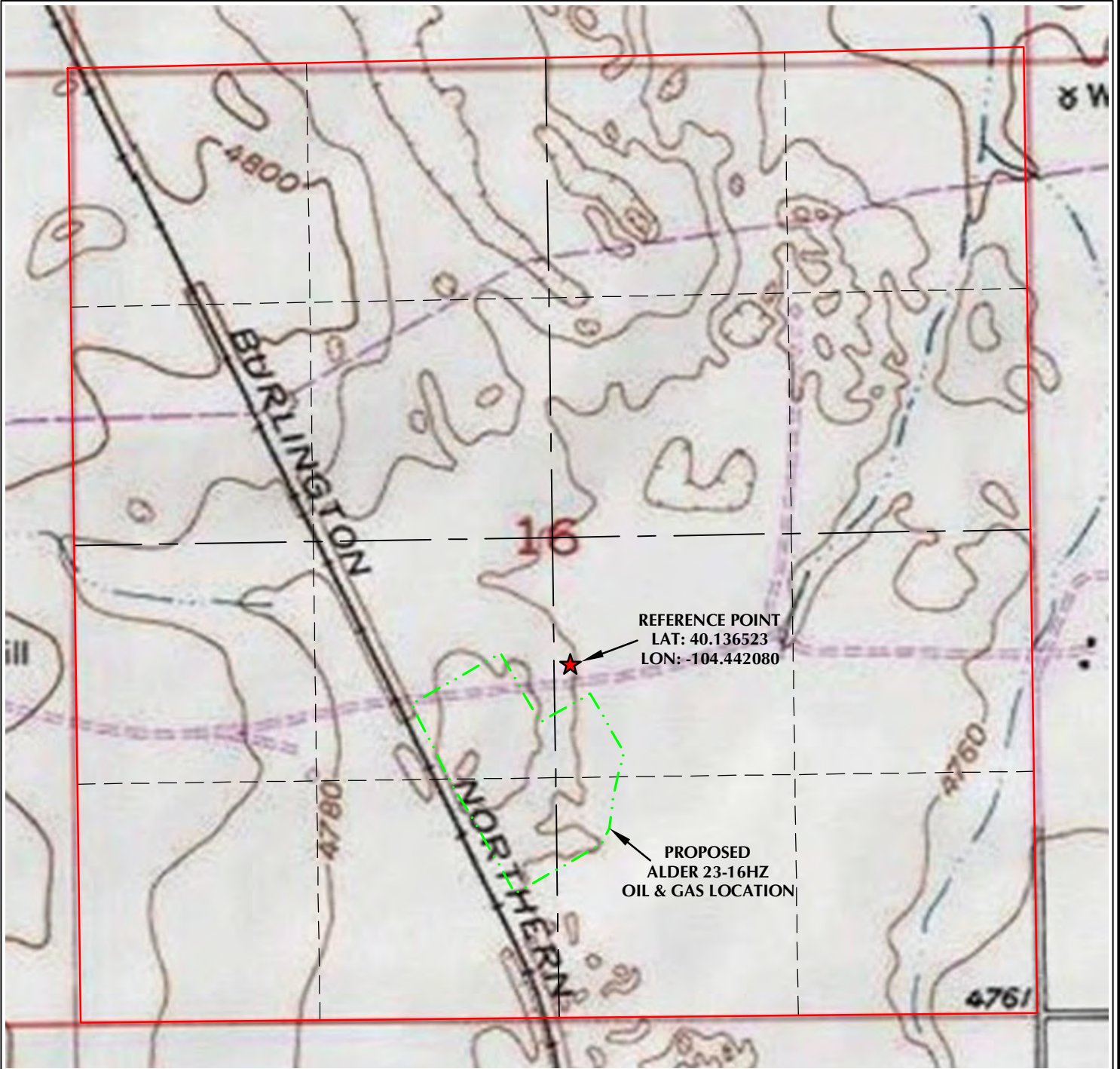
DATA SOURCES & NOTES:
 - AERIAL COURTESY OF NAIP.

PREPARED FOR:
Kerr-McGee Oil & Gas Onshore LP

REFERENCE AREA MAP

ALDER 23-16HZ

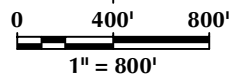
S1/2 SECTION 16, TOWNSHIP 2 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO



LEGEND

- PROPOSED OIL & GAS LOCATION
- SECTION LINE
- SECTION 1/4 LINE
- SECTION 1/4 1/4 LINE
- REFERENCE POINT

LAND USE: RANGELAND



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DATE SURVEYED: 4/27/23
DATE: 6/30/23
DRAFTER: JAC
REVISED:

DATA SOURCES:
- TOPOGRAPHIC MAP IS COURTESY
OF USGS

PREPARED FOR:
Kerr-McGee Oil & Gas Onshore LP

REFERENCE AREA PICTURES
ALDER 23-16HZ

S1/2 SECTION 16, TOWNSHIP 2 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO



