

SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement") is entered into by and between **Timbro Ranch and Cattle Company, LLC**, ("Owner"), whose address is **P.O. Box 367, Springfield, NE 68059**, 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 9 North, Range 59 West, 6th P.M.
Section 3; Lot 2, NWNE

WHEREAS, Company has obtained a Permit from the Colorado Oil & Gas Conservation Commission ("COGCC") to drill the [Timbro Ranch 1-3-9-59, 2-3-9-59, 1-34-10-59 and 2-34-10-59] from a legal location on the lands hereinabove described, as further described in the attached exhibits hereinafter referred to as the "Property", and owns the leasehold right to access said 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 \$10.00 dollars and other good and valuable consideration, 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; any material change to the disturbance area as shown in the attached Exhibits and made a part of this agreement shall require Owner approval which shall not be unreasonably withheld. 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 COGCC or exceptions granted thereto by the Director of the COGCC.

ADDITIONAL PROVISIONS

1. Company may exercise its rights hereunder for all purposes necessary or convenient for Company to perform the Operations, including the right of unimpeded ingress and egress across the Property to access the Well, and to install and operate pipelines. Any changes in the access as shown in the attached Exhibits shall require Owner approval. Company may assign or delegate to a third party the right to install and operate pipelines in order to connect the Well to a gas gathering system. The access easement shall be non-exclusive and capable of use by Owner and its successors, lessees and assigns, so long as such use does not interfere with or impair the Operations, and with the permission of Company, which permission shall not be unreasonably withheld.
2. Notwithstanding Owner's release of Company from any and all damage claims, Company shall repair to Owner's satisfaction, or otherwise compensate Owner, for damage to

personal property or to improvements on the Property, such as damage to buildings, fences, gates, culverts and livestock, or for other such extraordinary losses or damages caused by Company. Company agrees to promptly repair or compensate Owner for such extraordinary physical losses and damages, but shall not be liable for any consequential damages. Any failure to reach mutual agreement with respect to such repair or compensation shall not be deemed to constitute a breach or abrogation of this Agreement, nor to terminate or diminish the grants, conveyances, rights and obligations contained herein.

3. Company hereby agrees to indemnify and hold Owner harmless from and against any and all third party claims, losses, liability, damages, and causes of action for personal injury or property damage arising out of Company's Operations, unless, and to the extent that, Owner's negligence causes or contributes to such third party claims.

4. Owner has requested that all consultation be conducted directly with Owner. Accordingly, Owner shall have the responsibility of notifying any affected tenant, lessee or other party who may own or have an interest in any crops or surface improvements which could be affected by the Operations. Owner agrees that all damages claimed by a surface tenant, lessee or other such party resulting from the Operations shall be settled by Owner, and Owner hereby agrees to indemnify and hold Company harmless from and against any such claims.

5. Company agrees to perform all reclamation in accordance with the rules and regulations of the COGCC, unless a variance therefrom is granted by the COGCC upon the request of Owner. Company shall endeavor to keep the well pad, the production facilities, and the pipeline and access easements free of weeds and debris and to control erosion.

6. Company shall construct and install the well pad, roads, pipelines and production facilities, including, but not limited to, pumping units, tanks, heater/treaters, separators and emission control units, within the are shown on the plats attached as Exhibits hereto. Except as specified herein, including on the attached plats, Company shall not occupy the surface of the Property except in the event of an emergency or for reasonable incidental and temporary activities, and Company shall be strictly and solely responsible for any damages that may occur as a result of such emergency activities.

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.

(d) COGCC Rule 603a2 requires that the well location be 150 feet from a property line. Owner understands that that the above captioned well location falls outside of said drilling area and consents to said location as planned. Owner hereby waives any requirements to comply with the COGCC rule 603a2 for the above captioned well(s).

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.

17. It is full understood and acknowledged by Company and Owner that this Release is for the drilling and operations conducted upon the [Timbro Ranch 1-3-9-59, 2-3-9-59, 1-34-10-59 and 2-34-10-59] only. Should Company elect to drill additional wells from the same pad, Owner shall be compensated at the then prevailing rate at the time as such future well may be drilled, but not less than the compensation received related to this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement this 21 day of October, 2014.

