

SURFACE LOCATION, SUBSURFACE, ROADWAY, AND PIPELINE EASEMENT

STATE OF COLORADO §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF DENVER §

That **Kent J. McDaniel and Deanna R. McDaniel**, husband and wife, whose address is **33389 CR 57, Gill, Colorado 80624**, for themselves and their heirs, administrators, successors, and assigns (collectively "Grantor"), for, and in consideration of, the sum of One Hundred and no/100ths Dollars (\$100.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, has granted, conveyed, sold, and warranted, and does hereby grant, convey, sell, and warrant unto **Great Western Operating Company, LLC**, a Colorado Limited Liability Company, whose address is 1801 Broadway, Suite 500, Denver, CO 80202 and its affiliates, successors, and assigns (collectively "Grantee") an easement (the "Easement") in, upon, across, through, over, and under the following described lands (the "Lands"):

**Township 6 North, Range 63 West
Section 7: SE4
Weld County, Colorado**

as said Easement is more fully described as follows:

1. **Surface Location** — An exclusive right-of-way and easement for a surface site on the Lands of approximately ten (10) acres of disturbed surface area along with the right to construct a well(s) pad on such surface site and to drill one or more oil and/or gas wells (collectively, the "Wells," whether one or more) therefrom which will include the right to survey, construct, use, operate, maintain, and/or repair a location for a well site, which may include all equipment necessary for constructing, drilling, completing, equipping, operating, repairing, and plugging any such Wells (the "Surface Location Easement"). Grantee shall have the right to occupy so much of the surface as reasonably necessary to accommodate the wells and related oil and gas operations. If Grantee elects to increase the size of the Surface Location Easement beyond the estimated ten (10) acres to accommodate additional wells, which may include Wells drilled from the Surface Location Easement to other lands in which the Lands are not included within the applicable drilling and/or spacing unit(s), facilities, or equipment, then Grantee shall pay Grantor additional compensation as described in the Payment Agreement. Grantee shall not increase the size of the Surface Location Easement to be any greater than fifteen (15) acres in total without the written approval of Grantor, which said consent will not be unreasonably withheld, conditioned, or delayed. The Surface Location Easement may also be used to install, place, or store any valves, tanks, pipelines, meters, separators, dehydrators, compressors, electrical lines, phone lines, wires, cables, meter houses, meter runs, and any and all other devices, equipment, and structures incident to, or necessary for, drilling, production, operation, plugging, injection, regulation, control, measurement, treatment, separation, processing, storing, transportation, and distribution of oil, gas, petroleum products, and any other liquids, gases or substances which can be transported through pipelines.
2. **Subsurface** — A right-of-way and easement as to all depths below the surface of all the Lands and right to use the subsurface including pore space, for the purposes of drilling Wells for oil, gas, and/or other substances to the Lands or other lands; for installing casing, tubing, and other equipment therein; for reworking, recompleting, repairing, side-tracking, plugging, and abandoning such Wells; for gathering information, exploring for, and/or producing oil, gas, and/or other substances from the Lands or other lands through such Wells; and/or for injecting substances into the Lands or other lands through such Wells.
3. **Roadway** — A right-of-way and easement thirty feet (30') wide across the Lands to survey, construct, use, operate, maintain, add, and/or repair one or more roads to allow Grantee access (ingress and egress) to the Lands or other lands as may be needed by or necessary for Grantee's operations on or off the Lands. The right-of-way and easement associated with the roadway shall be expanded from time to time during any period(s) of construction, maintenance, or repair to a width of one hundred feet (100') for so long as such use is reasonably necessary for the operations being conducted, and shall revert to the permanent width set forth above upon completion thereof. Grantee, its employees, agents, contractors, licensees, and invitees shall have the full and free right and privilege to use said road(s) in any lawful manner, including the transportation of persons, material, supplies, and commodities, in its oil and gas operations on the Lands and/or other lands adjacent thereto or in the vicinity thereof. Any road(s) constructed or maintained under the terms hereof shall remain the sole and private property of Grantor, subject to the rights, privileges, and benefits granted to Grantee herein, and such roads shall not be considered a public road(s). The right of way for the access road will be located on the existing roadway along the southern fenceline.
4. **Pipeline(s)** — A right-of-way and easement fifty feet (50') wide across the Lands to survey, lay, construct, install, operate, inspect, protect, alter, maintain, improve, repair, change the size of, relocate, add, replace, remove, and/or abandon in place one or more pipelines and all valves, fittings, devices for controlling electrolysis and/or cleaning pipeline interiors, and/or other necessary appurtenances above and below ground, including suitable markers to mark the location of the pipeline(s), for the purposes of transportation of on and/or off-unit oil, gas, petroleum products, fresh or salt water, and/or any other liquids, gases, or substances which can be transported through pipelines. The right-of-way and easement associated with the pipelines shall be expanded from time to time during any period(s) of construction, maintenance, or repair to a width of one hundred feet (100') for so long as such use is reasonably necessary for the operations being conducted, and shall revert to the permanent width set forth above upon completion thereof. Grantee shall maintain the uppermost part of the underground portions of said pipelines at least forty-eight inches (48") below the surface of the ground, but this limitation shall not apply to any portion of the pipelines or other equipment installed above the surface. Omitting the pipelines, in no event shall Grantee's right-of-way and easement extend beyond the oil and gas operations area depicted on Exhibit "A" without the written approval of Grantor, which said approval will not be unreasonably withheld.