VIEW - NORTH

2023-04-27 10:15



VIEW - SOUTH

2023-04-27 10:15



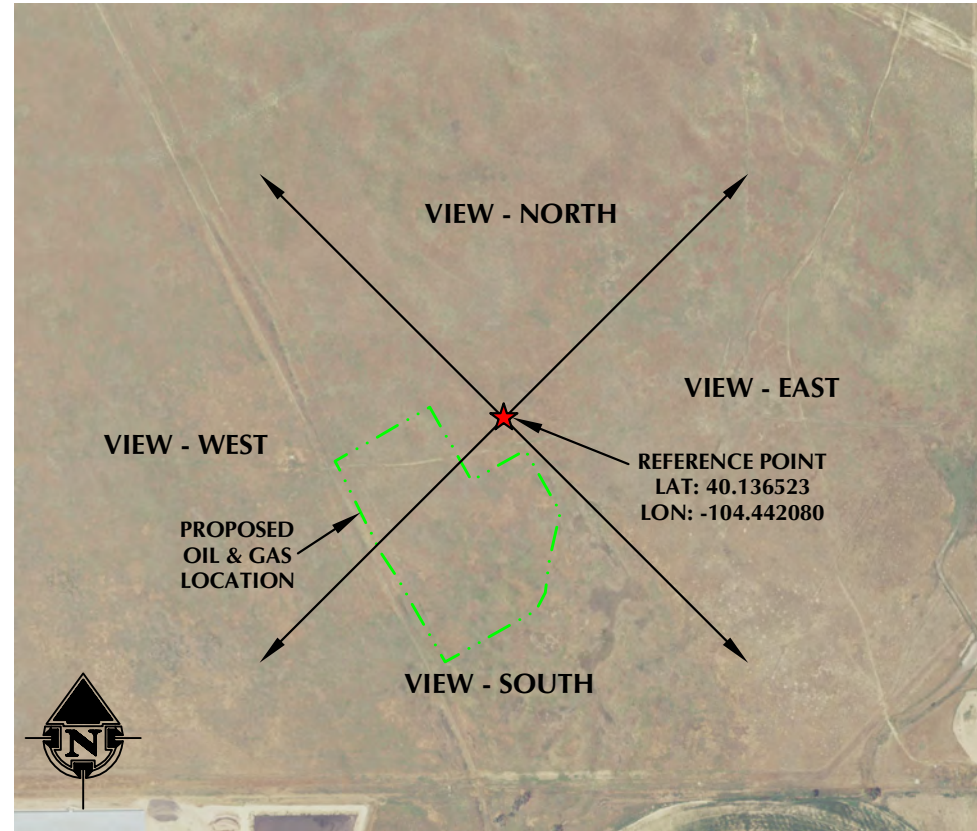
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VIEW - WEST

2023-04-27 10:16



VIEW - OVERHEAD
 AERIAL IMAGERY COURTESY OF NAIP
 (2021)

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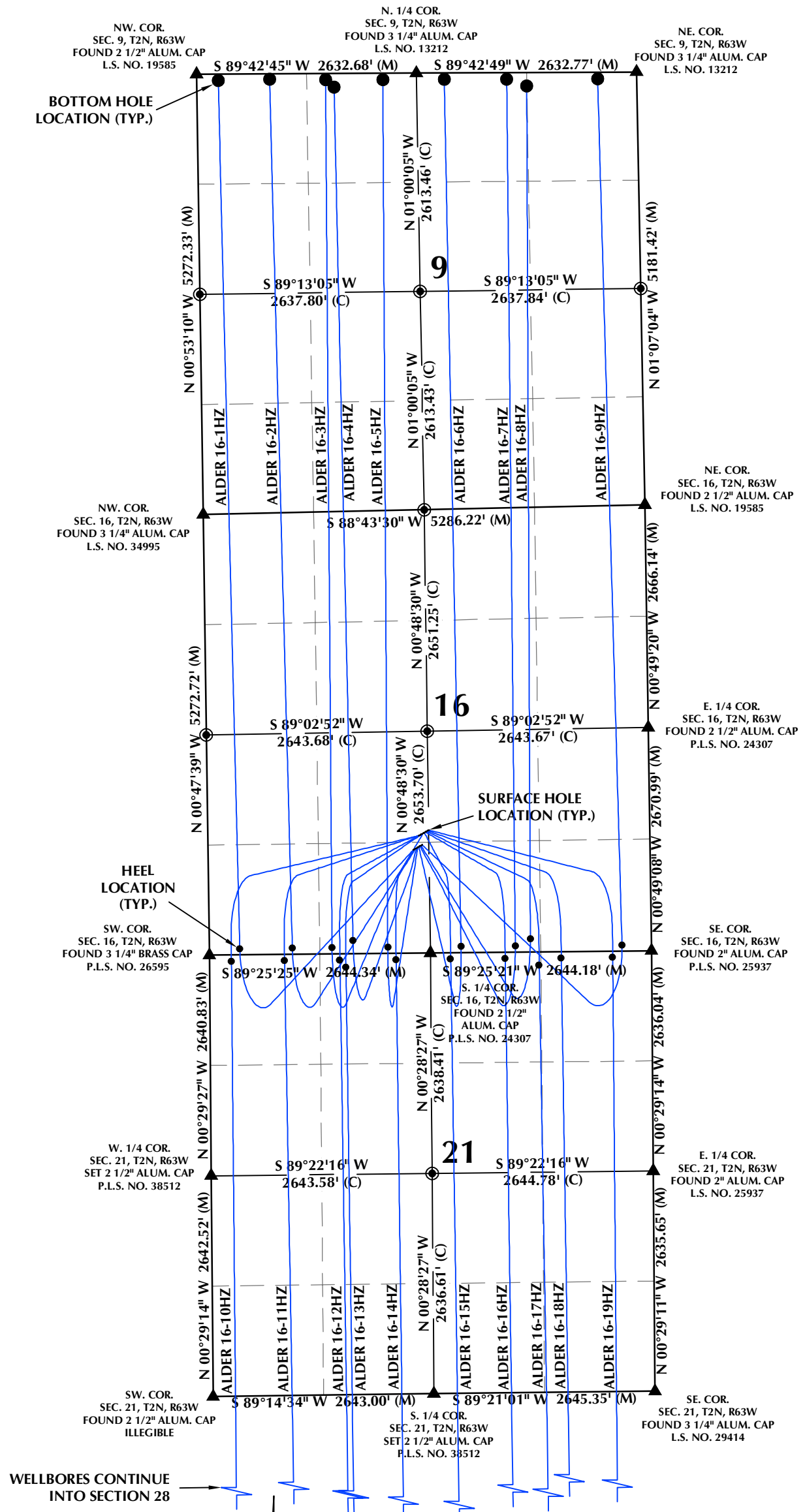
CONSULTING, LLC