Ron W. Timmerman
Managing Partner



Company:

CARRIZO Niobrara LLC.

Craig E. Weist, Land Manager- Western U.S.



PAID-UP SUBSURFACE WELLBORE EASEMENT

STATE OF COLORADO

§

COUNTY OF WELD

§

WHEREAS, Timbro Ranch and Cattle Company ("**Grantor**"), is the Lessee and/or surface owner 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 and or Owned Premises for purposes of operating and producing the 1-3-9-59 and 2-3-9-59, 1-34-10-59 and 2-34-10-59 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 and/or Owned 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
{00118123.1}

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 15th day of October, 2014.

GRANTOR: Timbro Ranch and Cattle Company BY: <u>Ron W. Timmerman</u> <u>Managing Partner</u> Name: <u>[Signature]</u>	GRANTEE: CARRIZO (NIOBRARA) LLC By: <u>Craig Weist</u> Name: <u>[Signature]</u> Title: Land Manager- Western US.
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STATE OF COLORADO;
COUNTY OF Weld; TO-WIT:

On this 21 day of October, 2014, before me, the undersigned, personally appeared Ron W. Timmerman, 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 the capacity of Managing Partner, Timbro Ranch and Cattle Company and that the same was executed for the purposes contained therein as the act and deed of said corporation.



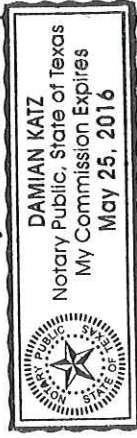
My commission expires:

[Signature] 7-7-2016
Notary Public

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

On this 31 day of October, 2014, before me, the undersigned, personally appeared Craig Weist, 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 WEISTEN UJ - LAND MANAGER 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:



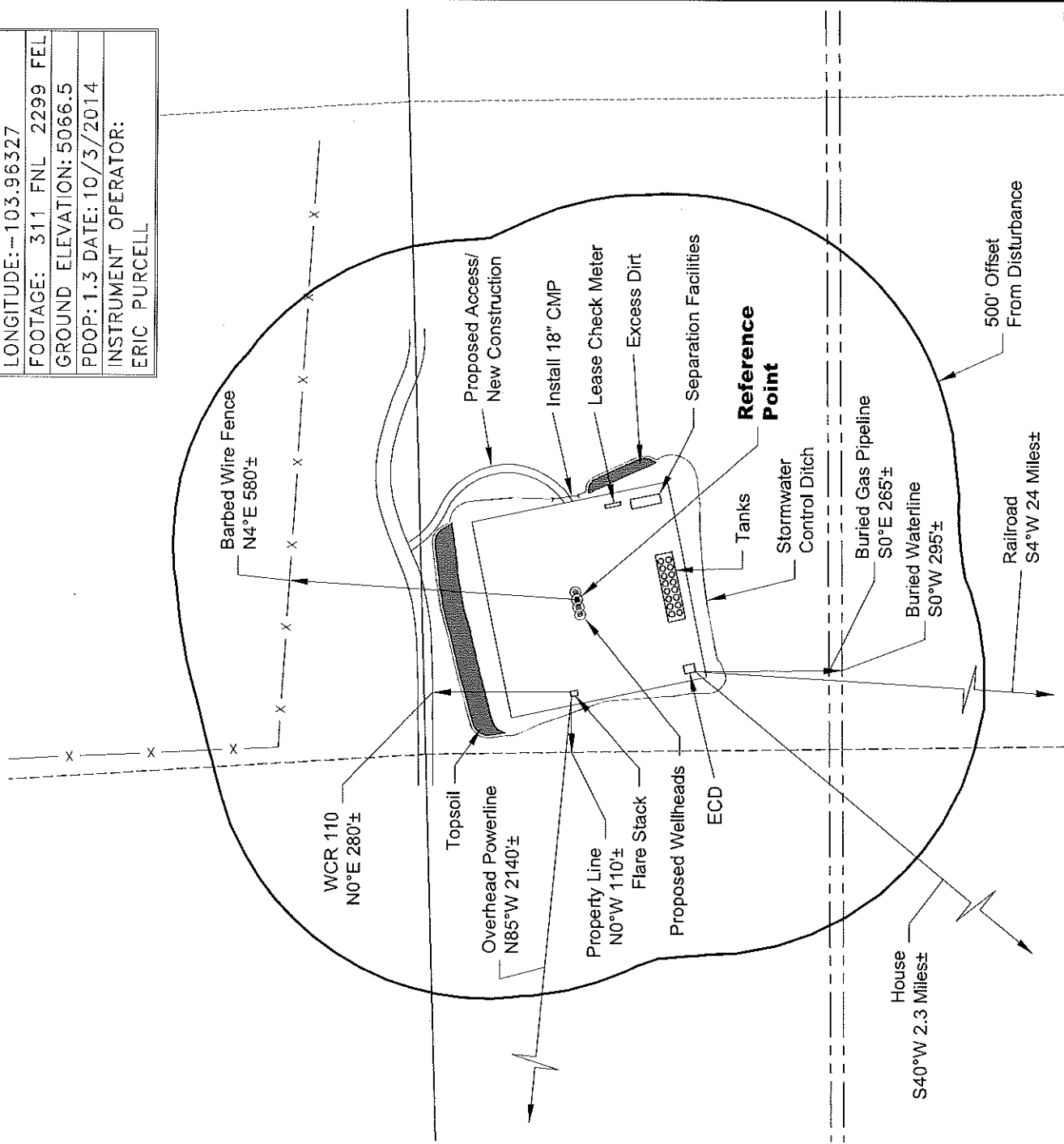
5/25/2016
DAMIAN KATZ
Notary Public

PLANT COMMUNITY:
DISTURBED GRASSLAND

SURFACE USE:
RANGELAND

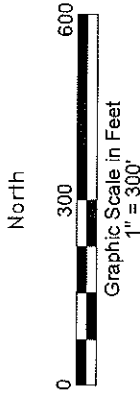
LOCATION DRAWING

REFERENCE POINT
LATITUDE: 40.78625
LONGITUDE: -103.96327
FOOTAGE: 311 FNL 2299 FEL
GROUND ELEVATION: 5066.5
PDOP: 1.3 DATE: 10/3/2014
INSTRUMENT OPERATOR: ERIC PURCELL



NOTE:
ALL PRODUCTION FACILITIES WILL BE ON PAD.

PAD DISTURBANCE ACREAGE:
6.4± DRILLING OPERATIONS



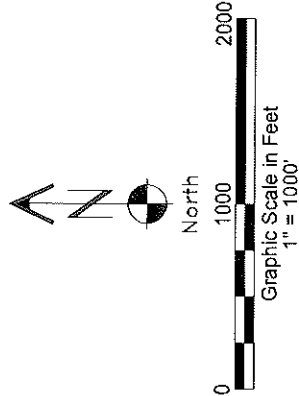
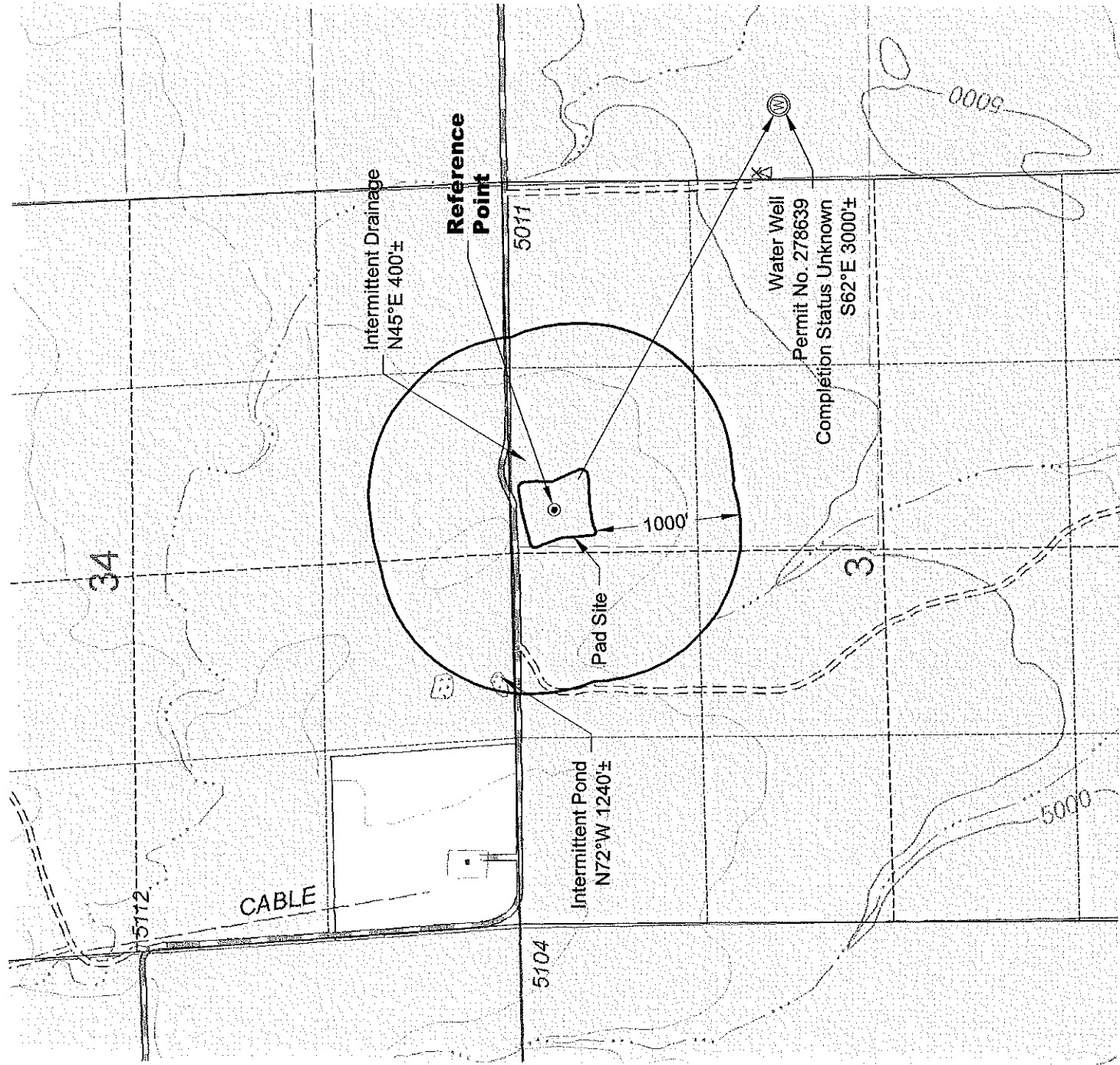
LAND SURVEYING AND MAPPING
LAFAYETTE - WINTER PARK
Ph 303 666 0379 Fx 303 665 6320

