

SURFACE DAMAGE AND RELEASE AGREEMENT

This Surface Damage and Release Agreement (this "Agreement") is made and entered into this 16th day of February, 2015 by and between Brent L. McCracken and Karen McCracken, husband and wife ("Surface Owner") with an address at 8325 CO Rd. CC, Flagler, Colorado 80815 and **Duncan Oil Partners, LLC ("Duncan")** with an address at 1777 S. Harrison St, PH-1, Denver, Colorado 80210.

WHEREAS, Surface Owner represents that they are the owners in fee and in possession of the surface estate for the following described lands in Washington County, Colorado, hereinafter referred to as ("Lands"), to wit;

Township 3 South, Range 53 West, 6th P.M.
Section 34: N2
Section 35: N2SE

WHEREAS, Surface Owner and Duncan wish to memorialize their agreement concerning the payment for damages to the surface of the Lands in connection with the access to and the drilling, construction, completion, recompletion, reworking, re-entry, production, maintenance and operation of the Well and all pipelines, tank batteries and other facilities or property of Duncan or its affiliates associated with the Well and located on the Lands.

THEREFORE, in consideration of ten dollars and other valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Duncan has the right of ingress and egress and to the use of those portions of the Lands which it requires for oil and gas exploration, development and production operations, including tank batteries and other production facilities and the transportation of produced substances from the leasehold, and also the right to construct and use roads and pipelines across portions of the Lands. Duncan shall pay Surface Owner as liquidated damages the following sum as full settlement and satisfaction of all damages growing out of, incident to, or in connection with the usual and customary exploration, drilling, completion, sidetracking, reworking, equipping and production operations, contemplated by the oil and gas leases covering the Lands, unless otherwise specifically provided herein:

Redacted for each wellsite located on the Lands, together with any lands used for road purposes, production facilities, pipelines or other necessary facilities in connection with the wellsites. If, by reasons directly resulting from the operations of Duncan, there is damage to real or personal property upon the Lands which is not associated with usual and customary operations, such as (but not limited to) damage to livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, and natural water ways, such damage will be repaired or replaced by Lessee, or Lessee will pay reasonable compensation to Surface Owner for such additional damage.

2. Duncan is responsible for acquiring all necessary permits, licenses, fees, etc. incident to its operations on the Lands.
3. In the event any well hereunder is plugged and abandoned, Duncan agrees that Duncan will, within a reasonable time, restore Surface Owner's surface estate as near as practical to its original condition found prior to Duncan's operations. It is understood and agreed that Surface Owner may elect in writing, prior to cessation of operations of Duncan, to have any road constructed under the terms of this Agreement remain upon the property, in which event Duncan agrees to leave such road or roads in reasonable condition.
4. In the event Surface Owner considers that Duncan has not complied with all its obligations hereunder, both express and implied, Surface Owner shall notify Duncan in writing, setting out specifically in what respects Duncan has breached this contract. Duncan shall then have sixty (60) days to meet or commence to meet all or any part of the breaches alleged by Surface Owner. The service of said notice shall be precedent to the bringing of any action by Surface Owner for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. In the event of litigation, the prevailing party's reasonable attorney's fees will be paid by the opposing party.
5. Surface Owner expressly acknowledges that this Agreement satisfies the obligations and requirements of Duncan pursuant to Colorado Oil and Gas Conservation Commission rules and regulations and Colorado statutes to consult in good faith with Surface Owner regarding proposed oil and gas operations on the Land. Surface Owner expressly acknowledges that this Agreement shall be deemed to be specifically applicable to, and to satisfy fully, the obligation of Duncan to accommodate the Surface Owner's use of the surface of the Land, existing and future, and Surface Owner waives any statutory or common law claims to the contrary including, but not limited to, any claims pursuant to C.R.S. 34-60-127. Surface Owner also acknowledges that Duncan has fully complied with all other applicable governmental regulations and statutes, if any, relating to the settlement of the damages contemplated herein.
6. Surface Owner acknowledges that Duncan's representative has met with and consulted with Surface Owner as to the location of the wellsite, access road, flowline, tank battery and other associated production facilities and that this Agreement incorporates the results of such meeting(s) and consultation(s).
7. This Agreement shall remain in full force and effect from the date hereof and for so long thereafter as Lessee's oil and gas operations affecting the Lands are in effect.
8. In conducting operations, Duncan shall:
 - A. Limit the size of the wellsite to approximately 420 feet by 450 feet during any drilling, completion, recompletion or workover operations, and the wellsite shall be no more than 2.75 acres in size during other periods. The access road shall be

limited to approximately 40 feet in width during drilling, completion, recompletion and workover operations. The permanent access roads to the wellhead and tank battery location shall be limited to 20 feet in width.

B. Separate the top soil at the time of excavation of pits so that the top soil and subsurface soil may be placed back in proper order as nearly as possible.

C. Reclaim the wellsite as nearly as practicable to its original condition and, if the location is in pasture, reseed the location with native grasses. Weather permitting, reclamation operations shall be completed within three months following drilling and subsequent related operations, unless Duncan and Surface Owner mutually agree to postponement because of crop or other considerations.