**Kerr-McGee Oil &
 Gas Onshore LP**
 1099 18th Street
 Denver, Colorado 80202

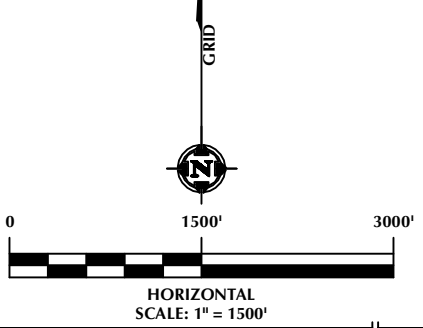
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 DATE: 6/30/23
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DATA SOURCES:
 -AERIAL IMAGERY COURTESY OF NAIP.

DIRECTIONAL WELL PLAT (ECMC) / MULTI-WELL PLAN (OGED) SECTIONS 9, 16, 21, 28 & 33, T2N, R63W, 6TH P.M.



WELLBORES CONTINUE INTO SECTION 28



- NOTES:**
1. ▲ INDICATES SECTION CORNER.
 2. ● INDICATES CALCULATED CORNER.
 3. BASIS OF BEARINGS DERIVED FROM COLORADO COORDINATE SYSTEM OF 1983, NORTH ZONE.
 4. ALL MEASURED DISTANCES ARE GRID. COMBINED SCALE FACTOR: .99973422 CALCULATED FROM THE E. 1/4 CORNER OF SECTION 21, T2N, R63W.
 5. WELL FOOTAGES ARE MEASURED AT RIGHT ANGLES TO THE SECTION LINES.

WELL PAD - ALDER 23-16HZ

DIRECTIONAL WELL PLAT (ECMC) / MULTI-WELL PLAN (OGED)
 ALDER 16-1HZ,
 ALDER 16-2HZ, ALDER 16-3HZ, ALDER 16-4HZ,
 ALDER 16-5HZ, ALDER 16-6HZ, ALDER 16-7HZ,
 ALDER 16-8HZ, ALDER 16-9HZ, ALDER 16-10HZ,
 ALDER 16-11HZ, ALDER 16-12HZ, ALDER 16-13HZ,
 ALDER 16-14HZ, ALDER 16-15HZ, ALDER 16-16HZ,
 ALDER 16-17HZ, ALDER 16-18HZ & ALDER 16-19HZ
 LOCATED IN SECTIONS 9, 16, 21, 28 & 33
 T2N, R63W, 6TH P.M.
 WELD COUNTY, COLORADO

