

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

This Easement, Right-of-Way and Surface Damages Agreement ("Agreement") is entered into as of February 7, 2014, by and between Burkhardt Family Trust ("Surface Owner"), 15047 Highway 52, Fort Lupton, Colorado 80621, and Kerr-McGee Oil & Gas Onshore LP ("KMG"), 1099 18<sup>th</sup> Street, Suite 1800, Denver, Colorado 80202, covering the real property reasonably necessary for oil and gas development and production related operations and facilities at the locations generally depicted on Exhibit A and located on the following described lands (the "Lands") situated in Weld County, Colorado, described as follows:

Township 1 North, Range 66 West, of the 6<sup>th</sup> P.M.  
Section 3: part of the N/2, more specifically described as Weld County parcels  
147103000042 and 147103000069, covering approximately 231.20 acres

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. Use and Compensation for Wells and Related Facilities.

Except as otherwise provided in Agreement, KMG's activities shall be restricted to those areas depicted on Exhibit 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 in areas depicted on Exhibit A, 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, water lines, flowlines, pipeline interconnections, and any and all other reasonable and customary uses of the Lands related to said operations or activities.

Surface Owner shall not occupy or interfere with the areas otherwise used for oil and gas operations as those areas are depicted on Exhibit A absent written consent from Operator.

2. Pipeline and Flowline Easements.

Pipeline and Flowline Easements on Exhibit A are non-exclusive and KMG will not object to the concurrent use of the Pipeline and Flowline Easements by other oil and gas operators or utility providers as Surface Owner may grant from time to time, so long as at no time does such use inhibit, interfere, or diminish KMG's current or anticipated operations. Furthermore, any grantees must comply with the Kerr McGee Gathering, LLC ("KMGG") pipeline guidelines attached hereto as Exhibit B. Notwithstanding the foregoing, Surface Owner or any grantee shall not place any utility or structure within ten (10) feet horizontally or two (2) feet vertically of any KMG or KMGG pipeline or permit any other persons or entities to do so.

KMG agrees that flowlines and pipelines shall be buried to a depth of approximately 48 inches from the surface. Surface Owner shall maintain a minimum of 48 inches and not more than 72 inches of cover over all pipelines and flowlines during Surface Owner's operations on the Property. Surface Owner agrees its use or operations will not unreasonably interfere with the rights provided to KMG under this Agreement.

If Surface Owner's use or development plans anticipate that roadways will or may in the future cross over then existing pipelines, Surface Owner will pothole or request that KMG pothole the pipelines to check the depth of the pipelines. Prior to Surface Owner's installation of a new roadway, KMG or KMGG will lower the affected pipeline to a sufficient depth for the road elevation. Surface Owner shall pay KMG or KMGG, as applicable, the reasonable cost of inspecting and lowering the pipelines, as well as the reasonable cost of any sub-grade work required to achieve road construction specifications.

Surface Owner agrees that KMGG or another third party gas gatherer designated by KMG, may exercise the easement rights described herein.



3. Governmental Proceedings.

a. Surface Owner hereby agrees as follows: i) it will not object in any forum to the use by KMG of the surface of the Lands consistent with this Agreement and hereby waives any such right to object; ii) it will provide such other written approvals and waivers that are reasonably requested by KMG consistent with this Agreement, including, but not limited to, all approvals and waivers to drill a well or to conduct oil and gas operations in the areas depicted on Exhibit A because of any law or regulation, including any local ordinance and regulations of the COGCC, but at no cost or expense to Surface Owner; iii) it waives any rights it has to require or request a surface inspection for wells proposed to be drilled in the areas depicted on Exhibit A for the purpose of requesting that conditions be attached to Applications for Permit to Drill ("Form 2") and COGCC Oil and Gas Location Assessments ("Form 2A") necessary to drill the well(s) and waive its right to request such conditions; iv) it consents to the location of multiple wells within the areas depicted on Exhibit A that are greater or less than fifty (50) feet apart so long as all such wells are located within an area described on Exhibit A; and v) it waives rights to object, request a hearing before the COGCC or request that conditions be attached to a COGCC Form 2 or Form 2A and to allege noncompliance with COGCC rules or applicable statutes, or to allege potential adverse impact to public health, safety, and welfare, including the environment and wildlife resources that are within the jurisdiction of the COGCC with respect to COGCC Form 2 or Form 2A within the areas depicted on Exhibit A; provided however that nothing herein shall prohibit the Surface Owner from reporting violations by KMG of any governmental laws, rules or regulations, including those of the COGCC, to the appropriate governmental authorities.

b. KMG agrees that it will not object in any forum to a request by Surface Owner to annex, zone, rezone or plat all or any portion of the Lands to the extent such request is consistent with this Agreement and the attached Exhibits.

c. Surface Owner shall provide KMG with written notice not less than thirty (30) days before each hearing for consideration of a plat application or other application for development for the property or portions of the Lands to be held before a local jurisdiction or state regulatory authority.

