

## SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement") is entered into by and between Frank Comfort Jones II and Marsha A. Jones, husband and wife ("Owner"), whose address is 1632 36<sup>th</sup> Ave. Court Greeley, CO. 80634 and Carrizo Niobrara LLC. ( Company ) , whose address is 500 Dallas Street, Suite 2300, Houston, Texas 77002.

WHEREAS, Owner is the owner of the surface of certain lands located in Weld County, Colorado, being described as follows:

**Township 10 North. Range 59 West. 6<sup>th</sup> P.M.**  
Section 18: Lot 13(38.26) Lot 14 (34.65)  
Section 19: Lot 07(34.49) Lot 08 (38.15)

WHEREAS, Company owns the leasehold right to access the Property and use so much of the surface as is reasonably necessary to explore for and produce oil and gas therefrom; and,

WHEREAS, Company and Owner desire to enter into this Agreement as a supplement to, but not in derogation of, Company's current leasehold rights in said lands.

NOW THEREFORE; in consideration of Company's agreement to pay the sum of \$25,000.00, the sufficiency of which is hereby acknowledged, and the mutual promises and covenants contained herein:

Except for claims and damages resulting from Company's negligence, Owner hereby releases and discharges Company, its agents, employees, contractors and licensees from and against any and all claims by Owner for damages, of whatsoever nature and character, including, but not limited to, diminution in value of the Property, arising from, incident to, or in connection with Company's oil and gas operations on the Property, including, but not limited to: locating, drilling, stimulating, completing, restimulating, recompleting, deepening, producing, maintaining, plugging, and abandoning the oil and gas well shown below, whether as a dry hole or at the end of its productive life; installing and operating associated pipelines and production facilities; and, constructing, maintaining and reclaiming the well pad, production facilities, pipelines and roads (collectively the "Operations") (the well/wells and production facilities are hereinafter collectively referred to as the "Well")

Owner hereby grants, demises and conveys such easements and rights-of-way on and across the Property as may be necessary or convenient for the Operations. Company shall have the right to drill the well within the specified surface area described above, including directional wells that produce from and drain lands other than the Property, provided such lands are validly pooled with all or any portion of the lands included in Company's oil and gas lease covering the Property, and so long as such locations are permitted locations under the then applicable well spacing regulations of the Colorado Oil and Gas Conservation Commission ("COGCC") or exceptions granted thereto by the Director of the COGCC.

7. Owner acknowledges and agrees that Company has consulted in good faith with Owner as to its proposed Operations, in accordance with COGCC requirements, or hereby waives such requirements. Owner expressly waives the application of any COGCC setbacks inconsistent with this Agreement, including, but not limited to, setbacks for high density areas and surface lot lines.

(a) Company has provided Owner with the COGCC Form 2A ("Oil and Gas Location Assessment") for the Well and said Form 2A accurately reflects the provisions of this Agreement.

(b) Owner agrees not to object to said Form 2A and hereby waives any right granted by COGCC rule to comment on said Form 2A, to request an extension of the comment period, to request an onsite inspection pursuant to COGCC policy, or to appeal the approval and issuance of the Form 2A, and any related Form 2 ("Application for Permit to Drill").

(c) Owner shall not oppose Company in any agency or governmental proceedings, including but not limited to the COGCC, County, City or local government, or other governing body proceedings, related to Company's operations on the Property, including but not limited to drilling, workovers, well deepenings and recompletions, provided that Company's position in such proceedings is consistent with this Agreement.

8. Owner expressly acknowledges and agrees that this Agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligation of Company to accommodate Owner's use of the surface of the Property, existing or future, and waives any statutory or common law claim to the contrary.