**Kerr-McGee Oil &
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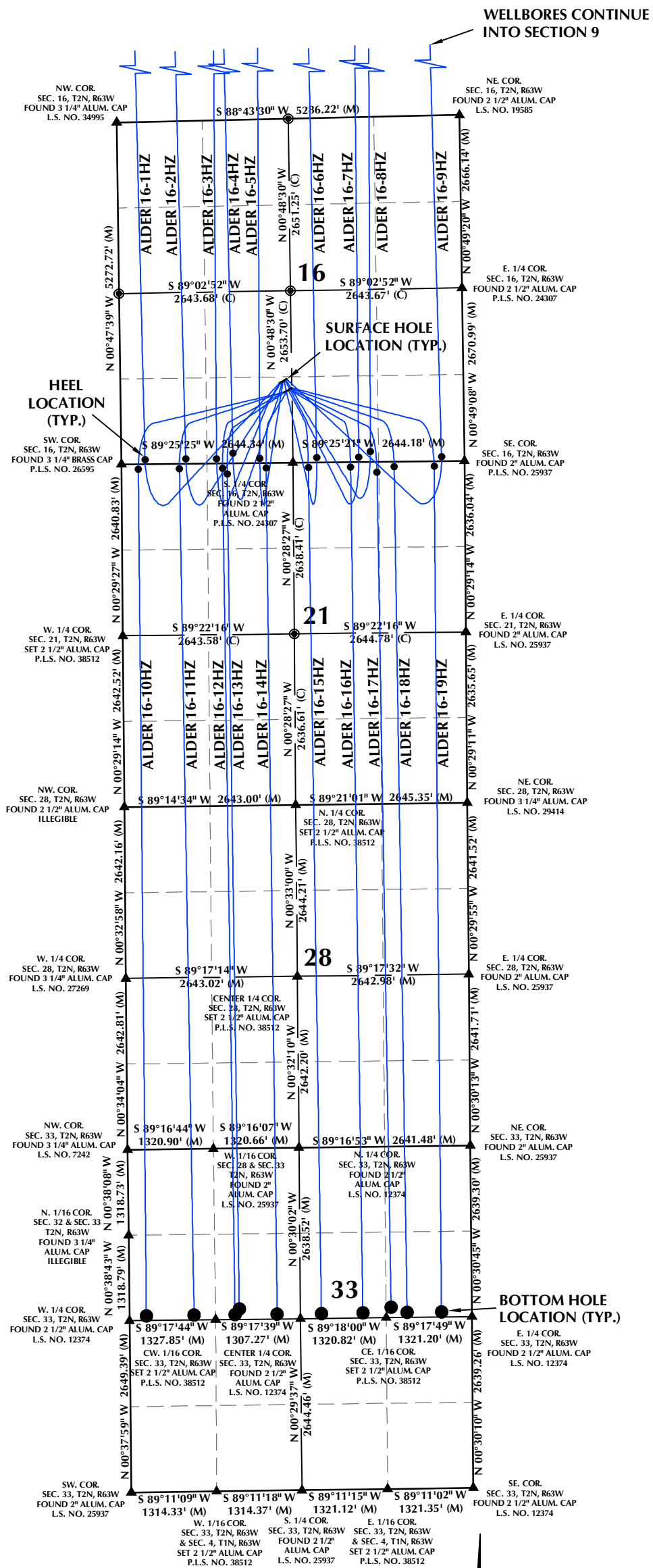


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 Phone 970-776-4331

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DATE DRAFTED: 7/21/23	DATE SURVEYED: 4/27/23	1A 1A OF 1
REVISED:	FILE NAME: 22-124	

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DIRECTIONAL WELL PLAT (ECMC) / MULTI-WELL PLAN (OGED) SECTIONS 9, 16, 21, 28 & 33, T2N, R63W, 6TH P.M.

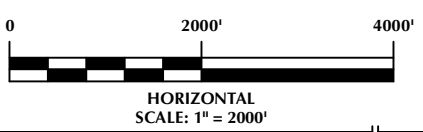


WELLBORES CONTINUE INTO SECTION 9

HEEL LOCATION (TYP.)

SURFACE HOLE LOCATION (TYP.)

BOTTOM HOLE LOCATION (TYP.)



- NOTES:**
1. ▲ INDICATES SECTION CORNER.
 2. ● INDICATES CALCULATED CORNER.
 3. BASIS OF BEARINGS DERIVED FROM COLORADO COORDINATE SYSTEM OF 1983, NORTH ZONE.
 4. ALL MEASURED DISTANCES ARE GRID. COMBINED SCALE FACTOR: .99973422 CALCULATED FROM THE E. 1/4 CORNER OF SECTION 21, T2N, R63W.
 5. WELL FOOTAGES ARE MEASURED AT RIGHT ANGLES TO THE SECTION LINES.

WELL PAD - ALDER 23-16HZ

DIRECTIONAL WELL PLAT (ECMC) / MULTI-WELL PLAN (OGED)
 ALDER 16-1HZ,
 ALDER 16-2HZ, ALDER 16-3HZ, ALDER 16-4HZ,
 ALDER 16-5HZ, ALDER 16-6HZ, ALDER 16-7HZ,
 ALDER 16-8HZ, ALDER 16-9HZ, ALDER 16-10HZ,
 ALDER 16-11HZ, ALDER 16-12HZ, ALDER 16-13HZ,
 ALDER 16-14HZ, ALDER 16-15HZ, ALDER 16-16HZ,
 ALDER 16-17HZ, ALDER 16-18HZ & ALDER 16-19HZ
 LOCATED IN SECTIONS 9, 16, 21, 28 & 33
 T2N, R63W, 6TH P.M.
 WELD COUNTY, COLORADO

**Kerr-McGee Oil &
Gas Onshore LP**
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DRAFTED BY: SJM	CHECKED BY: RKF	SHEET NO: 1B
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REVISED:	FILE NAME: 22-124	

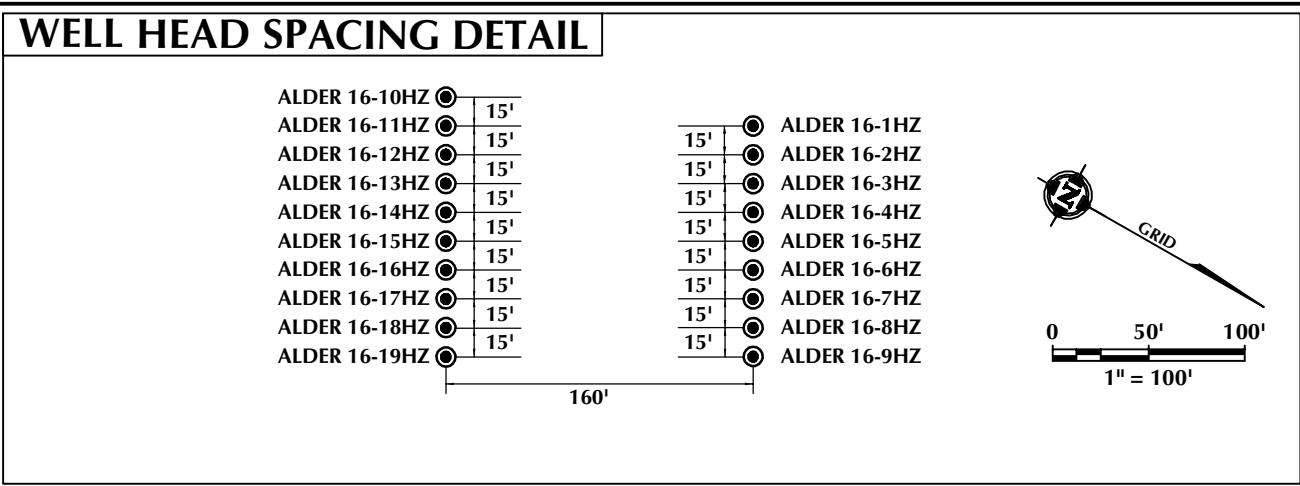
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DIRECTIONAL WELL PLAT (ECMC) / MULTI-WELL PLAN (OGED) SECTIONS 9, 16, 21, 28 & 33, T2N, R63W, 6TH P.M.