4. Limitation of Liability, Release and Indemnity.

- i. No party shall be liable for, or be required to pay for, special, punitive, exemplary, incidental, consequential or indirect damages to any other party for activities undertaken within the scope of this Agreement;
- ii. Except as to claims arising out of pollution or environmental damage (which claims are governed by section 5 below) or unless directly stated otherwise in this Agreement, each party shall be and remain responsible for its own liability for all losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation attorneys' fees and other costs associated therewith (all of the aforesaid herein referred to collectively as "Claims"), arising out of or connected with each party's ownership or operations on the Lands, no matter when asserted, subject to applicable statutes of limitations. Each party shall release, defend, indemnify and hold the other party, their agents, heirs, officers, directors, employees, successors and assigns, harmless against all such Claims. This provision does not, and shall not be construed to, create any rights in persons or entities not a party to this Agreement, nor does it create any separate rights in parties to this Agreement other than the right to be indemnified for Claims as provided herein;
- iii. Upon the assignment or conveyance of a party's entire interest in the Lands, that party shall be released from its indemnification in for all actions or occurrences happening after such assignment or conveyance. Notwithstanding the foregoing, the burdens and obligations under this Agreement shall run with the Lands.
- iv. KMG shall remain liable for damages caused by negligence or willful misconduct in drilling, completing and producing from the wells or for damages to real property, personal property and crops outside of the areas depicted on Exhibit A, access routes and designated pipeline, flowline or other lines easement areas.

5. Environmental Indemnity.



The provisions of section 4 above, except for subsection 4.i., shall not apply to any environmental matters, which shall be governed exclusively by the following, subject to the limitations of subsection 4.i. above:

- i. "Environmental Claims" shall mean all Claims asserted by governmental bodies or other third parties for pollution or environmental damage of any kind, arising from operations on or ownership of the Lands or ownership of the oil and gas leasehold interests, whichever is applicable, and all cleanup and remediation costs, fines and penalties associated therewith, including but not limited to any Claims arising from Environmental Laws or relating to asbestos or to naturally occurring radioactive material. Environmental Claims shall not include the costs of any remediation undertaken voluntarily by any party, unless such remediation is performed under the imminent threat of a Claim by a governmental body or other third party;
- ii. "Environmental Laws" shall mean any laws, regulations, rules, ordinances, or order of any governmental authority(ies), which relate to or otherwise impose liability, obligation, or standards with respect to pollution or the protection of the environment, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.), the Clean Water Act (33 U.S.C. §§ 466 et seq.), the Safe Drinking Water Act (14 U.S.C. §§ 1401-1450), the Hazardous Material Transportation Act (49 U.S.C. §§ 1801 et seq.), the Clean Air Act and the Toxic Substances Control Act (15 U.S.C. §§ 2601-2629); and
- iii. Environmental Indemnification. KMG shall protect, indemnify, and hold harmless Surface Owner from Environmental Claims relating to the Lands that arise out of oil and gas operations on the Lands. Surface Owner shall protect, defend, indemnify and hold harmless KMG from Environmental Claims relating to the Lands that arise out of its operations and activities on the Lands or its surface development of the Lands.

6. Exclusion from Indemnities.

The indemnities of the parties herein shall not cover or include any amounts which the indemnified party is actually reimbursed by any third party. The indemnities in this Agreement shall not relieve any party from any obligations to third parties.

7. Notice of Claim for Indemnification.

If a Claim is asserted against a party for which another party would be liable under the provisions of sections 4 and 5 above, it is a condition precedent to the indemnifying party's obligations hereunder that the indemnified Party give the indemnifying Party written notice of such Claim setting forth all particulars of the Claim, as known by the indemnified Party, including a copy of the Claim (if it is a written Claim). The indemnified Party shall make a good faith effort to notify the indemnifying Party within five (5) days of receipt of a Claim and shall affect such notice in all events within such time as will allow the indemnifying Party to defend against such Claim.

8. Limitations.

The facilities to be located on the Lands and as depicted on Exhibit A shall be limited to those facilities connected to or supporting the wells to be drilled on the Surface Owner's Lands under this Agreement and as reflected on Exhibit A. If additional facilities are necessary the parties will work in good faith to negotiate an amendment to this Agreement.

9. Term of Agreement.

This Agreement shall expire on December 31, 2016, if none of the oil and gas Wells to be drilled hereunder have been commenced by that date; subject however, to extensions for such periods of time equivalent to any period where KMG is prevented or delayed from commencing the drilling of the first well on the Lands by force majeure or any cause not reasonably within KMG's control, including local government delays or local, state or Federal restrictions upon hydraulic fracturing. However, in no event will force majeure matters extend more than five (5)

years from the first force majeure event. Upon the commencement of a Well or Wells within the time period specified herein, this Agreement shall remain in force and effect until the termination of the oil and gas lease(s) associated with the leasehold underlying the Lands.

10. 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.

Burkhardt Family Trust

Kerr-McGee Oil & Gas Onshore LP,

By: Mary E. Burkhardt  
Name: \_\_\_\_\_  
Title: Trustee

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

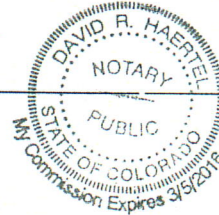


STATE OF Colorado )  
 )ss  
COUNTY OF Weld )

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of March, 2014,  
by Mary E. Buehler.

