

**EASEMENT, RIGHT-OF-WAY  
and  
SURFACE DAMAGES AGREEMENT**

This Easement, Right-of-Way and Surface Damages Agreement ("Agreement") is entered into as of Nov. 4<sup>th</sup>, 2013, by and between Sack Family Limited Partnership LLLP, ("Surface Owner"), whose address is 5100 E. 168<sup>th</sup> Ave, Thornton, CO 80602, and Kerr-McGee Oil & Gas Onshore LP, ("KMG"), with offices at 1099 18<sup>th</sup> St., Suite 1800, Denver, CO 80202, covering certain lands (the "Lands") situated in Weld County, Colorado, described as follows:

That portion of Township IN, Range 67W, of the 6<sup>th</sup> P.M.  
Section 31: S/2 as more particularly shown on Exhibit A attached hereto and made a part hereof.

For and in consideration of the sum of ten dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees to the terms and provisions set forth as follows:

1. Compensation for Operations; Release of All Claims

A. KMG shall pay to Surface Owner the sum and perform the obligations set forth in and according to the terms of that certain Letter Agreement by and between Surface Owner and KMG of even date, as full consideration and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of KMG drilling and completion operations on the Lands, and its continuing activities for the production and/or transportation of oil, gas, or other hydrocarbons or products associated with such operations and activities including, but not limited to, surface use, access, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable and customary uses of land related to said operations or activities.

B. If, by reasons directly resulting from the operations of KMG, there is damage to real or personal property upon Lands which is not associated with the usual and customary operations, including, but not limited to, damage to livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, and natural water ways, such damage will be repaired or replaced by KMG, or KMG will pay reasonable compensation to Surface Owner for such additional actual damage or an amount equal to the reasonable costs to repair such actual damages.

2. Acknowledgement of Right of Way and Easement

Surface Owner acknowledges and understands that KMG, as owner or lessee of the oil and gas estate for the Lands, owns an easement and right-of-way that burdens the Lands, and that KMG has a continuing right and entitlement to construct, own, operate, maintain, repair and replace all flowlines, gathering lines, other pipelines and related equipment that may be necessary

or convenient to its operations on the Lands, including but not limited to, constructing, using and maintaining access roads, locations for surface equipment and subsurface gathering lines, pipelines and pipeline interconnections for its operations and activities; provided, however, KMG agrees that it will not construct pipelines in a manner that interferes with existing improvements on the Lands at the time the pipelines are proposed to be constructed.

Surface Owner further agrees that, Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gas gatherer designated by KMG, may exercise the easement rights described herein.

Surface Owner further grants KMG the right to drill horizontal, vertical or directional oil and gas wells on the Lands that may produce and drain oil and gas from under properties other than the Lands, or properties pooled therewith, and to locate, construct, use, and maintain surface equipment, including but not limited to flowlines, compressors, wellheads, and all associated production equipment and facilities, related to transportation of oil and natural gas from such wells.

### 3. Waivers

Surface Owner hereby waives its right to and covenants not to protest or object to the use of the surface of the Lands so long as such use is consistent with this Agreement. Furthermore, Surface Owner will provide KMG or its successors and assigns with any and all written support they may reasonably require to obtain permits from the Colorado Oil and Gas Conservation Commission or any local jurisdiction.

### 4. Surface Locations

Locations for ingress and egress to the well(s), the well site area, tank battery/treater locations and tanker truck service areas shall be the locations depicted on the attached Exhibit "A". This Agreement does not limit the rights of KMG to drill additional wells with associated facilities, access and pipeline easements consistent with leases on the Land or other property that are subject to valid leases, whether existing or granted in the future, or pursuant to separate agreements, including but not limited to rights-of-way..

### 5. Binding Agreement

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

The undersigned have executed this Agreement as of the day first above written.

Surface Owner

Kerr-McGee Oil & Gas Onshore LP,

By: Albert B. Seck Jr.  
Vice President

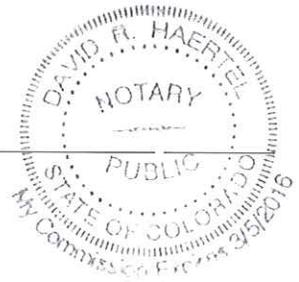
By: David Bell  
Agent & Attorney-in-Fact

STATE OF Colorado )  
 )ss  
COUNTY OF Weld )

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of Nov., 2013, by Agent Seck Jr.

Witness my hand and official seal.

[Signature]  
Notary Public



My commission expires 3/5/2016

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STATE OF Colorado )  
 )ss  
COUNTY OF Adams )

This instrument was acknowledged before me this 6 day of March, 2014, by David Bell, Agent & Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, on behalf of said company.

Witness my hand and official seal.

Rhonda Sutton  
Notary Public

My commission expires May 4, 2016



The parties hereto have executed this Letter Agreement as of the day first above written.