WELL NOTES:

- ALDER 16-1HZ**
SURFACE HOLE LOCATION: 1235' FSL, 2459' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 73' FSL, 365' FWL (SEC. 16, T2N, R63W)
BOTTOM HOLE LOCATION: 75' FNL, 260' FWL (SEC. 9, T2N, R63W)
- ALDER 16-2HZ**
SURFACE HOLE LOCATION: 1243' FSL, 2472' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FSL, 994' FWL (SEC. 16, T2N, R63W)
BOTTOM HOLE LOCATION: 76' FNL, 874' FWL (SEC. 9, T2N, R63W)
- ALDER 16-3HZ**
SURFACE HOLE LOCATION: 1250' FSL, 2485' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FSL, 1469' FWL (SEC. 16, T2N, R63W)
BOTTOM HOLE LOCATION: 75' FNL, 1544' FWL (SEC. 9, T2N, R63W)
- ALDER 16-4HZ**
SURFACE HOLE LOCATION: 1257' FSL, 2498' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 158' FSL, 1721' FWL (SEC. 16, T2N, R63W)
BOTTOM HOLE LOCATION: 160' FNL, 1644' FWL (SEC. 9, T2N, R63W)
- ALDER 16-5HZ**
SURFACE HOLE LOCATION: 1265' FSL, 2511' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 74' FSL, 2136' FWL (SEC. 16, T2N, R63W)
BOTTOM HOLE LOCATION: 75' FNL, 2229' FWL (SEC. 9, T2N, R63W)
- ALDER 16-6HZ**
SURFACE HOLE LOCATION: 1272' FSL, 2524' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FSL, 2276' FEL (SEC. 16, T2N, R63W)
BOTTOM HOLE LOCATION: 75' FNL, 2301' FEL (SEC. 9, T2N, R63W)
- ALDER 16-7HZ**
SURFACE HOLE LOCATION: 1279' FSL, 2537' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FSL, 1626' FEL (SEC. 16, T2N, R63W)
BOTTOM HOLE LOCATION: 75' FNL, 1554' FEL (SEC. 9, T2N, R63W)
- ALDER 16-8HZ**
SURFACE HOLE LOCATION: 1286' FSL, 2550' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 159' FSL, 1445' FEL (SEC. 16, T2N, R63W)
BOTTOM HOLE LOCATION: 160' FNL, 1316' FEL (SEC. 9, T2N, R63W)
- ALDER 16-9HZ**
SURFACE HOLE LOCATION: 1294' FSL, 2564' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 70' FSL, 350' FEL (SEC. 16, T2N, R63W)
BOTTOM HOLE LOCATION: 75' FNL, 465' FEL (SEC. 9, T2N, R63W)
- ALDER 16-10HZ**
SURFACE HOLE LOCATION: 1088' FSL, 2523' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FNL, 261' FWL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2571' FNL, 259' FWL (SEC. 33, T2N, R63W)

- ALDER 16-11HZ**
SURFACE HOLE LOCATION: 1096' FSL, 2536' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FNL, 894' FWL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2566' FNL, 996' FWL (SEC. 33, T2N, R63W)
- ALDER 16-12HZ**
SURFACE HOLE LOCATION: 1103' FSL, 2549' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FNL, 1559' FWL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2565' FNL, 1627' FWL (SEC. 33, T2N, R63W)
- ALDER 16-13HZ**
SURFACE HOLE LOCATION: 1110' FSL, 2562' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 160' FNL, 1629' FWL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2481' FNL, 1694' FWL (SEC. 33, T2N, R63W)
- ALDER 16-14HZ**
SURFACE HOLE LOCATION: 1118' FSL, 2575' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FNL, 2231' FWL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2567' FNL, 2278' FWL (SEC. 33, T2N, R63W)
- ALDER 16-15HZ**
SURFACE HOLE LOCATION: 1125' FSL, 2588' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FNL, 2405' FEL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2567' FNL, 2317' FEL (SEC. 33, T2N, R63W)
- ALDER 16-16HZ**
SURFACE HOLE LOCATION: 1132' FSL, 2602' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FNL, 1753' FEL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2565' FNL, 1679' FEL (SEC. 33, T2N, R63W)
- ALDER 16-17HZ**
SURFACE HOLE LOCATION: 1139' FSL, 2615' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 161' FNL, 1346' FEL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2481' FNL, 1242' FEL (SEC. 33, T2N, R63W)
- ALDER 16-18HZ**
SURFACE HOLE LOCATION: 1147' FSL, 2628' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FNL, 1082' FEL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2564' FNL, 995' FEL (SEC. 33, T2N, R63W)
- ALDER 16-19HZ**
SURFACE HOLE LOCATION: 1154' FSL, 2641' FWL (SEC. 16, T2N, R63W)
HEEL LOCATION: 75' FNL, 465' FEL (SEC. 21, T2N, R63W)
BOTTOM HOLE LOCATION: 2564' FNL, 465' FEL (SEC. 33, T2N, R63W)



WELL PAD - ALDER 23-16HZ

DIRECTIONAL WELL PLAT (ECMC) / MULTI-WELL PLAN (OGED)
ALDER 16-1HZ,
ALDER 16-2HZ, ALDER 16-3HZ, ALDER 16-4HZ,
ALDER 16-5HZ, ALDER 16-6HZ, ALDER 16-7HZ,
ALDER 16-8HZ, ALDER 16-9HZ, ALDER 16-10HZ,
ALDER 16-11HZ, ALDER 16-12HZ, ALDER 16-13HZ,
ALDER 16-14HZ, ALDER 16-15HZ, ALDER 16-16HZ,
ALDER 16-17HZ, ALDER 16-18HZ & ALDER 16-19HZ
LOCATED IN SECTIONS 9, 16, 21, 28 & 33
T2N, R63W, 6TH P.M.
WELD COUNTY, COLORADO