Witness my hand and official seal.

[Signature]  
Notary Public



My commission expires 3/5/2016

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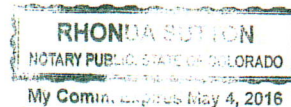
STATE OF Colorado )  
 )ss  
COUNTY OF Adams )

This instrument was acknowledged before me this 10 day of March, 2014, by  
David Bell, Agent & Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, on behalf of said  
company.

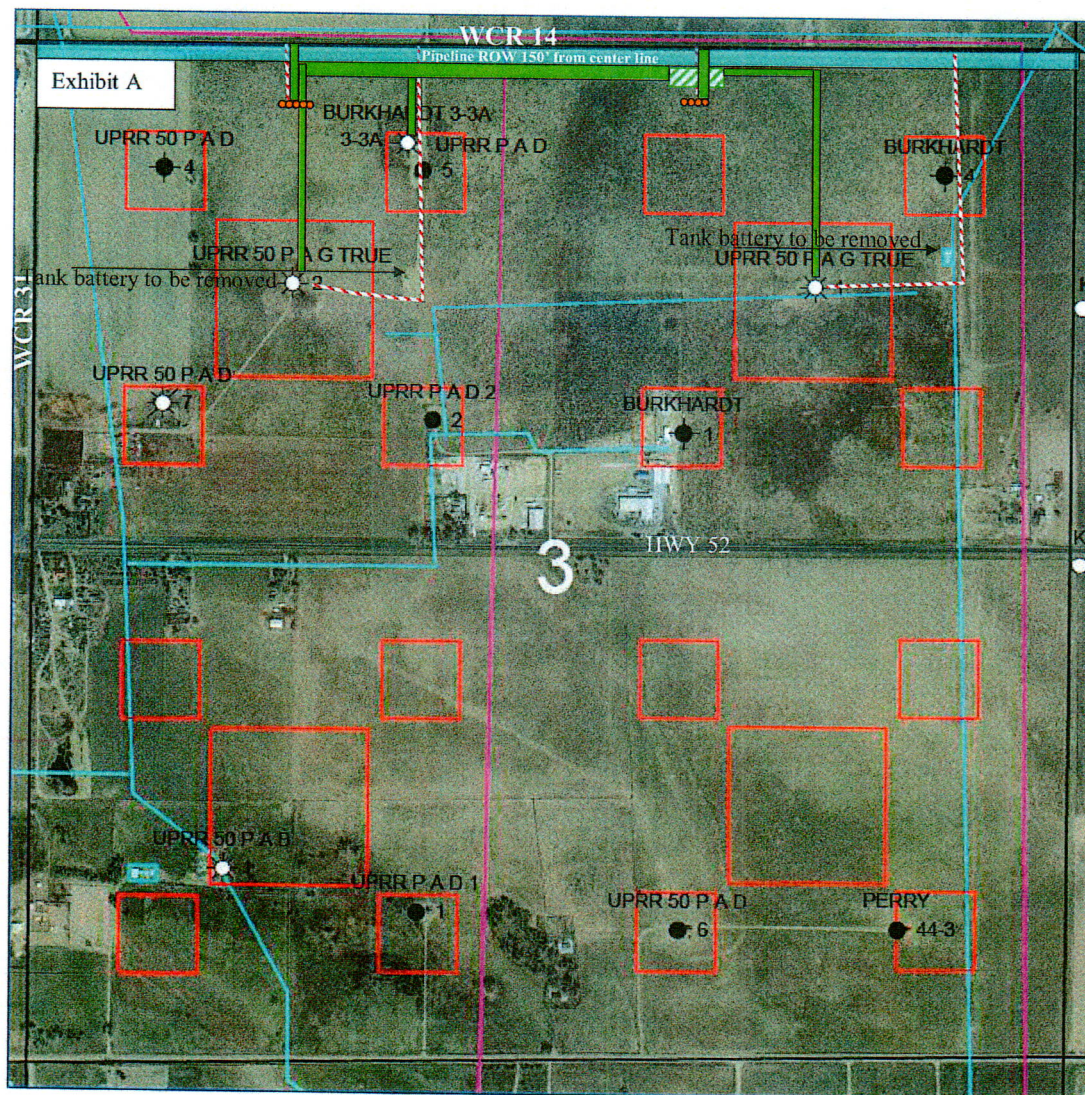
Witness my hand and official seal.

[Signature]  
Notary Public

My commission expires May 4, 2016







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- Flowline and Electrical Line Easement
- Future pipeline easement
- Access Road
- KMG Gathering Line
- Duke Pipeline
- RGS Pipeline
- Proposed Flowline
- Legal Drilling Window
- Exist Battery Location
- New Battery Location
- Proposed Wellhead
- Bottomhole Location
- Potential Drill Sites



**Aerial Photo  
Sec. 3-1N-66W  
Weld County, CO**

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**Teddy Ruampant**

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**Dave Haertel**

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