5. The approximate location(s) of the Easement associated with the Surface Location Easement, roadway(s), and pipeline(s) are set out on the plat attached hereto and marked as Exhibit "A." Grantee may, in its sole judgment, replace the preliminary plat attached hereto as Exhibit "A" with a final, or as-built, surveyed plat depicting the actual boundaries of said surface location and/or the actual boundaries or centerlines of said roadway(s) and/or pipeline(s) by recording a designation of easement location ("Designation") in the county in which the applicable Lands are situated, and any such Designation, and any exhibits thereto, shall supersede and/or replace that portion(s) of the Exhibit "A" attached hereto which has been re-surveyed and re-platted as provided herein. Upon written request, Grantee shall forward a copy of such Designation to Grantor. The location of the Surface Location Easement may be altered from the location shown on Exhibit "A" as required to obtain approval of the Colorado Oil & Gas Conservation Commission ("COGCC") (or such other governmental authority with jurisdiction therein), in which event the location of the pipelines and/or roadway easement will also be altered so as to align with the altered Surface Location Easement. In such case, Grantor agrees to execute an amendment to this Easement in recordable form indicating the correct Surface Location Easement and pipeline locations and roadway easement. Grantee shall have the right to move the Surface Location Easement in the event it becomes necessary to avoid wetland, archeological, biological or other topographical issues.

6. Grantee has the express right, privilege, and authority to construct, install, operate, maintain, repair, replace, add to, and remove electric, communication, and/or control lines either above or below the Lands as may be ancillary to the rights, or necessary to carry out Grantee's operations.

7. Without prior, written consent of the Grantee, Grantor shall not construct or permit construction within the boundaries of the Easement, and Grantee shall have the right to prevent the construction within the boundaries of the Easement and the right to remove therefrom, any and all types and sizes of houses, barns, buildings, structures, permanent impoundments of water, and natural or man-made obstructions, including but not limited to trees, brush, roots and other growth. Grantor shall not, nor permit third parties to, change the grade of the land or remove the cover over the Pipeline(s), or excavate on or near the Easement without prior written consent of the Grantee, which consent shall not be unreasonably withheld, provided same does not present an operational or safety issue for Grantee.

8. Except as otherwise set forth herein, the consideration paid hereunder, including any additional compensation due to an increase in the size of any portion of the Easement, includes payment for all damages to the Lands, and Grantor hereby acknowledges receipt and sufficiency of said payment as full and complete settlement for, and as a release of, all claims for loss, damage, or injury to property arising out of the operations contemplated hereunder. Grantee shall have the right from time to time to cut or clear trees, brush, and other obstructions on the Lands that might interfere with the operation, access to, or maintenance of, the easements granted herein or any facilities or equipment thereon relating to the rights granted herein. This Easement shall in no way diminish, lessen, or remove any rights now or hereafter held by Grantee, its successors or assigns, by and through any and all oil, gas, and mineral lease(s) or any other agreements that cover all or any portion of the Lands subject to this Easement.

9. Except with respect to the surface location, the rights-of-way and easements granted by this conveyance are non-exclusive, and Grantor reserves and retains the right to convey similar rights and easements to such other persons as Grantor may deem proper; provided, however, that all such conveyances shall be subject to Grantee's rights, and Grantee shall not be unreasonably disturbed in the use and enjoyment of the rights granted hereunder.

10. Lien waiver — Grantor waives any and all lien rights it may now or later have in equipment installed on the Lands pursuant to this Easement. Grantor agrees to keep the Lands free and clear of liens (except for existing liens set forth on Schedule 1 to this Easement) and shall immediately notify Grantee if it becomes aware of any liens filed against the Lands.

11. Right to cure — As of the Effective Date, there are no defaults with respect to any assessment(s), deed(s) of trust, mortgage(s), services, taxes, utilities or other interests related to the Lands. Grantor shall pay as and when due all amounts Grantor (or any person acting on behalf of, by, or through Grantor) owes for or in connection with any: assessments, taxes or governmental charges of any kind that may at any time be lawfully assessed or levied against the Lands; encumbrances; leases; mortgages; deeds of trust; other security interests; services; utilities; or other interests related to the Lands and/or that may create an interest in the Lands. Grantor shall satisfy all non-monetary obligations of Grantor associated with such matters, failing which Grantee may (but shall have no obligation to) pay such amounts and/or perform such obligations. In order to enable any such potential payment or performance by Grantee, Grantor agrees to give Grantee notice of any Grantor default in connection with the payment or performance of Grantor's obligations pursuant to this Section 11. Grantee shall, when possible, give Grantor notice before paying such amounts or performing such obligations. In the case of such payment or performance by Grantee, Grantor shall, within sixty (60) days after notice from Grantee, reimburse Grantee for the amount of such payment and/or the cost of such performance, or, at Grantee's option, Grantee may offset the amounts paid or costs incurred against sums to be paid Grantor under this Agreement or under any mineral lease between Grantor and Grantee.

12. Grantee agrees to perform all reclamation in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"), unless a variance is granted by the COGCC upon the request of Grantor. Grantee shall endeavor to keep the Oil and Gas Operations Area ("OGOA") and the pipeline and access easements free of weeds and debris and to control erosion. Grantee agrees to complete final reclamation by or before December 1st, 2021.

13. TO HAVE AND TO HOLD the above described Easement unto Grantee, its successors and assigns, subject to all of the provisions and conditions hereinafter contained, from the execution date of this Easement by Grantor, and for so long thereafter as some, or all, of the same shall be used for the purposes which are herein granted. Grantor does hereby grant unto Grantee, its successors and assigns, the right to freely assign or otherwise convey all or part of Grantee's interest in said Easement without obtaining the prior written or oral consent of Grantor.

14. Interest in Real Property.

(a) The Parties intend that this Easement creates, and this Easement does create, a valid, present interest in the Lands in favor of Grantee. The covenants and rights contained in and granted by this Easement are made for the direct benefit of the Lands and shall run with and against the Lands and inure to the benefit of and bind Grantor and Grantee and their respective agents, assigns, employees, heirs, lessees, mortgagees, permittees, successors, and transferees, and all entities or persons claiming by, through, or under them. Grantor shall defend title to the rights granted to Grantee by this Agreement against any person claiming all or any part of such rights, whether by, through, or under Grantor. If Grantor conveys the Lands or any part of it, any compensation due under this Easement related to that part of the Lands transferred, shall be paid to the successor in title to the Lands or, as applicable, to that part of the Lands.

(b) Neither this Easement nor the Lands shall be separately assigned, conveyed, sold, or otherwise transferred by Grantor subject to any reservation of revenues, rights, or royalties related to this Easement by way of deed, deed restriction, or other document or instrument. Nothing in this Agreement shall be deemed to limit Grantor's right to convey, sell, or otherwise transfer all or any part of the Lands; provided that any such transfer shall be subject to the conditions and terms of this Easement.

