



April 10, 2025

Henry J. Smith
Bar S Family Partnership LTD
Badly Scattered Cattle Co.
25411 CR 105
Ramah, CO 80832

RE: Surface Owner Waiver of the Reclamation Requirements
Rhoades 42-35 5 (API# 05-017-06652)
E/2 of Section 35-13S-49W
Cheyenne County, Colorado

Dear Mr. Smith:

Citation Oil & Gas Corp. ("Citation") (Operator No. 17180) is the operator of the Rhoades 42-35 5 oil and gas location (Loc. ID 321662) ("Location"), which is located on lands owned by Bar S Family Partnership LTD and Badly Scattered Cattle Co. (collectively "Surface Owner") in the E/2 of Section 35, Township 13 South, Range 49 West, Cheyenne County, Colorado. Pursuant to Colorado Energy and Carbon Management Commission ("ECMC") Rule 309.b., Citation consulted with you concerning reclamation on your property, and you requested that Citation leave the Location in its present condition and that Citation not reclaim the Location, the access road, or cattle guard.

Pursuant to ECMC regulations, this agreement and related Exhibits (collectively "Surface Owner Waiver"), sets forth the agreement between you and Citation regarding reclamation. By signing, you agree to waive any and all interim and/or final reclamation requirements the ECMC imposes upon Citation under its regulations, authorize Citation to leave the surface, access road, and cattle guard "as is," and consent to Citation seeking a variance from the reclamation requirements under ECMC Rules 502.b and 1001.c.

The Rhoades 42-35 5 well (API# 05-017-06652) at the Location was plugged and abandoned in 2021. Citation has removed all associated well and production facility equipment from the Location. Surface Owner now desires to have the Location released in its current condition, including: (i) the associated lease road for the Location, as depicted on Exhibit "A", and (ii) the cattle guard, located at the entrance to the Location from Country Road V. Photos showing the current condition of the Location and associated lease road are included in Exhibit "B".

As explained in your letter, Exhibit "C", the reasons you have provided for waiving Citation's obligation to perform reclamation is to (i) allow the Location to continue its natural growth and avoid additional surface disturbance, and (ii) to utilize the lease road to access to the inner portion of your property. Specifically, it is your belief that the Location is now healed with growth and to rip and recontour the Location would be more damaging. The ground is sandy and disturbing the vegetation could cause the sandy soil to blow, which would be difficult to control, and cause a loss of grass.

By waiving Citation's obligations for reclamation required under ECMC Rules 1003 and 1004 as set forth in this Surface Owner Waiver, you are hereby acknowledging that the current condition of the Location, subject to the waiver, is satisfactory to you. By executing below and agreeing to

the manner in which the Location has been maintained, as set forth herein and in the attached Surface Owner Waiver, you acknowledge that you are knowingly and forever waiving all reclamation protections otherwise afforded by ECMC Rule 1003 and 1004 for the locations which you are granting the waiver, and you accept responsibility for all future reclamation, revegetation, weed control, and topsoil protection.

This Surface Owner Waiver contains all the agreements, conditions, promises and covenants between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, representations, or understandings with respects to the subject matter hereof. This Surface Owner Waiver shall be binding upon and inure to the benefit of the parties and their respective agents, officers, employees, shareholders, directors, insurers, legal representatives, heirs, successors and assigns. This Surface Owner Waiver shall be construed and governed in accordance with the laws of the State of Colorado without regard to the choice of law provisions thereof.

Please be aware that, even if this Surface Owner Waiver is executed and Citation subsequently submits an application for a variance, the ECMC may deny such request and Citation will then be required to complete all reclamation in accordance with ECMC rules.

If this Surface Owner Waiver correctly reflects our agreement, please sign and return. Please feel free to contact me with any questions at (281) 891-1532, or via e-mail at Fortiz@cogc.com.

Very truly yours,

CITATION OIL & GAS CORP.



Fletcher Ortiz
Land Manager

Agreed to and accepted the 4th day of August, 2025

BAR S FAMILY PARTNERSHIP LTD.

By: Henry J Smith

Name: Henry J Smith

Title: Managing Partner

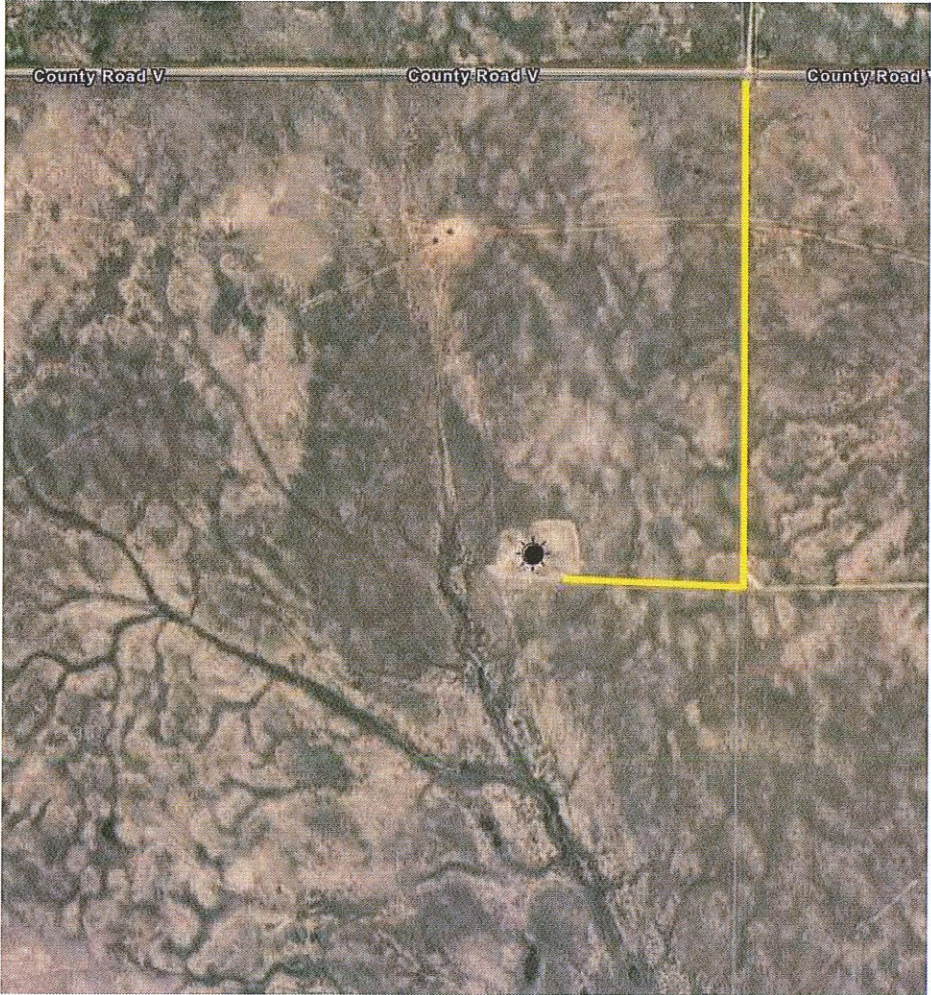
BADLY SCATTERED CATTLE

By: Henry J Smith

Name: Henry J Smith

Title: Managing Partner

EXHIBIT "A"