CARRIZO NIOBRARA LLC
TIMBRO RANCH 1-3-9-59 PAD

LOT 2 SECTION 3 T9N R59W
6th PM WELD COUNTY COLORADO

10/7/14

HYDROLOGY MAP



10/7/14

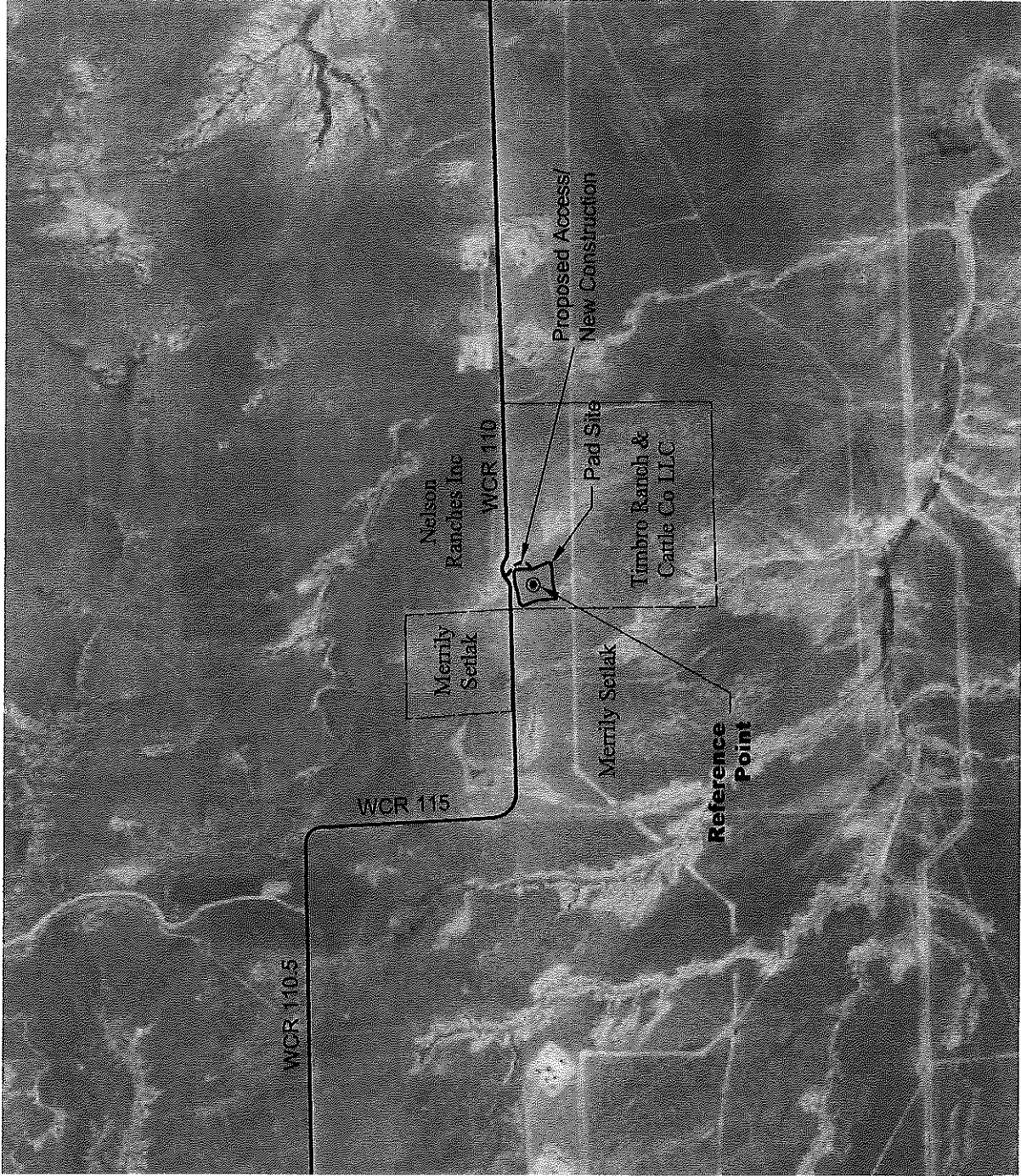


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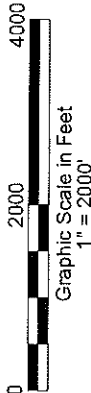
LOT 2 SECTION 3 T9N R59W
6th PM WELD COUNTY COLORADO

ACCESS ROAD MAP



DRIVING DIRECTIONS:

From Town of Keota, beginning at intersection
of WCR 390 & WCR 103; North on WCR 390
MP 3.5 Right on WCR 104
MP 9.3 Left on WCR 111
MP 12.3 Right on WCR 110
MP 13.3 Left on WCR 113
MP 13.8 Right on WCR 110.5
MP 14.8 Right on WCR 115
MP 15.3 Left on WCR 110
MP 15.8 Right on Access to Timbro Ranch 1-3-9-59 Pad
MP 15.9 Timbro Ranch 1-3-9-59 Pad