(c) Grantor and/or a party acquiring some or all of the Lands from Grantor shall, within thirty (30) days after a conveyance, sale, or other transfer of some or all of the Lands, provide Grantee a copy of the recorded vesting document related to the transfer, delivered in accordance with the notice provisions in Section 19. The failure to provide the required recorded vesting document shall not be a default under this Easement; however, Grantee shall have no obligations under this Easement to any subsequent Grantor unless and until Grantee has received such document, and notwithstanding that Grantee shall have no obligations under this Easement to a subsequent Grantor until Grantee has received such document. The Lands and the subsequent Grantor shall remain bound by the conditions and terms of this Easement.

15. Grantor acknowledges and agrees that Grantee has consulted in good faith with Grantor as to its proposed operations in accordance with COGCC requirements, or hereby waives such requirements. Grantor expressly waives the application of any COGCC setbacks inconsistent with this Agreement.

(a) Grantor agrees not to object to the Form 2A ("Oil and Gas Location Assessment"), so long as it is consistent with this Agreement, and hereby waives any right granted by COGCC rule to comment on the 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").

(b) Grantor shall not oppose Grantee in any COGCC or other governmental proceeding related to Grantee's operations, including, but not limited to, permitting, formation of drilling units, well spacing, well density, pooling, drilling, completion, stimulation, re-stimulation, workovers, deepening and recompleting, provided that Grantee's position in such proceedings is consistent with this Agreement.

(c) Grantor hereby waives its right to, and covenants that Grantor shall not protest or object to any such exception location or application for the same by Grantee, provided that such exception location is otherwise consistent with this Agreement. The bottom hole locations for each of the future wells will be determined by Grantee in the ordinary course of Grantee's economic, engineering and geologic evaluations of potential oil and gas well drill sites.

(d) Throughout the term of this Agreement, Grantee is hereby expressly granted consent to locate any number of wells within the Surface Location Easement, and for each well Grantee proposes within the Surface Location Easement, Grantor shall fully support Grantee's efforts to permit such wells including granting consent to locate any well greater than fifty (50) feet from an existing well pursuant to COGCC Rule 318A.(c) and granting consent to locate any well outside of the GWA windows as defined in COGCC Rule 318A.(a).

(e) Grantor hereby waives its right to object to the location of any of Grantee's facilities on the basis of setback requirements in the rules and regulations of the COGCC, as they may be amended from time to time, provided that in no event shall such waiver be construed as permitting any operation or location of any structure, improvement or equipment by Grantee outside the Surface Location Easement. Grantee, or its successors and assigns, may cite the waiver in this paragraph in order to obtain a location exception or variance under COGCC rules or from any other state or local governmental body. Grantor agrees not to object to Grantee's use of the surface in the Surface Location Easement so long as such use is consistent with this Agreement. Grantor will provide Grantee, or its successors and assigns, with whatever written support they may reasonably require to obtain permits from the COGCC or any state or local jurisdiction.

16. GRANTEE SHALL INDEMNIFY GRANTOR AGAINST ANY CLAIMS, DAMAGES, DEMANDS, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES) TO THE EXTENT ARISING FROM OR RELATED TO THE NEGLIGENCE OR MISCONDUCT OF GRANTEE OR ITS EMPLOYEES, AGENTS, CONTRACTORS, OR INVITEES IN THE COURSE OF THEIR EXERCISE OF RIGHTS GRANTED BY THIS INSTRUMENT, BUT NOT TO THE EXTENT CAUSED BY GRANTOR, OR ITS EMPLOYEES, AGENTS, CONTRACTORS, OR INVITEES.

17. This Easement is subject to that certain Payment Agreement dated June 11th, 2014, by and between Kent J. McDaniel and Deanna R. McDaniel, husband and wife, as "Grantor," and Great Western Operating Company, LLC, as "Grantee" ("Letter Agreement").