 Road utilized for the Rhoades 42-35 #5 to be left in place


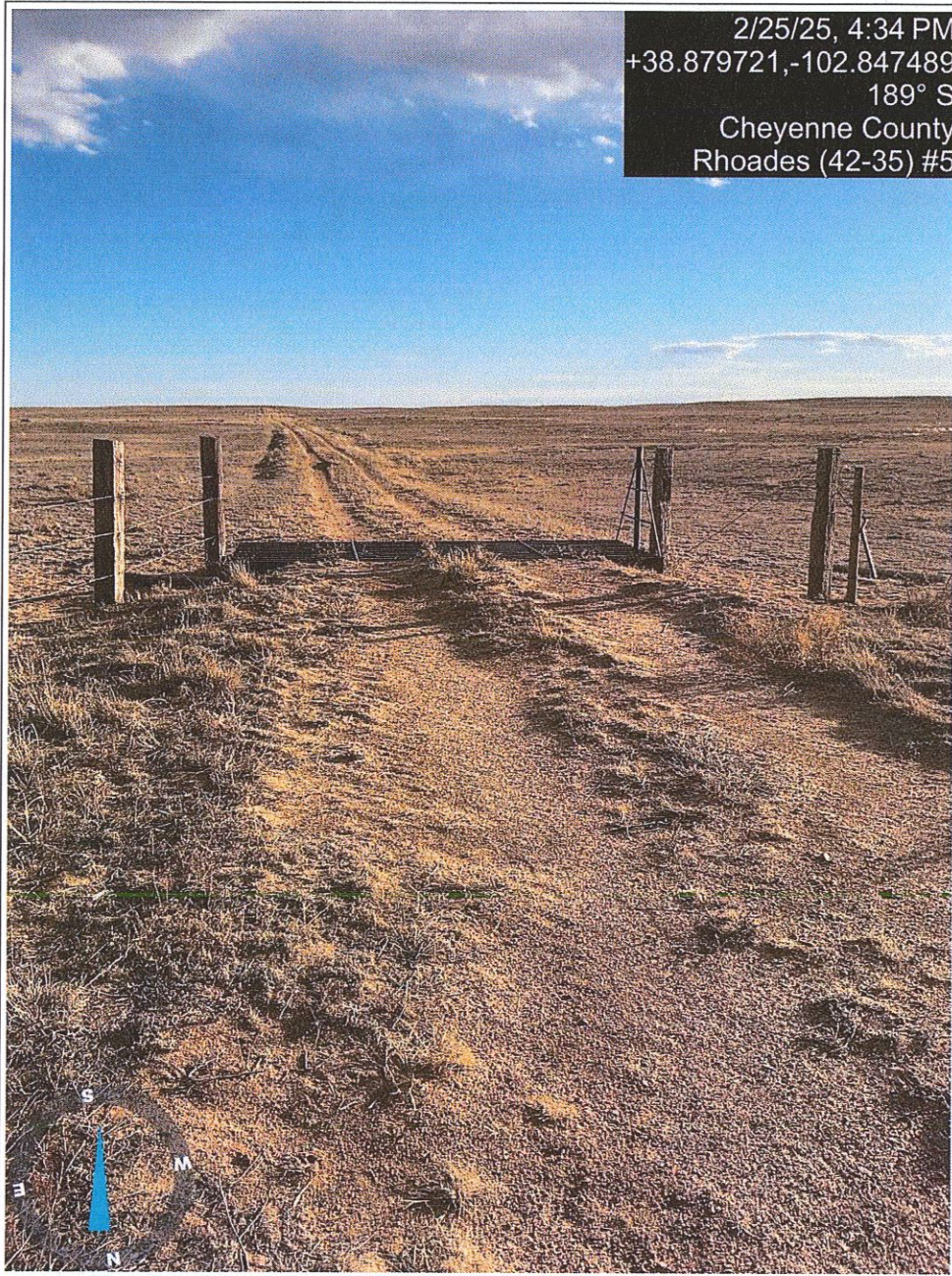
 Rhoades 42-35 #5 location

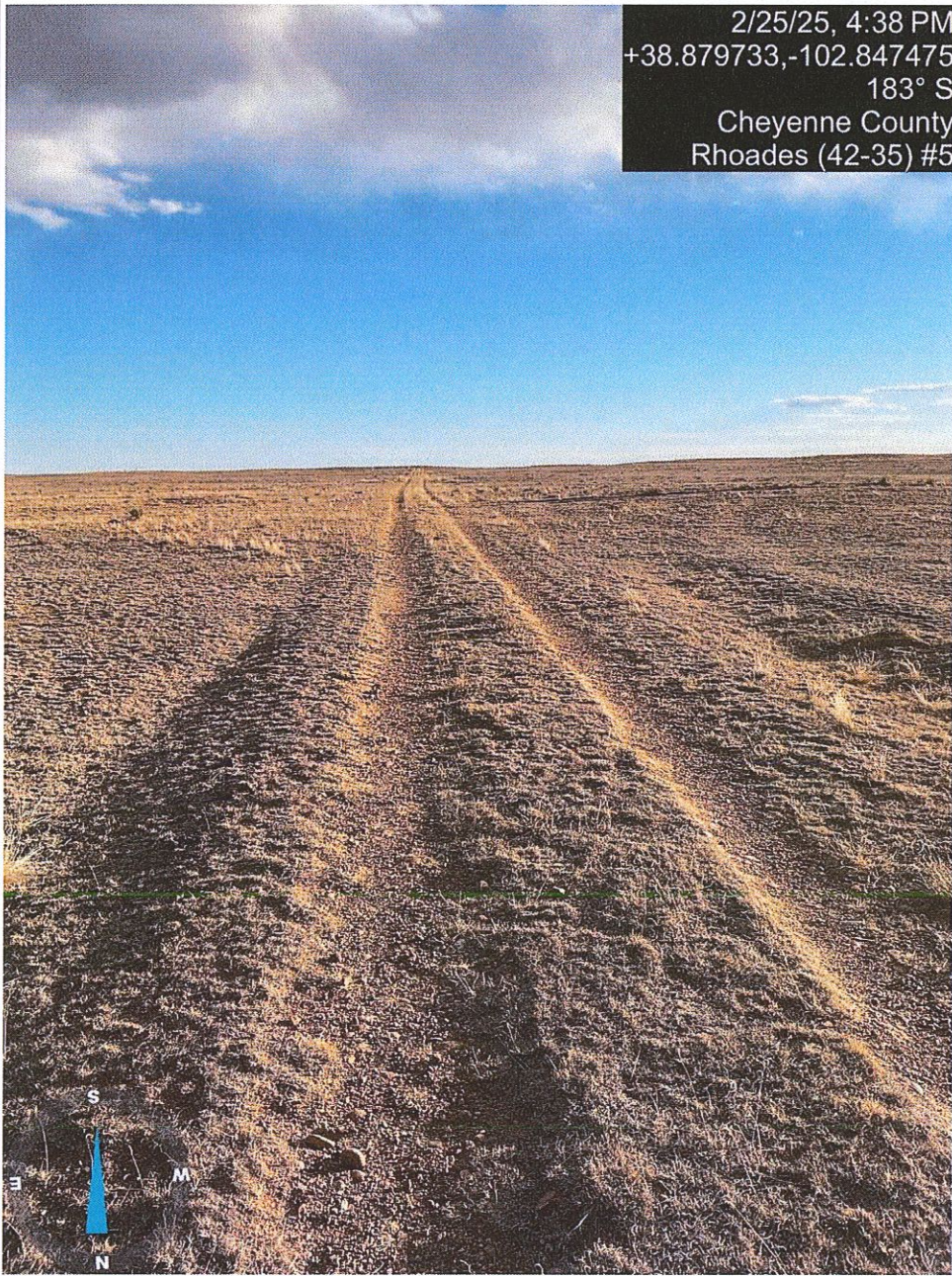
EXHIBIT "B"



Description:

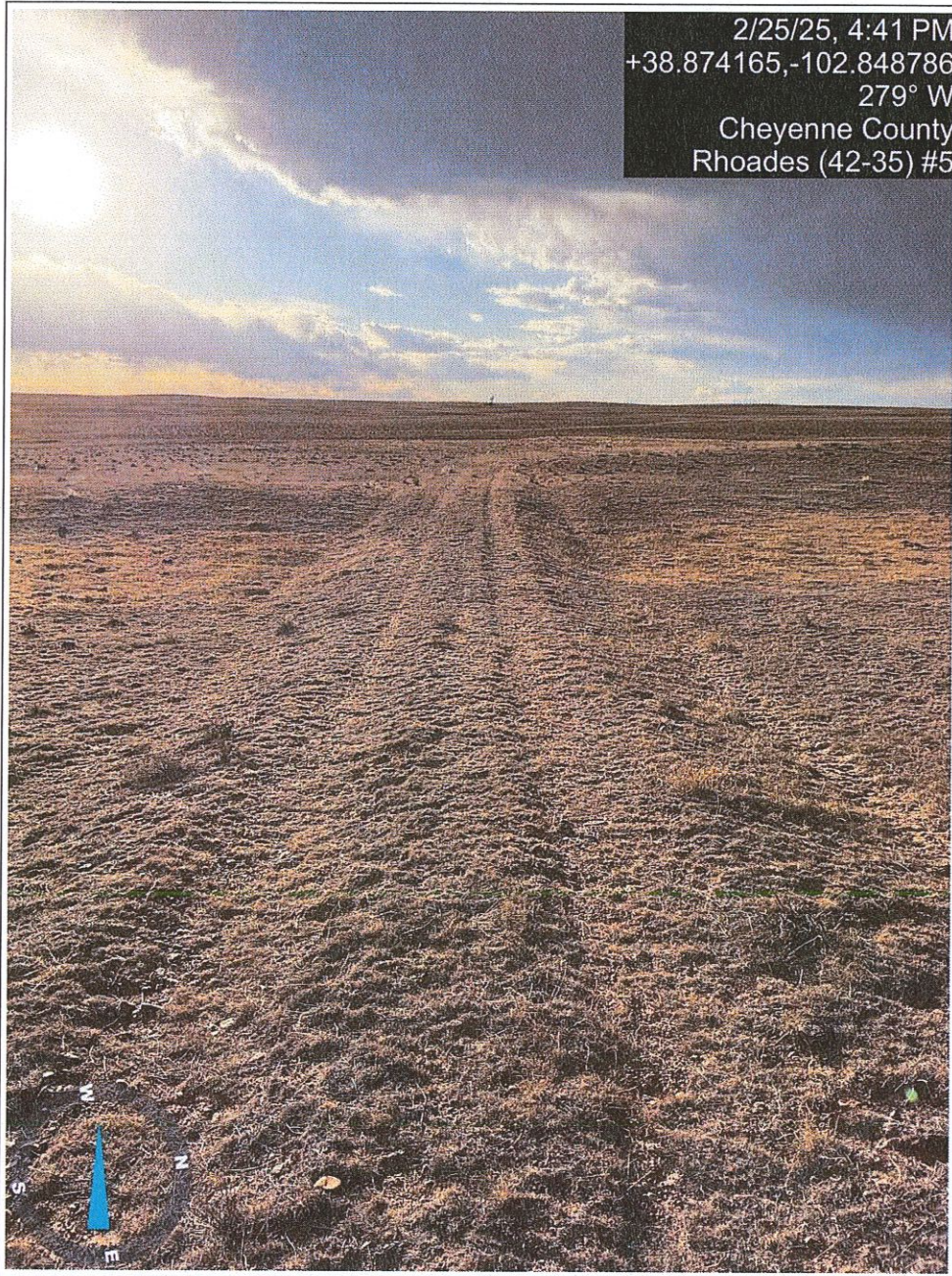
Facing S at beginning
of access road.

2/25/25, 4:38 PM
+38.879733,-102.847475
183° S
Cheyenne County
Rhoades (42-35) #5



Description:

Facing S along the
access road.

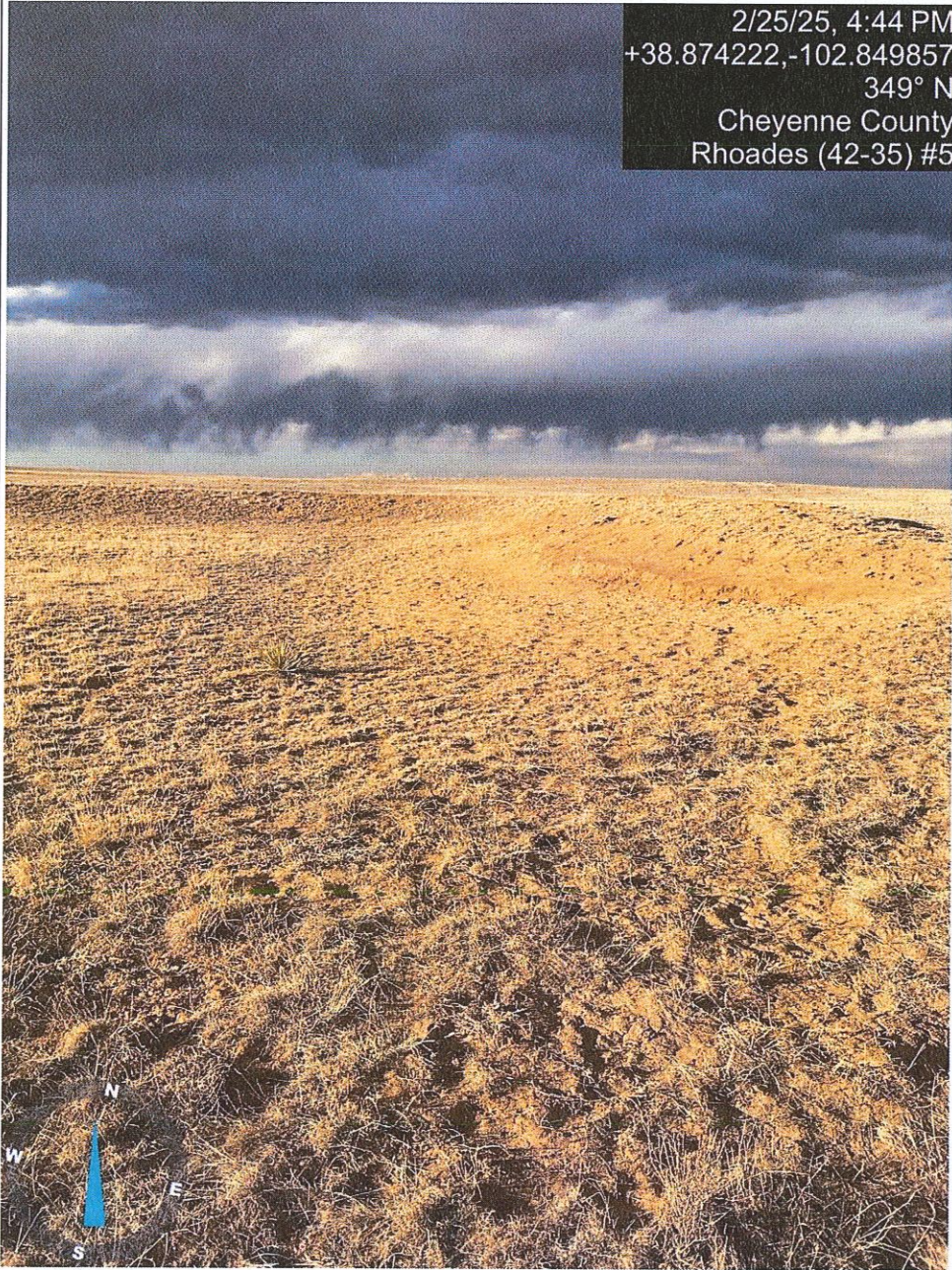


2/25/25, 4:41 PM
+38.874165,-102.848786
279° W
Cheyenne County
Rhoades (42-35) #5

Description:

Facing W along the
access road.
This portion of the road
has revegetated.

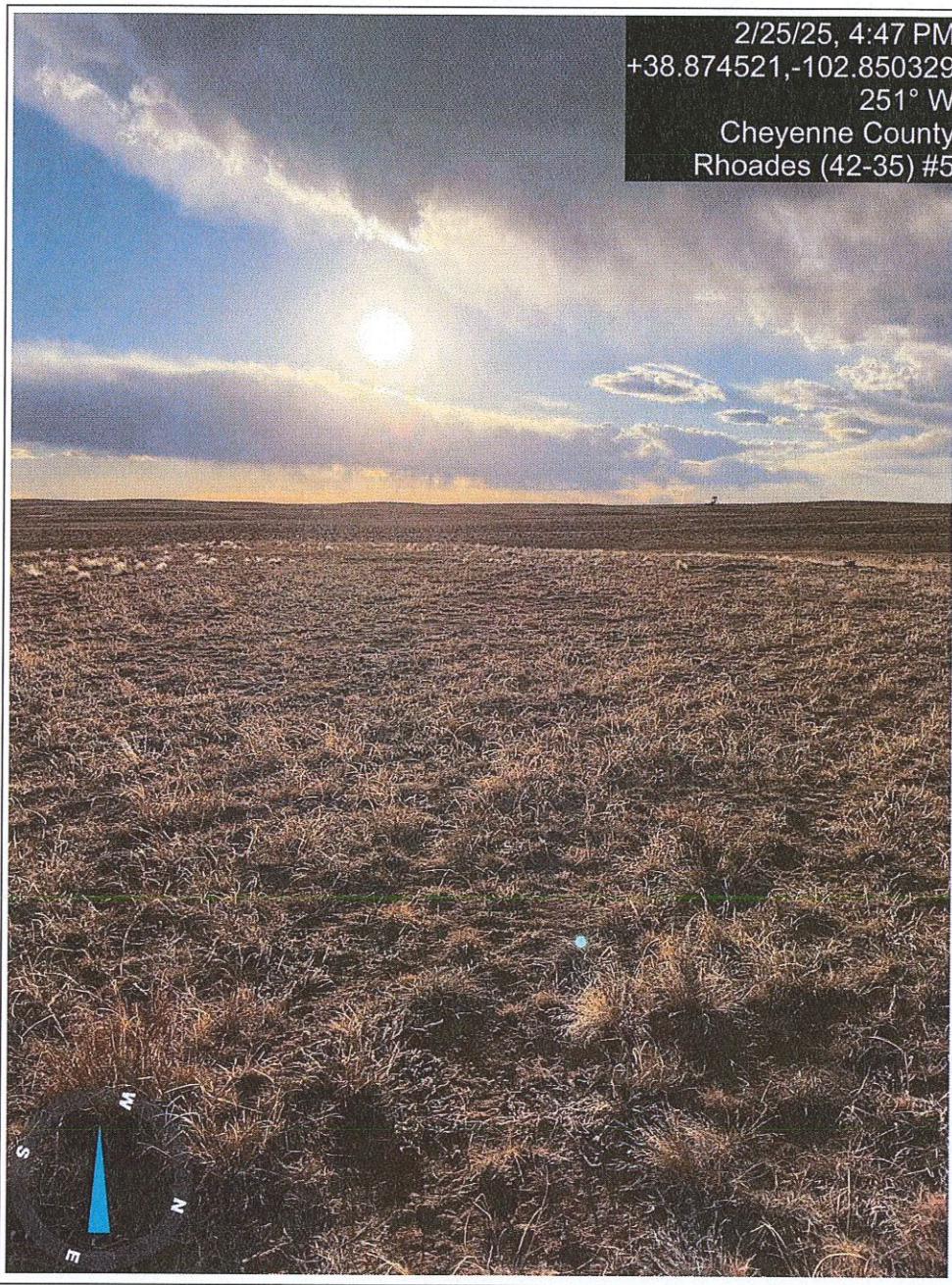
2/25/25, 4:44 PM
+38.874222,-102.849857
349° N
Cheyenne County
Rhoades (42-35) #5



Description:

Facing N at location.

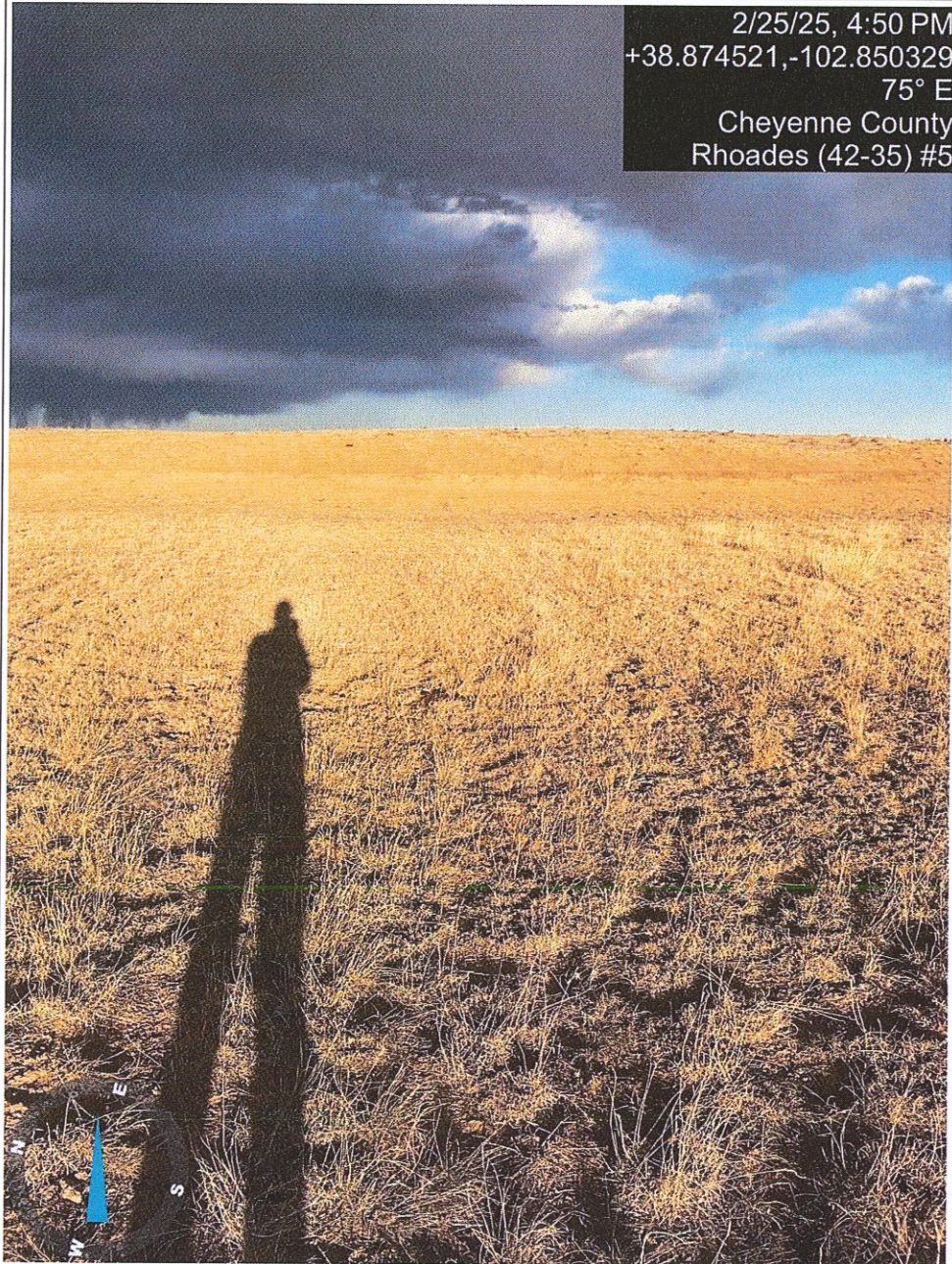
2/25/25, 4:47 PM
+38.874521,-102.850329
251° W
Cheyenne County
Rhoades (42-35) #5



Description:

Facing W at center of
the location.

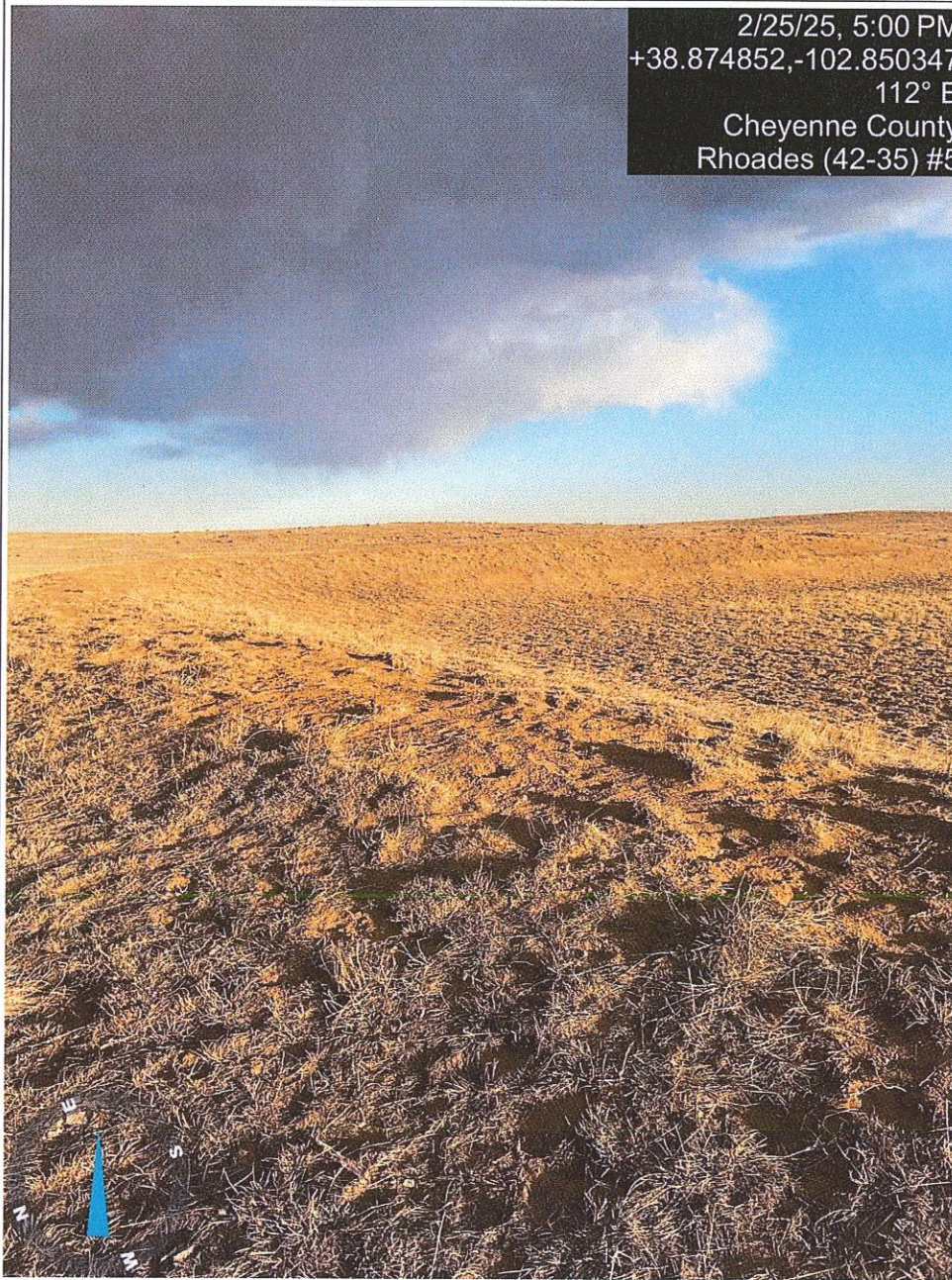
2/25/25, 4:50 PM
+38.874521,-102.850329
75° E
Cheyenne County
Rhoades (42-35) #5