10/7/14

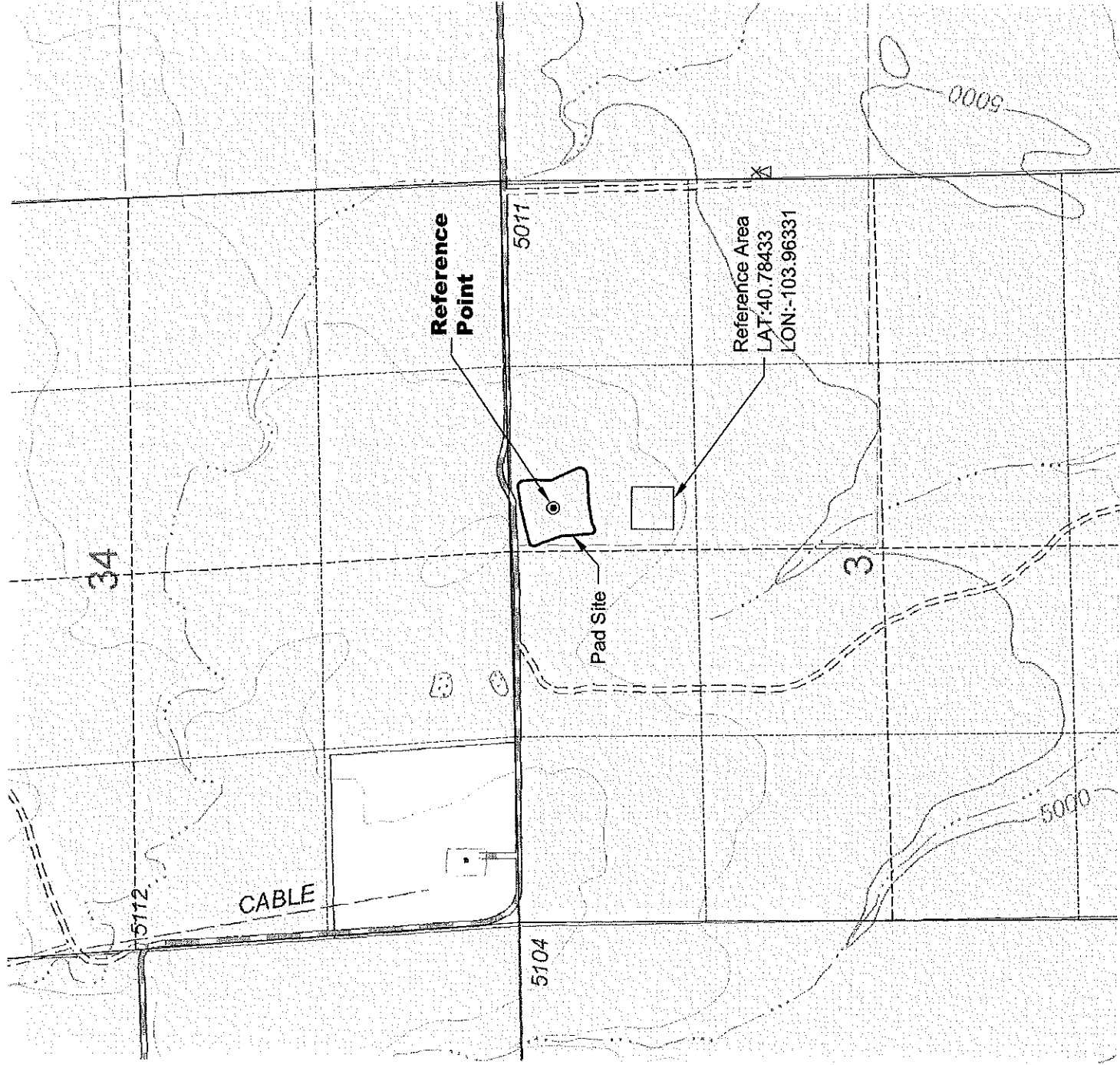


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CARRIZO NIOBRARA LLC
TIMBRO RANCH 1-3-9-59 PAD

LOT 2 SECTION 3 T9N R59W
6th PM WELD COUNTY COLORADO

REFERENCE AREA MAP



North



Graphic Scale in Feet

1" = 1000'

10/7/14



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CARRIZO NIOBRARA LLC
TIMBRO RANCH 1-3-9-59 PAD

LOT 2 SECTION 3 T9N R59W
6th PM WELD COUNTY COLORADO

CONSTRUCTION LAYOUT DRAWING

PAD= 400'X400' ELEV= 5065.7'

ELEV= 5065.7'