D. Use its best efforts to keep the Well and battery sites free of weeds and debris.

9. Surface Owner waives the minimum thirty (30) day written notice requirement described in the Oil and Gas Well Notification, Consultation and Reclamation Rules provided by Duncan to Surface Owner.
10. Please see the "Addendum" attached hereto and made a part hereof, which references onsite waste water management of drilling fluids and associated drill cuttings.
11. It is the intention of this agreement to replace the previous Surface Damage and Release Agreement entered into and between Brent L. McCracken and Karen McCracken, husband and wife ("Surface Owner"), and Duncan Oil Partners, LLC ("Duncan"), dated January 14, 2015.
12. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties.

IN WITNESS WHEREOF, the parties have set their hands on the day and year first written above.

Duncan Oil Partners, LLC

By:

John V. Cestia, Vice President of
Duncan Oil, Inc., as AIF

SURFACE OWNER(S)

Brent L. McCracken

Brent L. McCracken

Karen McCracken

Karen McCracken

STATE OF COLORADO
COUNTY OF DENVER

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared _____, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____, and acknowledged to me that _____ executed the same as the free and voluntary act and deed of such corporation, for the use and purposes therein set forth.

Given under my hand and seal of office, this the _____ day of _____, 2015.

My Commission Expires:

Notary Public:
Address:

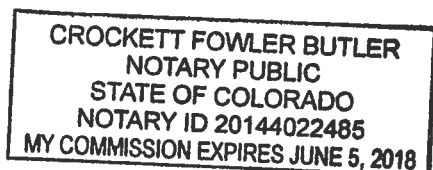
STATE OF Colorado
COUNTY OF Denver

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Brent L. McCracken and Karen McCracken, husband and wife, to me known to be the identical person(s) described in and who executed the foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the use and purposes therein set forth.

Given under my hand and seal of office, this the 3rd day of March, 2015.

My Commission Expires: 6/5/2018

Crockett F. Butler
Notary Public: Crockett F. Butler
Address: 3226 York St
Denver, CO 80205



ACKNOWLEDGEMENT

STATE OF COLORADO)
)
COUNTY OF DENVER)

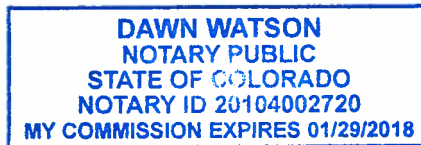
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This instrument was acknowledged before me, the undersigned officer on the 3rd day of March, 2015, by John V. Cestia, the Vice President of Duncan Oil, Inc., as Attorney-in-Fact for DUNCAN OIL PARTNERS, LLC, a Colorado Limited Liability Company, on behalf of said limited liability company.



Notary Public

My commission expires: 1/29/2018



"ADDENDUM"

Attached to and made a part of that certain Surface Damage and Release Agreement dated February 16, 2015,
between Brent L. McCracken and Karen McCracken and Duncan Oil Partners, LLC

BK 1 Well - Duncan Oil Partners, LLC
E&P Waste Management For
Water-Based Bentonitic Drilling Fluids & Associated Drill Cuttings

These guidelines outline the operational requirements for handling water-based bentonitic drilling fluids and associated drill cuttings to maintain compliance with COGCC 900 Series Rules. Only water-based bentonitic drilling fluids and associated drill cuttings will be directed into the onsite pit by Duncan Oil Partners, LLC (Duncan). Evaporation and burial of drilling fluids and drill cuttings will be tested prior to pit closure to ensure compliance with COGCC Table 910-1 that hydrocarbon concentrations do not exceed 10,000 ppm TPH.

1. Only water-based bentonitic drilling fluids and associated drill cuttings generated by Duncan Oil will be applied at the site. No other E&P waste shall be deposited in the pit.
2. If required by COGCC – a pit liner will be installed prior to use and removed and disposed of at an approved commercial disposal facility prior to pit closure.
3. Drilling fluids are discharged into the reserve pit prior to drilling into the oil bearing reservoir. When encountering oil, the drilling fluids will be diverted to a separation system. From the Operator, fluids (including oil) and cuttings will be transferred to storage tanks. Small quantities of oil may inadvertently flow into the reserve pit while flow is being diverted to the separation system.
4. During drilling operations, on-site drilling personnel will monitor the pit fluid level on a 24-hour basis to ensure the minimum required 2 feet freeboard is maintained.
5. Pit cuttings will be left to evaporation & burial by mixing contents with the original pit stockpile. During drilling operations, to prevent overfilling, any excess amount of fluids will be disposed to an authorized local commercial facility, as well as any oil contaminated cuttings. Upon closure of pit, cuttings left in pit shall meet the standards listed in Table 910. If a synthetic pit liner was used it shall be removed and disposed per COGCC, Series 900 rules to an authorized local landfill.
6. The Site Investigation and Remediation Work Plan (Form 27) will be prepared and submitted to the COGCC along with cuttings test results prior to closure.

By signing below, the Surface Owner hereby authorizes Duncan Oil Partners, LLC to bury drilling cuttings in the onsite pit pursuant to the guidelines as herein stated.

SURFACE OWNER(S)



Brent L. McCracken



Karen McCracken