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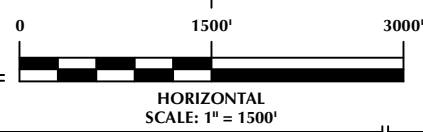
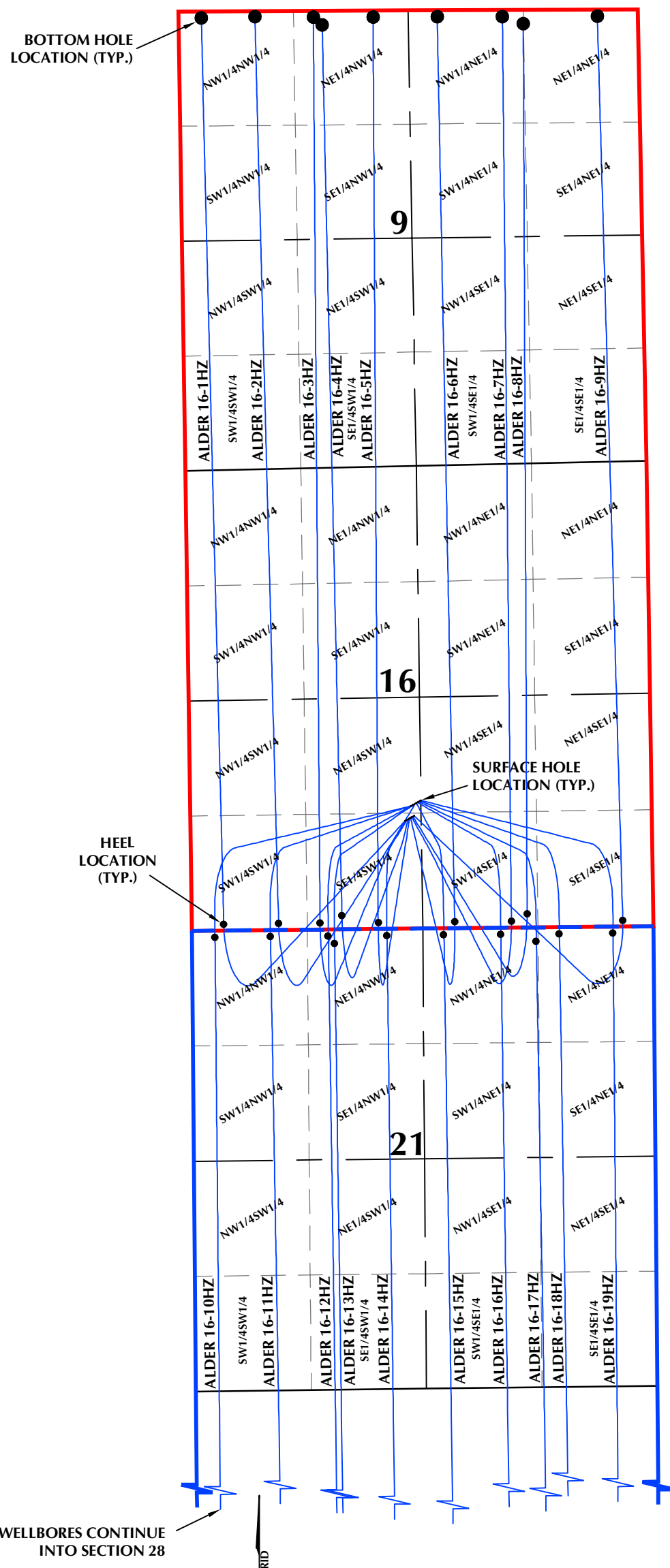
**Kerr-McGee Oil &
Gas Onshore LP**

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Denver, Colorado 80202

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DATE DRAFTED: 7/21/23	DATE SURVEYED: 4/27/23	1C OF 1
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DIRECTIONAL WELL PLAT (ECMC) / MULTI-WELL PLAN (OGED) SECTIONS 9, 16, 21, 28 & 33, T2N, R63W, 6TH P.M.



- LEGEND:**
- DSU BOUNDARY #1
 - DSU BOUNDARY #2
 - WELLBORE TRAJECTORY
 - HEEL LOCATION
 - BOTTOM HOLE LOCATION

WELL PAD - ALDER 23-16HZ

DIRECTIONAL WELL PLAT (ECMC) / MULTI-WELL PLAN (OGED)
 ALDER 16-1HZ,
 ALDER 16-2HZ, ALDER 16-3HZ, ALDER 16-4HZ,
 ALDER 16-5HZ, ALDER 16-6HZ, ALDER 16-7HZ,
 ALDER 16-8HZ, ALDER 16-9HZ, ALDER 16-10HZ,
 ALDER 16-11HZ, ALDER 16-12HZ, ALDER 16-13HZ,
 ALDER 16-14HZ, ALDER 16-15HZ, ALDER 16-16HZ,
 ALDER 16-17HZ, ALDER 16-18HZ & ALDER 16-19HZ
 LOCATED IN SECTIONS 9, 16, 21, 28 & 33
 T2N, R63W, 6TH P.M.
 WELD COUNTY, COLORADO