DISTURBED AREA= 6.4± ACRES

ESTIMATED DIRT QUANTITIES

CUTx10%	FILL	TOPSOIL	EXCESS
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19,650	15,670	3,890	90
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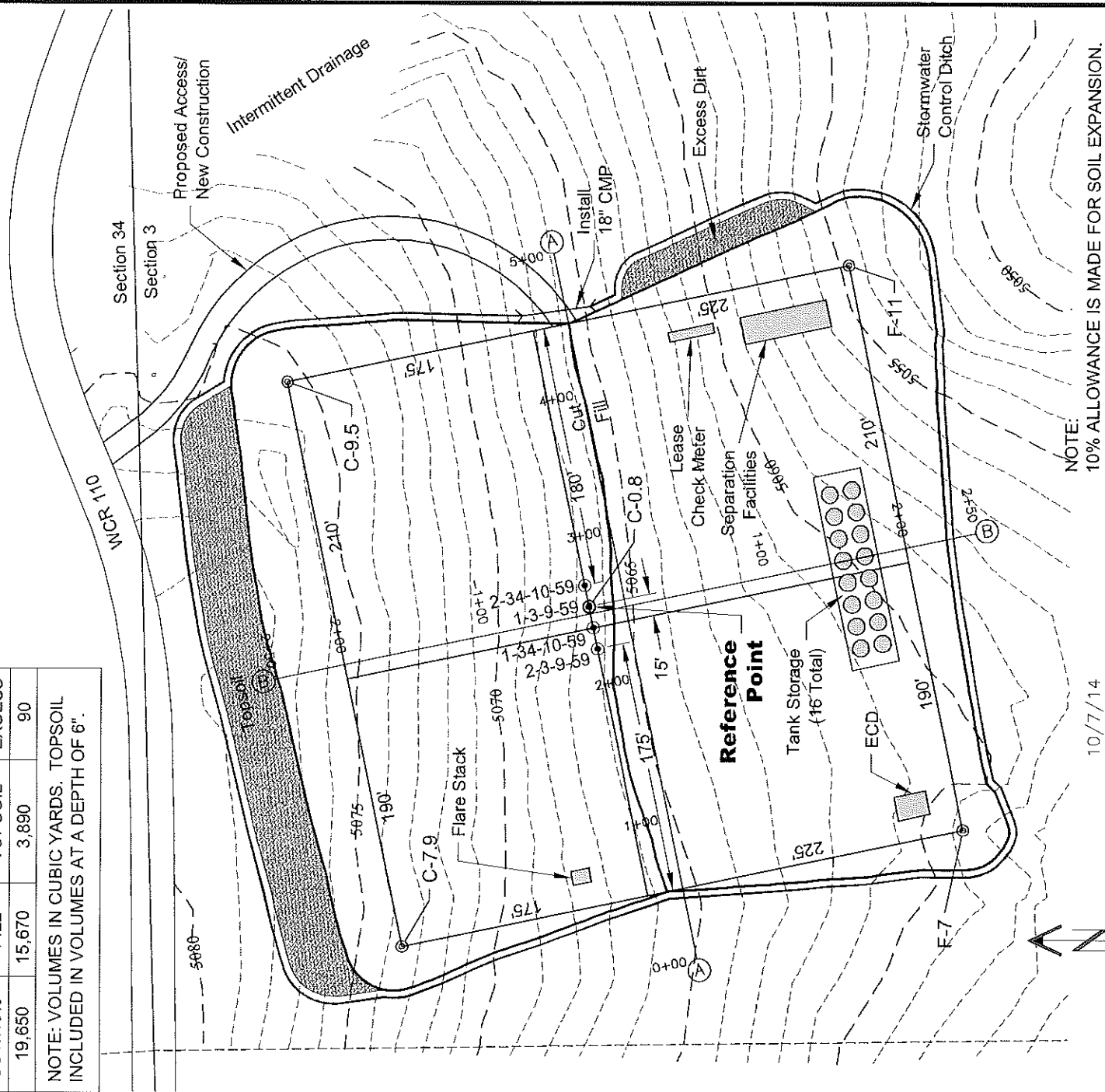
NOTE: VOLUMES IN CUBIC YARDS. TOPSOIL

NOTE: VOLUMES IN CUBIC YARDS. TOPSOIL INCLUDED IN VOLUMES AT A DEPTH OF 6".

19,650	15,670	3,890	90
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NOTE: VOLUMES IN CUBIC YARDS. TOPSOIL

INCLUDED IN VOLUMES AT A DEPTH OF 6".