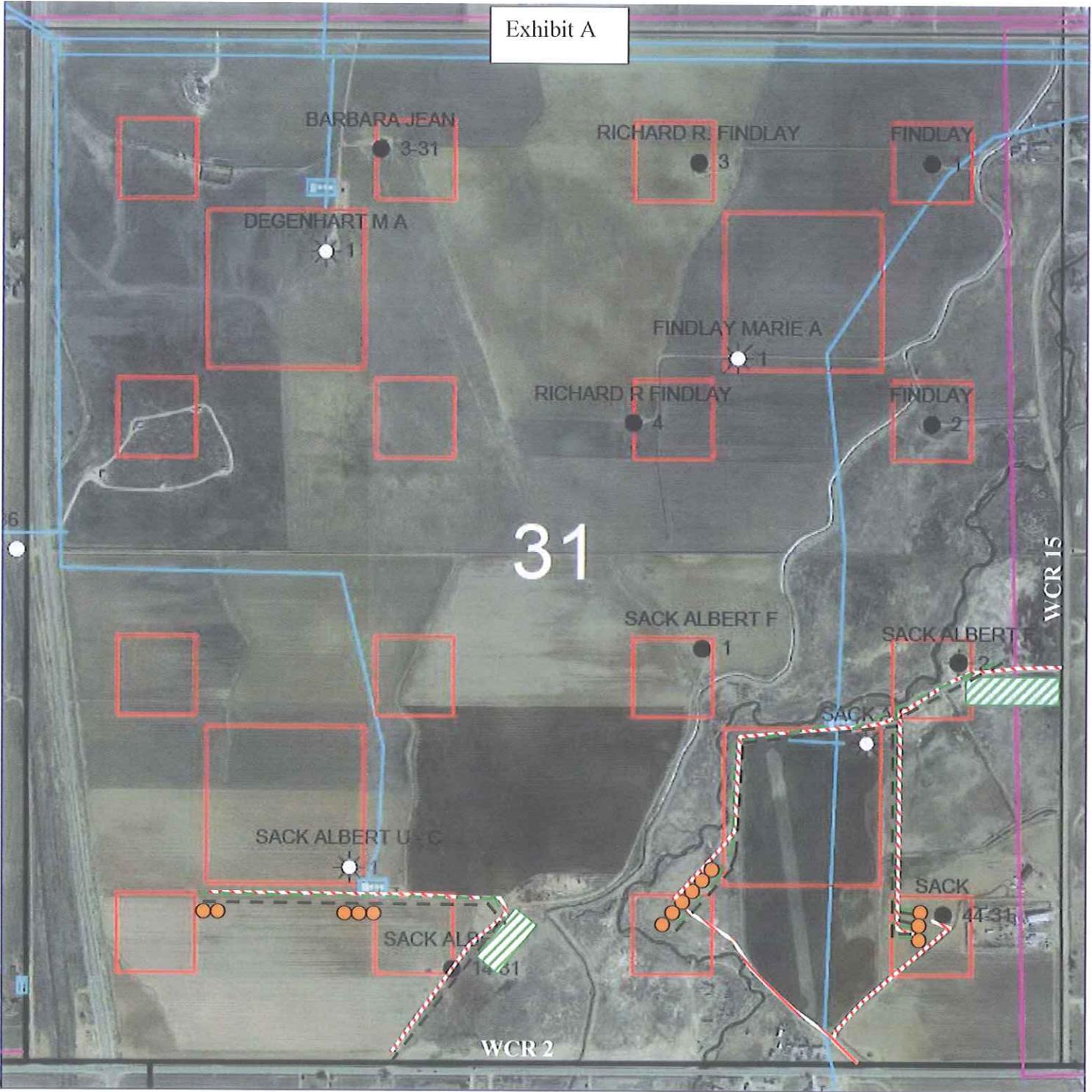
Surface Owner

Kerr-McGee Oil & Gas Onshore LP,

By: *Robert F. Sack*  
Vice President

By: *[Signature]*  
David Bell  
Agent & Attorney-in-Fact *[Signature]*

Exhibit A



*This aerial photo and all notations and depictions thereon is provided as a courtesy and is intended to be used for general reference purposes only. Kerr-McGee Inc. expressly disclaims any and all representations or warranties regarding the accuracy or the completeness of the information appearing on this aerial photo and any reliance on it for any purpose whatsoever is at the sole risk of the party so relying.*



- Electrical Corridor
- Access Road
- KMG Gathering Line
- Duke Pipeline
- RGSi Pipeline
- Flowline Corridor
- Legal Drilling Window
- Exist Battery Location
- New Battery Location
- Proposed Wellhead
- Bottomhole Location
- Potential Drill Sites

<b>Aerial Photo</b> <b>Sec. 31-1N-67W</b> <b>Weld County, CO</b>		
Author: <b>Teddy Ruampant</b>	Edited By: Dave Haertel	Last Edited: 11/4/2013