Description:

Facing E at center of
The location.

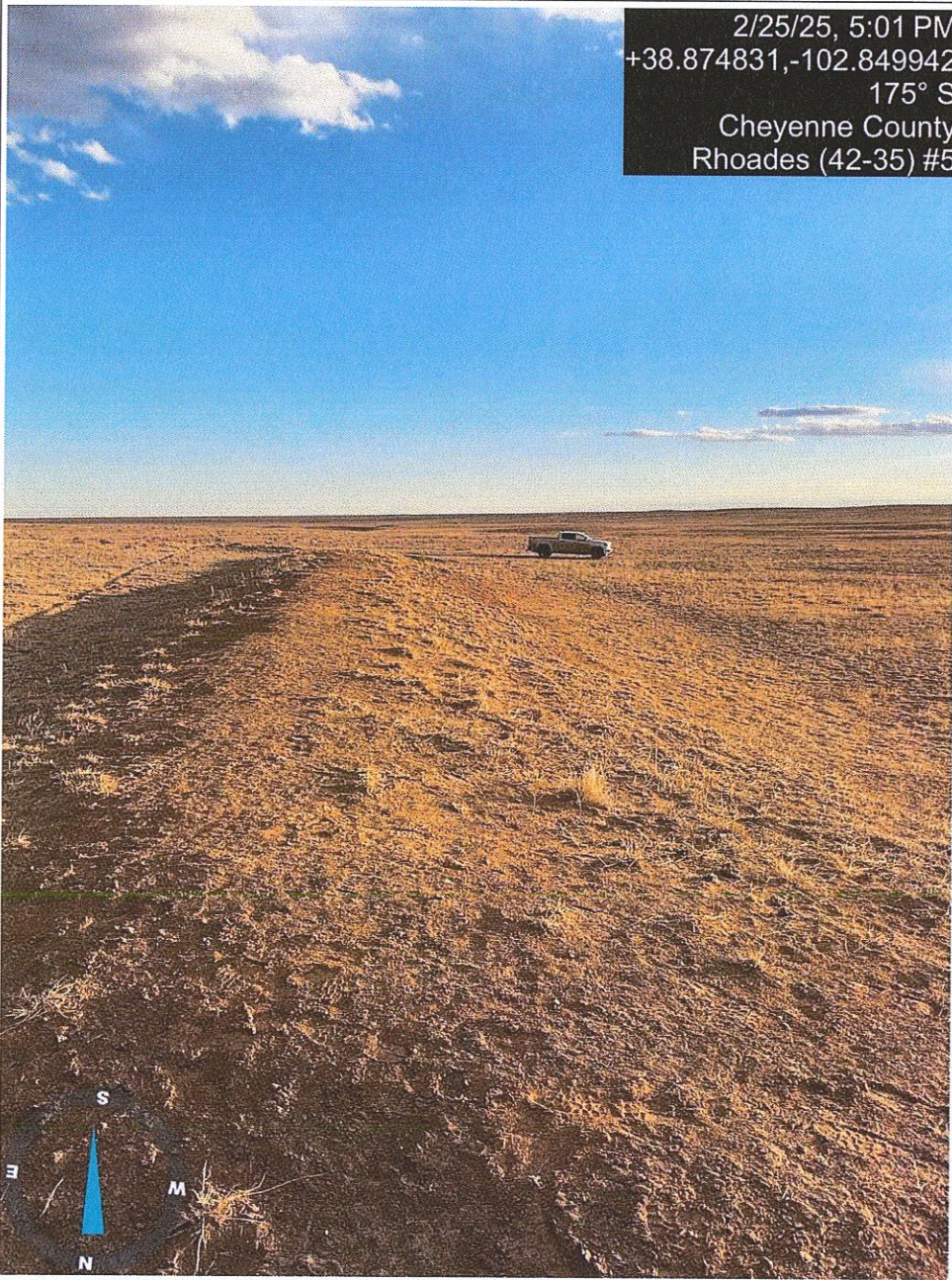
2/25/25, 5:00 PM
+38.874852,-102.850347
112° E
Cheyenne County
Rhoades (42-35) #5



Description:

Facing SE at the top of
the cut slope.

