

## FIRST AMENDMENT TO THE SURFACE USE AND EASEMENT AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this 11th day of September, 2014 ("Effective Date") by and between Watson Ranches, LTD., whose address is P.O. Box 383, Meeker, CO 81641-0383, hereinafter called ("Owner"), and Ursa Operating Company LLC, whose address is 1050 17th Street, Suite 2400, Denver, Colorado 80265, hereinafter called ("Operator").

WHEREAS, Owner is the owner of the surface of the lands depicted on Exhibit A attached hereto and made a part hereof and further described as follows:

**Township 7 South, Range 95 West, 6<sup>th</sup> P.M., Garfield County, Colorado**

A parcel of land located in the SW/4 of Section 17, a deed to which is recorded at Book 1091, Page 328. Also known as Parcel #240717300129 according to Garfield County, Colorado Assessor's Office and comprised of 44.00 acres more or less.

Hereafter the ("Lands").

WHEREAS, On April 7, 2009, Owner and Operator entered into an OIL AND GAS LEASE ("Lease") which contained certain provisions and limitations regarding Operator's use of the Lands for its Operations. Prior to entering into this Agreement and under the terms of the Lease, Operator constructed a road, installed pipelines, and constructed and drilled wells from the Watson A Pad.

WHEREAS, on January 26, 2011, Owner and Operator entered into a Surface Use and Easement Agreement ("SUA") which contained provisions for an additional pad location within the above described lands called the Watson Ranch B Pad. Those provisions expired on January 26, 2014, however, it is the intent of this Amendment to reinstate all authorizations regarding the Watson Ranch B Pad.

WHEREAS, Since that time, Operator has determined that it will need to conduct additional operations on the Lands which may or may not have been provided for in the Lease or the original Surface Use and Easement Agreement.

WHEREAS, Owner and Operator desire to enter into this Agreement to stipulate the terms and conditions under which Owner will permit use of the Lands by Operator.

WHEREAS, it is the intent herein that this Agreement will supersede any conflicting terms in the Lease and original Surface Use Agreement with regard to surface use on the Lands and all operations from the effective date of this Agreement shall be governed by this Agreement.

NOW, THEREFORE, in consideration of ten dollars (\$10.00) and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, Owner and Operator agree as follows:

1. **Surface Ownership.** Operator desires to explore for and produce oil and gas and associated hydrocarbons on the Lands as depicted on Exhibit A attached hereto and made a part hereof for all purpose.

**Watson Ranch B Pad:**

1. **Right to Utilize Location.** Owner authorizes and grants to Operator the right to construct and utilize the Watson Ranch B Pad as depicted on Exhibit A. The pad location will be 350' x 800' which will total approximately 6.43 acres.

- [REDACTED]
4. **Grant of Easement.** Owner hereby grants to Operator a right-of-way and easement on, over, through and across the Lands for the purpose of drilling, completing, operating and producing gas wells, conducting reservoir fracture stimulation operations, re-completing and monitoring wells therefore, together with the right-of-way and easement on, over, through and across the Lands necessary to construct operate, maintain and repair (including but not limited to) access roads, fluid retention reservoirs, frac sand burial, cuttings disposal, well sites, tank batteries, compressors, electrical lines, facilities, pipelines (both water and gas), for both conducting operations and handling production from the Lands. Within 60 days of written request by Owner, Operator will furnish to Owner an as-built plat showing the location of any pipeline installed on the Lands. Owner agrees that Operator may file in the real property records of Garfield County, Colorado on behalf of Owner appropriate documentation evidencing the location of any pipelines on the Lands.

5. [REDACTED]

6. [REDACTED]

7. [REDACTED]

In witness whereof, Owner and Operator have executed this Agreement effective the date shown above regardless of the date of execution.

**OWNER:**

Watson Ranches, LTD.

By

  
James L. Watson, General Partner

**OPERATOR:**

Ursa Operating Company LLC

By

  
Donald E. Simpson, Vice President

ACKNOWLEDGMENTS

STATE OF Colorado §

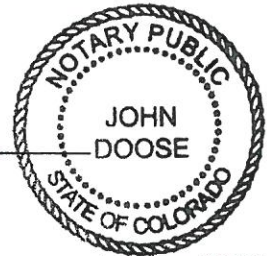
COUNTY OF Garfield §

The foregoing instrument is acknowledged before me, a notary public, this 11 day of September, 2014, by James L. Watson, General Partner of Watson Ranches, LTD.

Witness my hand and official seal.

My commission expires: 11/8/2015

John Dooze  
Notary Public



My Commission Expires 11/08/2015

STATE OF COLORADO §

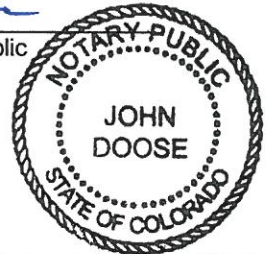
COUNTY OF GARFIELD §

The foregoing instrument is acknowledged before me, a notary public, this 11 day of September, 2014, by Donald E. Simpson, Vice President of Ursa Operating Company LLC on behalf of said corporation.

Witness my hand and official seal.

My commission expires: 11/8/2015

John Dooze  
Notary Public



My Commission Expires 11/08/2015

## EXHIBIT A

Attached to and made part of that AMENDMENT TO SURFACE USE AND EASEMENT AGREEMENT made and entered into this 10<sup>th</sup> day of September, 2014






*11/7/14*  
*J. Lind* *J. Lind*



Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

### Conceptual Site Information

Approximate Pad Center: 39.43347131, -108.02198584  
Approximate Pad Size: 350' x 800'  
Landowner Approval (Date): 9/10/14

-  Proposed Pad Location
-  Access Route
-  Pipeline Route
-  Property Line
-  Local Roads

Information provided by COGCC



**Ursa** OPERATING COMPANY

### Watson Ranch B Pad

*Exhibit A to 1st Amendment of  
Surface Use and Easement Agreement*

*Section 17, Township 7 South, Range 95 West  
Garfield County, Colorado*



0 200 400 Feet

Author: J. Lind  
Revision: 1  
Date: 09/10//2014