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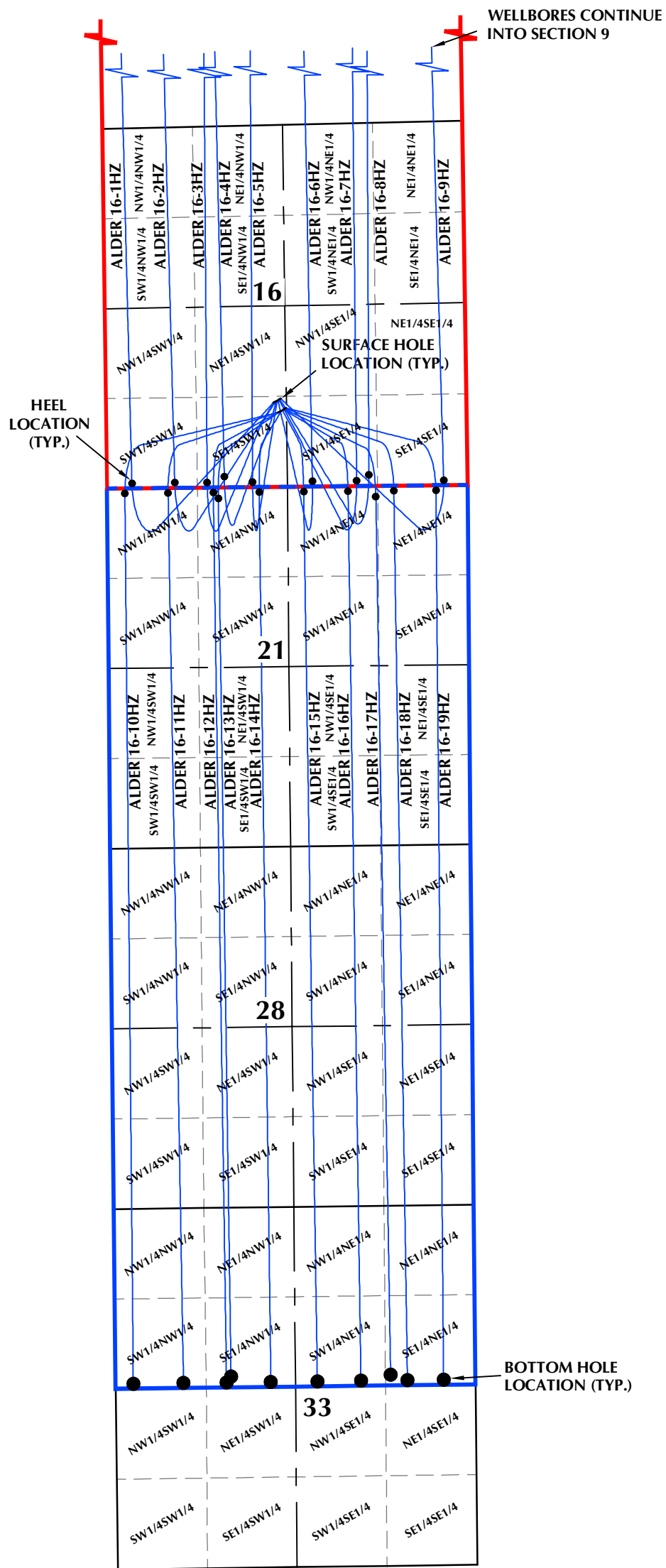
CONSULTING, LLC

SHERIDAN OFFICE LOVELAND OFFICE
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 Sheridan, Wyoming 82801 Loveland, Colorado 80538
 Phone 307-674-0609 Phone 970-776-4331

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DATE DRAFTED:	7/21/23	DATE SURVEYED:	4/27/23	
REVISED:		FILE NAME:	22-124	

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DIRECTIONAL WELL PAD (ECMC) / MULTI-WELL PLAN (OGED) SECTIONS 9, 16, 21, 28 & 33, T2N, R63W, 6TH P.M.



- LEGEND:**
- DSU BOUNDARY #1
 - DSU BOUNDARY #2
 - WELLBORE TRAJECTORY
 - HEEL LOCATION
 - BOTTOM HOLE LOCATION

WELL PAD - ALDER 23-16HZ

DIRECTIONAL WELL PAD (ECMC) / MULTI-WELL PLAN (OGED)
 ALDER 16-1HZ,
 ALDER 16-2HZ, ALDER 16-3HZ, ALDER 16-4HZ,
 ALDER 16-5HZ, ALDER 16-6HZ, ALDER 16-7HZ,
 ALDER 16-8HZ, ALDER 16-9HZ, ALDER 16-10HZ,
 ALDER 16-11HZ, ALDER 16-12HZ, ALDER 16-13HZ,
 ALDER 16-14HZ, ALDER 16-15HZ, ALDER 16-16HZ,
 ALDER 16-17HZ, ALDER 16-18HZ & ALDER 16-19HZ
 LOCATED IN SECTIONS 9, 16, 21, 28 & 33
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DATE DRAFTED: 7/21/23	DATE SURVEYED: 4/27/23	1E 1E OF 1
REVISED:	FILE NAME: 22-124	

Exhibit B

SURFACE USE AGREEMENT PAYMENT TABLE

Fee Category	Tier 1	Tier 2	Tier 3
	State has a mineral interest of greater than or equal to 50% but less than 100% ⁵	State has a mineral interest of greater than 10% but less than 50%	State has a mineral interest of less than or equal to 10% ⁴
Initial Damage Payment: Initial well pad or facility payment per acre	\$5,000	\$7,500	TBD
Well Payments: Well payment per well ¹	\$5,000 one-time	\$7,500 one-time	TBD
Annual Payment: Rental due per year	10% of initial well pad or facility payment	10% of initial well pad or facility payment	TBD
Access Corridor Payment: Access roads, pipeline and powerline easements, and other off-pad disturbances	\$5,000 per acre or ROW pricing ² , one-time payment	\$5,000 per acre or ROW pricing ² , one-time payment	TBD
Production Facilities Payment: Off-property wells producing through an onsite Production Facility ³	\$5,000 per well, one-time payment	\$7,500 per well, one-time payment	TBD