9. Owner hereby:

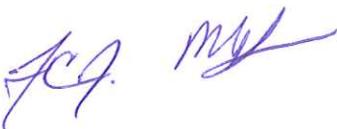
(a) AGREES [ ] to allow the Colorado Division of Wildlife to enter upon the Property for the purpose of inspecting wildlife habitat; and,

(b) CONSENTS [ ] to the inclusion of site-specific conditions of approval, stipulations, or restrictions related to wildlife habitat protection or mitigation in the COGCC permit(s) for the designated Well.

(c) CONSENTS [ ] to an archeological survey if necessary to obtain a permit to drill.

10. Owner agrees to include a note on any annexation, subdivision plat, planned unit development or other land use designation for which Owner may apply to put successors or assigns on notice that the Property is subject to this Agreement. Company may also record this Agreement or a Memorandum thereof. In all other respects, however, the parties shall hold the provisions of the Agreement in confidence.

11. In construing this Agreement, no consideration shall be given to the fact or presumption that one party has had a greater or lesser hand in drafting this Agreement than any other party.



12. This Agreement shall be subject to, and construed under, the laws of the State of Colorado, without regard to its conflict of law provisions, and jurisdiction and venue shall be solely in the courts of the State of Colorado, subject to the right of either party to remove a matter to federal court.

13. Each of the undersigned principals of the parties represents and warrants that such person has the requisite corporate or legal authority to bind the respective parties to this Agreement.

14. Concerning any matter relating to the Operations, Owner may contact:

Operator: Carrizo Niobrara LLC.  
Person to Contact: Scott Hudson  
Address: 500 Dallas Street, Suite 2300  
Houston, Texas 77002  
Phone Number: 713-328-1000  
Fax: 713-328-1060  
Email Address: scott.hudson@crzo.net

15. This Agreement shall extend to, bind and inure to the benefit of, Owner and Company, and their respective heirs, personal representatives, successors and assigns.

16. This Agreement shall become effective when it is fully executed and shall remain in full force and effect until Company's leasehold estate expires or is terminated, and Company has plugged and abandoned the Well and conducted reclamation in accordance with this Agreement and applicable COGCC rules and regulations, except that any release, discharge or indemnity from and against liability contained herein shall survive the expiration of this Agreement.

March IN WITNESS WHEREOF, the parties have executed this Agreement this 11<sup>th</sup> day of \_\_\_\_\_, 2012.

OWNER:

  
Frank Comfort Jones II

  
Marsha A. Jones

COMPANY:

CARRIZO Niobrara LLC.

CEW

  
Richard H. Smith, Vice President of Land

3-10-2012

Frank Comfort Jones II and Marsha ~~A~~. Jones, husband and wife

1632 36<sup>th</sup> Ave Court

Greeley, CO. 80634

970-978-1994

A request for payment for a Surface – Use - Agreement and Access road across other section 13-10-59 Weld County Co. and Surface Wellbore Easement concerning : Jones 18-24-10-59 and 19-11-10-59 Wells , Weld County CO.

The owner wants : Fenced Well and location, cattle guards in fence crossings and a Manual gate. This is Pasture Land for Grazing.

Carrizo Niobrara LLC. To pay the owners with in 60 Business Days or so the sum of:

\$25,000.00 ( Twenty Five thousand Dollars)

Thank you,

Frank Comfort Jones II

Terry DeBauche, Agent for Carrizo Niobrara LLC.

Marsha E. Jones

Amy

**PAID-UP SUBSURFACE WELLBORE EASEMENT**

STATE OF COLORADO §

COUNTY OF Weld §

WHEREAS, Frank Comfort Jones II and Marsha A. Jones, Husband and wife ("**Grantor**"), is the Lessee of certain lands located in Weld County, Colorado which are described on Exhibit "A" attached and made a part hereof for all purposes (the "**Leased Premises**");

WHEREAS, Grantor has agreed that **CARRIZO (NIOBRARA) LLC**, 500 Dallas Street, Suite 2300, Houston, Texas 77002 ("**Grantee**") may drill, locate, operate and maintain a one or more subsurface horizontal wellbores on, under and through a portion of the Leased Premises for purposes of operating and producing the Jones 18-24-10-59 and Jones 19-11-10-59 Well (the "**Well**").