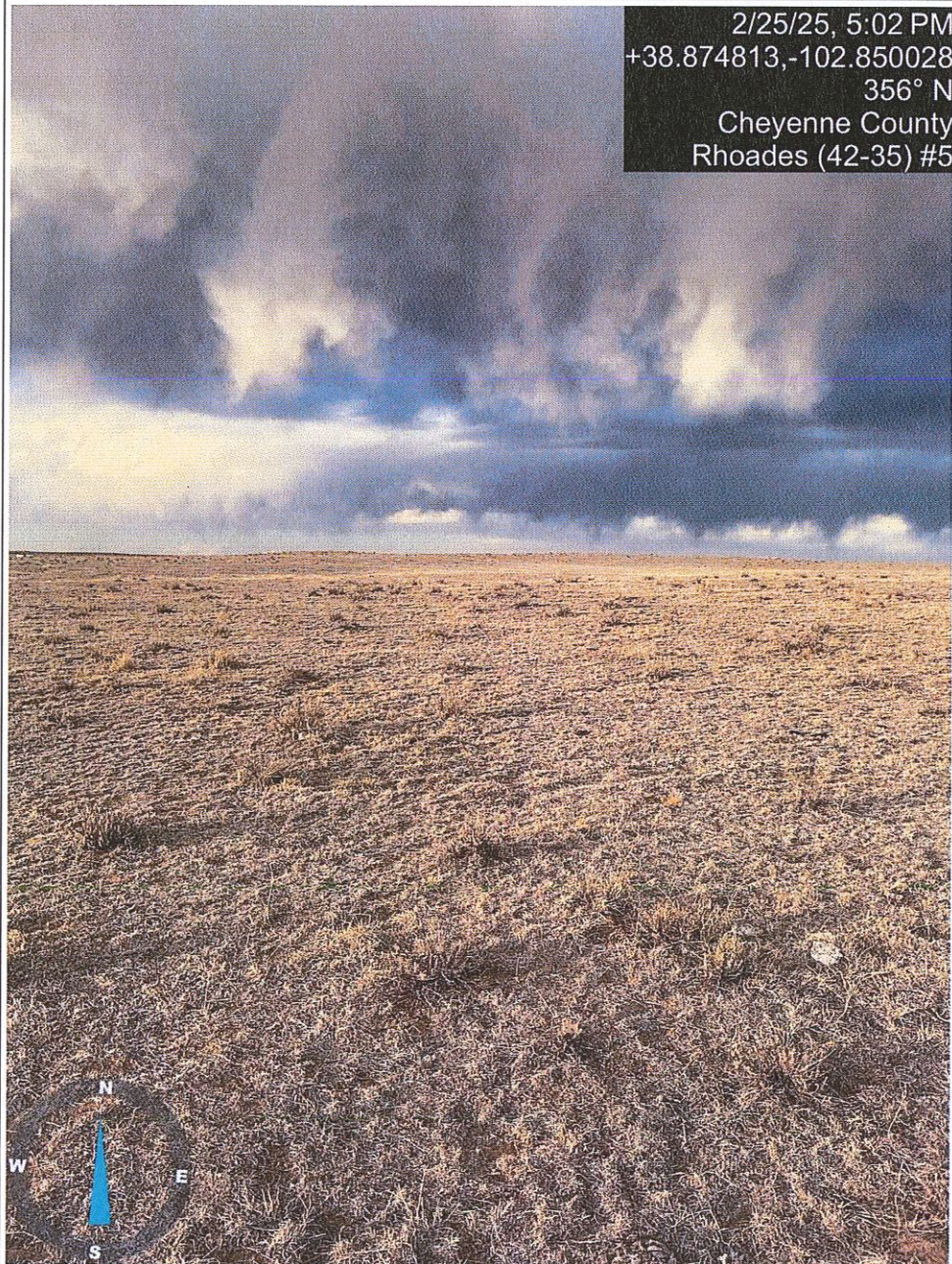
2/25/25, 5:01 PM
+38.874831,-102.849942
175° S
Cheyenne County
Rhoades (42-35) #5



Description:

Facing S at the top of
the cut slope.

2/25/25, 5:02 PM
+38.874813,-102.850028
356° N
Cheyenne County
Rhoades (42-35) #5



Description:

Facing N toward the surrounding undisturbed reference area.

EXHIBIT "C"



SMITH RANCHES

**25411 County Road 105
Ramah, Colorado 80832
303-621-2073**

December 12, 2024

Citation Oil & Gas Corp.
14077 CUTTEN RD
Houston, TX 77069

Citation Oil & Gas Corp.:

We have received notification from Citation Oil & Gas Corp. field personnel, they have been instructed by the Colorado ECMC to disturb the location known as Rhoades 42-35 #5 location. We, Bar S Family Partnership (BSFP) and Badley Scattered Cattle Co. (BSCC) do not want this done. The location is now healed with growth and to rip and recontour the location would be more damaging than just leaving it as is. This ground is sandy and disturbing the vegetation can cause the sandy soil to blow which would be difficult to control and we would lose that much grass.

The cattleguard from the county road is used as our access to the pasture and therefore we do not it be removed. We also use the road from the cattleguard on for access to the pasture and the water tank.

Sincerely,

A handwritten signature in black ink, appearing to read 'Henry J. Smith', written in a cursive style.

Henry J. Smith
Managing partner for BSFP and BSCC