10/7/14

NOTE:
10% ALLOWANCE IS MADE FOR SOIL EXPANSION.



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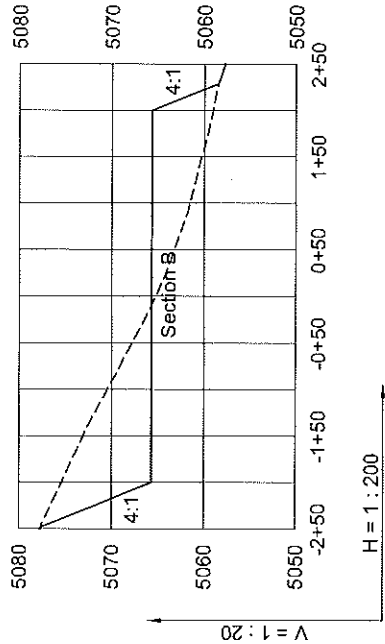
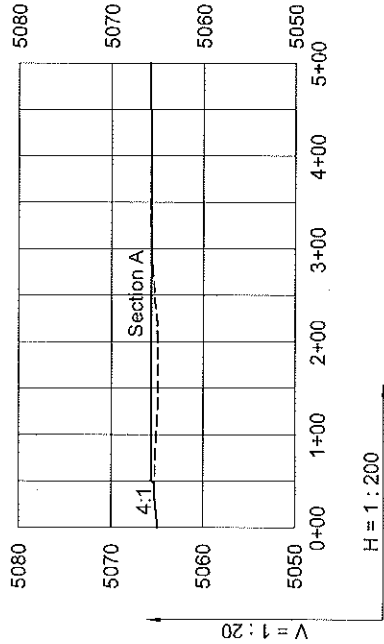
CARRIZO NIOBRARA LLC
TIMBRO RANCH 1-3-9-59 PAD

**LOT 2 SECTION 3 T9N R59W
6th PM WELD COUNTY COLORADO**

DWG: G:\GEOSURV\WeidzNorth\Carizo 110004\Wellplots\Timbro Ranch 1-3-9-59\Timbro Ranch 1-3-9-59 FZA R1.dwg
USER: MTC
DATE: Oct 07, 2014 3:14pm

CONSTRUCTION LAYOUT DRAWING

2 of 2



10/7/14

----- Existing Ground
_____ Proposed Grade



LAND SURVEYING AND MAPPING
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CARRIZO NIOBRARA LLC
TIMBRO RANCH 1-3-9-59 PAD

LOT 2 SECTION 3 T9N R59W
6th PM WELD COUNTY COLORADO

MULTI-WELL PLAN

The diagram is a plan view of a well field. It features a central 'Pad Site' represented by a rectangle with an 'X' inside. Surrounding the pad are several wells, each marked with a circle and a number. The wells are labeled as follows: 1-34-10-59, 2-34-10-59, 2-3-9-59, 1-3-9-59, and 3. Dimensions are provided for various distances: 254' and 200' from the left edge to the first well; 600' from the first well to the pad; 2158' and 2150' from the pad to the right edge; 154' and 300' from the pad to the bottom edge; and 2175' from the bottom edge to the last well. A dashed line runs vertically through the center of the pad. A north arrow is located in the top right corner of the plan area.

A north arrow pointing towards the top right of the page. Below it is a graphic scale bar with markings for 0, 1500, and 3000 feet. The text 'Graphic Scale in Feet' and '1" = 1500'' is written below the scale bar.

- Landing Point
- Horizontal Lateral TD

The logo for GEO SURV, featuring a stylized globe with a grid pattern and the text 'GEO SURV' in a bold, sans-serif font.

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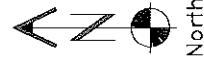
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LOT 2 SECTION 3 T9N R59W
6th PM WELD COUNTY COLORADO

10/7/14

\\G:\GEO\SURV\WeldNorth\Carrizo 110004\WeldNorth\Timbro Ranch 1-3-9-59\F2A R1.dwg DATE: Oct 07, 2014 3:14pm USER: MTC

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Graphic Scale in Feet
1" = 150'