18. Notwithstanding any of the other provisions herein as to termination, this Easement may be terminated by Grantee at any time by giving ninety (90) days notice, in writing, to Grantor of such termination. In the event Grantor believes that Grantee is in default or breach of any of the terms of this Easement, Grantor shall give written notice to Grantee of such alleged default or breach and provide a written explanation detailing Grantor's belief. Grantee shall then have ninety (90) days within which to commence to remedy any alleged default or breach, or to assert a good-faith dispute as to the alleged default or breach.

19. Any notice provided or permitted to be given in this instrument must be in writing and may be given by depositing the notice in the United States mail, postage prepaid, certified with return receipt requested, and addressed to the party to be notified. Notice deposited in the mail in the foregoing manner shall be deemed received five (5) days after it is so deposited, excluding Saturdays, Sundays, and postal holidays. Notice given in any other manner shall be effective only if and when actually received by the party to be notified. For purposes of notice, the addresses of the parties shall be as follows until changed as herein provided:

Grantor:

Kent J. McDaniel
Deanna R. McDaniel
33389 CR 57
Gill, CO 80624

Grantee:

Great Western Operating Company, LLC
ATTN: Land Manager
1801 Broadway, Suite 500
Denver, CO 80202

Either party may designate a different address for receipt of subsequent notices by notifying the other as provided in this paragraph.

20. Grantor agrees to include a note on any annexation, subdivision plat, planned unit development or other land use designation for which Grantor may apply to put successors or assigns on notice that the Lands are subject to this Agreement. Grantee 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.

21. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be resolved by arbitration conducted in Denver, Colorado and shall be administered by the American Arbitration Association under its commercial rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

22. If any clause or provision of this Agreement is invalid or unenforceable at any time under the current laws, the remainder of this Agreement shall not be affected thereby, and this Agreement shall be modified so that in place of each such clause or provision of this Agreement there will be added, as a part of this Agreement, a legal, valid, and enforceable clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible.

23. This instrument may be executed as one document, or in several partially executed counterparts, and the original and counterparts shall be construed together and shall constitute one instrument. The failure of one or more parties to execute this instrument, or a counterpart hereof, shall not, in any manner, affect the validity and binding effect of the same as to the parties who execute said instrument. This Agreement, and any amendment hereto, shall not be recorded; Great Western may record a Memorandum of Surface Use Agreement, setting forth the identity of the parties to the Agreement, the effective date, and the lands covered by the Agreement, for the purpose of notice to third parties. Great Western shall provide Grantor with a recorded copy as soon as practicable thereafter.

24. Authority of Signatories — The signatories below declare, warrant and represent that they have the authority to enter into this Agreement on behalf of their respective principals, if any.

25. In the event Grantee's Oil and Gas Operations Area ("OGOA") interferes or overlaps any existing road, Grantee agrees to rebuild such road at Grantee's expense. Grantee further agrees not to block or deny access to any road leading to existing facilities.

26. Grantee agrees that permanent operations area will not exceed four (4) acres of land.

EXECUTED as of the date of the parties' respective acknowledgements below, but effective for all purposes as of the 11th day of June, 2014.

GRANTOR:

KENT J. MCDANIEL
DEANNA R. MCDANIEL

By:

Kent J. McDaniel

By:

Deanna R. McDaniel

GRANTEE:

GREAT WESTERN OPERATING COMPANY, LLC

By:

Steve R. Stacy, Sr. Vice President Land

EC

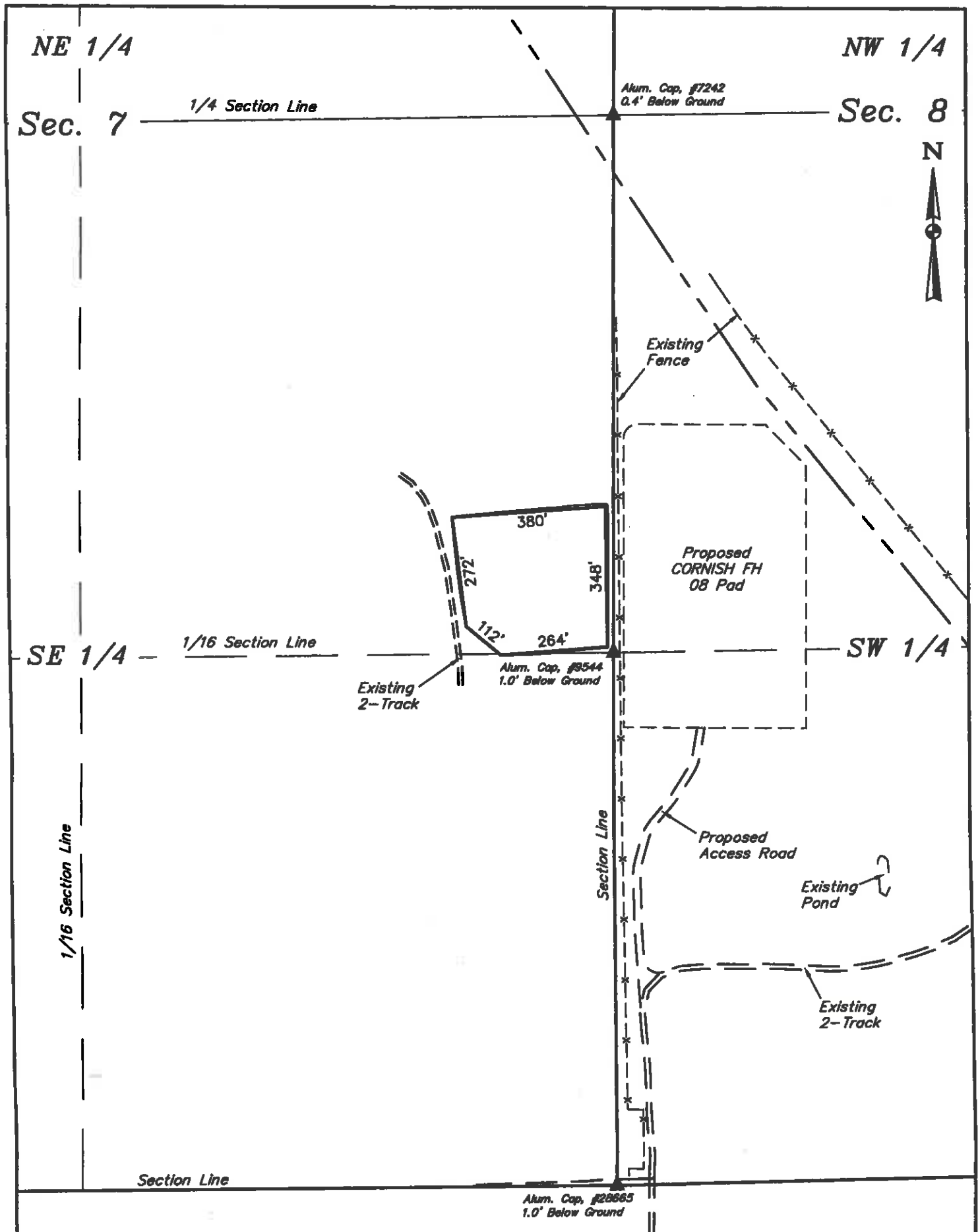
Exhibit "A"

Attached to, and made a part hereof, that certain Surface Location, Subsurface, Roadway, and Pipeline Easement dated June 11th, 2014, between Kent J. McDaniel and Deanna R. McDaniel, as Grantor; and Great Western Operating Company, LLC, as Grantee.



Exhibit "B"

Attached to, and made a part hereof, that certain Surface Location, Subsurface, Roadway, and Pipeline Easement dated June 11th, 2014, between Kent J. McDaniel and Deanna R. McDaniel, as Grantor; and Great Western Operating Company, LLC, as Grantee.



NOTES:

GREAT WESTERN OIL & GAS COMPANY

SECTION 7, T6N, R63W, 6th P.M.
NE 1/4 SE 1/4



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

DRAWN BY: J.W.	DATE DRAWN: 05-28-14
SCALE: NONE	REVISED: 00-00-00
SUA	EXHIBIT