**NOW THEREFORE**, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged [Grantor] grants to [Grantee], and [Grantee's] successors or assigns, a subsurface easement and right-of-way, including pore space, for the purpose of drilling operations deviating from vertical (including but not limited to horizontal or directional drilling operations and drilling more than one well or lateral from a pad site) from [Grantor's] lands to other lands, for the purposes of prospecting, exploring by geophysical and other methods, drilling, and producing oil, gas and other hydrocarbon substances, in liquid or gaseous form, together with the right to construct and maintain any related surface facilities and pipelines, and any and all other rights and privileges convenient for [Grantee's] oil and gas operations on [Grantor's] lands, alone or jointly with other land. [Grantor] hereby waives, releases, and surrenders any and all claims of trespass (including but not limited to geophysical trespass), and discharges [Grantee] from any claim for damages or injunctive relief in relation to [Grantee's] use of the subsurface and pore space of [Grantor's] lands. The subsurface easement and right-of-way, along with the surface use rights granted hereunder, including the waiver and discharge from subsurface trespass and damage claims, shall be covenants running with the lands and shall be binding upon successors and assigns. [Grantee], its successors and assigns, may assign the rights granted herein. No royalty shall be due to [Grantor] from any well drilled through [Grantor's] subsurface lands and producing from other lands. No part of the taxes attributable to the ownership or production of oil and gas on such other lands shall be chargeable to [Grantor]. This Paid-Up Subsurface Wellbore Easement (this "**Easement**") grants no rights to Grantee to explore for or produce oil, gas, or other minerals in, on or under the Leased Premises.

During the term of this Easement, Grantee may transport oil, gas and associated hydrocarbons through such subsurface horizontal wellbores without incurring any liability to Grantor for any payment (including for rent or royalty), except for the original payment associated with the grant of this Easement by Grantor to Grantee.

This Easement shall remain in force and effect from the date hereof and as long thereafter

as any of the horizontal wellbores covered hereby are used by Grantee for operations and production of the Well; provided, however, upon the lapse of twelve (12) months of non-use by Grantee, this Easement and all rights granted under it shall terminate.

This Easement shall be binding upon the parties hereto and their respective successors and assigns.

**[SIGNATURES APPEAR ON NEXT PAGE]**

IN WITNESS WHEREOF, this Easement has been duly executed by the parties on the date of their respective acknowledgments below, but shall be effective for all purposes as of the 11<sup>th</sup> day of March, 2012.

<b>GRANTOR:</b> By: Frank Comfort Jones II and Marsha <u>A.</u> Jones <hr/> Owner: <u>Frank Comfort Jones</u> Owner: <u>Marsha Jones</u>	<b>GRANTEE:</b> CARRIZO (Niobrara) LLC  By: <u>[Signature]</u> <hr/> Name: Title:
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*ckw*

STATE OF COLORADO;  
COUNTY OF Weld; TO-WIT:

On this 11<sup>th</sup> day of March, 2012, before me, the undersigned, personally appeared Frank Comfort Jones II and Marsha A. Jones, husband and wife, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, and said person acknowledged that he/she executed this instrument in his capacity as Owner of Property, and that the same was executed for the purposes contained therein as the act and deed of said corporation.

My commission expires: 7-7-2012  
[Signature] Terry DeBaucho  
Notary Public

STATE OF Texas;  
COUNTY OF Harris, TO-WIT:

On this 19<sup>th</sup> day of March, 2012, before me, the undersigned, personally appeared Richard H. Smith, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, and said person acknowledged that he/she executed this instrument in his/her capacity as Vice President of CARRIZO (NIOBRARA) LLC, and that the same was executed for the purposes contained therein as the act and deed of said limited liability company.

My commission expires: 6/14/2014  
Patricia A. Richmond  
Notary Public