- (1) Payment is due on or before the next annual anniversary date after the spud of a well.
- (2) \$5,000 per acre or the Standard State ROW rates, whichever is greater; may be subject to either the SUA or a separate ROW agreement.
- (3) Requires prior written approval by the State Land Board and payment before any construction may begin. Please refer to the COGCC Rules and Regulations for the definition of Production Facility.
- (4) All applications that fall into the Tier 3 category require that the proposed fee structure be submitted to the Board for approval.
- (5) SUAs are not required when the state has 100% mineral ownership or when wellbores are contained entirely within state minerals.

Exhibit C

Kerr McGee Oil and Gas Section 16 2N 63W

The onsite visit was conducted on 10/11/22 and the Land Board approves of the proposed pad layout pending comments from CPW and Kerr McGee finalizing a surface use agreement with the Land Board.

Steve Freese

By:  _____

Date: 8/1/23 _____

Mineral Field Specialist
State Board of Land Commissioners



Lost Creek STL Wildlife Concerns

1 message

Mettenbrink - DNR, Chris <chris.mettenbrink@state.co.us>
To: Steve Freese - DNR <steve.freese@state.co.us>
Cc: "Marette - DNR, Brandon" <brandon.marette@state.co.us>

Thu, May 11, 2023 at 9:14 AM

Hi Steve,

I just wanted to follow up from our conversation last week about the new wildlife concerns that developed since our original consultation last summer. There were a pair of burrowing owls seen on the property on the prairie dog town. It has not been confirmed if they had a nest or not. On the same site visit, a pair of hawks were seen building a nest in a tree along the south fence line. I believe they were Swainson hawks, but the light conditions were not the best.

Burrowing owls are a migratory bird that are a state threatened species. Colorado Parks and Wildlife has developed a set of standard recommendations for mitigating impacts to burrowing owls. If the oil and gas operator plans to begin construction for the new well pad and drilling (including developing access roads) between March 15th and October 31st, Colorado Parks and Wildlife recommends that a burrowing owl survey be performed to ensure that owls nests will not be impacted by the development. The operator can contact CPW for survey protocols. If burrowing owls are present on site, for large industrial projects such as oil and gas development operations, CPW recommends a 1/4 mile buffer zone away from the nest. If burrowing owls are discovered on site during the nesting season, have the operator contact CPW.

If the operator plans to begin construction for the oil and gas development between February 15 and July 15th, CPW recommends that a raptor nest survey be done prior to construction to avoid impacts to nesting raptors. If there is an active nest on site, CPW recommends a 1/4 to 1/3 mile buffer zone (depending upon the species) away from the nest during the nesting season. CPW has developed a set of guidelines for buffer zones and seasonal restrictions for raptors that can be provided if you or the operator would like to see a copy of those guidelines.

I just wanted to follow up with you and provide our recommendations for the burrowing owls and nesting raptors. At the time of the original consultation these concerns were not present. If you have questions or concerns, please feel free to reach out to me.

Thanks.

Chris

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Chris Mettenbrink
District Wildlife Manager- Wildlife Officer

Area 2- Fort Lupton



LIVE LIFE OUTSIDE

P 303.906.1979

4207 W. CR 16E, Loveland, CO 80537

Chris.Mettenbrink@state.co.us | www.cpw.state.co.us



August 1, 2023

State Board of Land Commissioners
Attn: Steve Freese
1127 Sherman Street, Suite 300
Denver, Colorado 80203

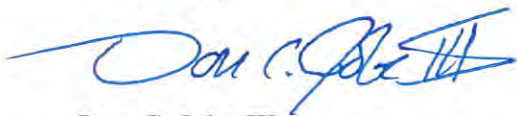
Dear Mr. Freese,

This letter is to confirm that Kerr-McGee Oil & Gas Onshore LP (KMOG) and the Colorado State Land Board (SLB) agree that the total percentage of wellbore drilled from the Alder 23-16HZ located in S2 of Section 16, T2N R63W must at all times contain a share of SLB minerals greater than ten percent. The share of SLB minerals will be calculated by inputting the percentages of the drilled wells into the Exhibit B acreage and annual payment calculator. KMOG understands that if the total percentage of wellbore drilled is ever equal to or below ten percent then all associated leases will be considered in default and may be terminated by the SLB.

In addition, KMOG understands that the surface disturbance payment consideration for this SUA was determined based on the SLB percentage of all of the planned wells as calculated on Exhibit B. Partial development of this SUA has the potential to change the percentage of SLB minerals drilled and therefor the charge per acre as outlined on Exhibit B and referenced below. Any additional payment will be due on the next anniversary date of this lease. KMOG understands that at no time will the State Land Board issue a refund in the event that the SLB percentage lowers the per acre cost.

Fee Schedule	
Percentage of State Minerals	Charge per Acre
10% to 0% State minerals	Board Approval
Greater than 10% but less then 50% State Minerals	\$7,500.00
50% or greater but less then 100% State Minerals	\$5,000.00
100% State Minerals	\$0.00

Thank you,



Don C. Jobe III
Attorney-in-fact for Kerr McGee Oil & Gas Onshore LP