

## LICENSE TO ENTER CITY OF THORNTON PROPERTY

The CITY OF THORNTON, a Colorado municipal corporation (hereinafter "Licensor" or "Thornton") the owner of certain real property in Weld County, Colorado, described as the Thornton-owned surface estate in the NE/4 of Section 16, Township 7 North, Range 66 West of 6th P.M, (a.k.a. Farm 112), does hereby grant permission to PDC Energy, Inc., 1775 Sherman Street, Suite 3000, Denver, Colorado 80203 (hereinafter "PDC" or "Licensee"), its employees and authorized agents, vendors, contractors and affiliates, to enter the above described property (hereinafter "Property") for the purpose of:

Conducting mitigation work to re-plug the Mobly State 41-16 ("Offset Well") located on the Property and which was abandoned on or about November, 1971. This mitigation work is being done pursuant to the Colorado Oil and Gas Conservation Commission ("COGCC") DJ Basin Horizontal Offset Policy dated June 20, 2013 ("Policy"). The COGCC has determined that the Offset Well was inadequately plugged and that this inadequacy must be mitigated by proper re-plugging and abandonment of the Offset Well pursuant to the Policy.

This License is subject to the following conditions and limitations:

1. Licensor waives any requirements to comply with the COGCC Rule 305.d and waives the twenty (20) day wait period in relation to the filing of the COGCC Form 2 for the Offset Well.
2. Licensee hereby agrees to pay for all costs incurred with regard to re-plugging the Offset Well.
3. All surveys and work allowed under this License shall be conducted in a manner that will not damage the Licensor's Property or interfere with Licensor's or its tenant or agent's use and occupancy of the Property and shall leave the surface of the Property in the same condition found except for re-plugging the Offset Well.
4. Licensee hereby agrees to promptly pay for any damages to the Property, including but not limited to damages to roads, growing crops, pasture, fences, livestock, drain tile, buildings or other improvements of Licensor, its tenants or agents, resulting from the rights granted herein.
5. Licensee hereby releases Licensor, its tenants and agents from, and shall defend and indemnify them against, any claims for injury or damages, including court costs and attorney's fees, arising from the exercise of this grant herein, except for claims arising from negligent or willful misconduct of Licensor, its tenants or agents.
6. Licensee or its agents, contractors or affiliates agree to procure and maintain in force during the term of this License, at its own cost, the following insurance coverages naming Licensor as an additional insured:

- a. Workers Compensation Insurance as required by the Labor Code of the State of Colorado and Employer's Liability Insurance.
- b. Commercial General Liability Insurance with a minimum combined single limit of \$1,000,000 each occurrence and \$1,000,000 general aggregate.

In lieu of these insurance coverages, Licensor may, at its sole discretion, accept some other protection from workers compensation and liability claims arising out of this License.

7. Licensor does not guarantee that any markers or stakes will remain on the Property for any length of time. No metal markers or flags are to be used, only wooden stakes and only if necessary.
8. Licensee agrees to furnish Licensor, at no cost to Licensor, copies of any and all reports produced by or for Licensee as a result of work done under this License. This requirement shall be limited to information directly impacting the property including but not limited to environmental and water quality data.
9. Licensee affirms that by entering into this License, Licensee agrees to cooperate with Thornton in any resulting location and placement of infrastructure so that it causes the minimum possible inconvenience and damage to Thornton and/or Thornton's Property.
10. By signing below, the representative for Licensee represents and warrants that he or she is duly authorized and has legal capacity to execute, bind and deliver this License on behalf of Licensee.
11. The parties hereto understand and agree that Thornton, its officers, and employees, are relying on, and do not waive or intend to waive, by any provision of this agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. 24-10-101 et seq., as it is from time to time amended, or otherwise available to the parties their officers, or employees.

THIS LICENSE SHALL EXPIRE ONE YEAR FROM THE APPROVED AND AGREED TO DATE BELOW.

APPROVED AND AGREED TO this 28<sup>TH</sup> day of OCTOBER, 2014.

**LICENSOR:**

CITY OF THORNTON  
A Colorado municipal corporation

By: [Signature]  
Jack Ethredge, City Manager

**ATTEST:**

[Signature] acting  
City Clerk

APPROVED AS TO FORM:  
Margaret Emerich, City Attorney

[Signature]  
Assistant City Attorney

**LICENSEE:**

PDC Energy, Inc.

By: [Signature]

Its: Vice President - Lead

STATE OF Colorado  
City of ) ss  
COUNTY OF Denver

The foregoing instrument was signed and acknowledged before me this 28<sup>th</sup> day of October, 2014, by C.F. Baldwin II.

Witness my hand and official seal.

[Signature]  
Notary Public

My Commission Expires:

