

SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement") is made and entered into on the date of execution of this Agreement and is made by and between Richmark Real Estate Partners, LLC, a Colorado limited liability company with an address of 5200 W 20th Street, Greeley, Colorado 80634 (referred to as "Richmark"), on the one hand, and Extraction Oil and Gas, LLC, a Delaware limited liability company with an address of 1888 Sherman Street, Suite 200, Denver, CO 80203 (referred to as "Extraction").

RECITALS

WHEREAS, Richmark is the sole owner in and to the surface of a certain parcel of land located in Weld County, Colorado, as described in the Exhibit "A" attached hereto and made a part hereof (the "Property");

WHEREAS, Richmark represents that it owns the Property and that the Property is free and clear of liens and claims, except the current year taxes and assessments; subject to those matters which appear of record in the records of the Clerk and Recorders Office, Weld County, Colorado, matters which may be revealed by survey and inspection and zoning, subdivision and other use regulation of the City of Greeley, Colorado;

WHEREAS, Extraction represents that it is a registered oil and gas Operator in Colorado and owns certain leasehold interest in minerals that can be accessed and developed by the drilling of a well or wells from the Property;

WHEREAS, Extraction and Richmark have agreed upon the terms of this agreement pursuant to which Extraction may drill oil and gas wells on the surface of the Property with bottom hole locations as provided in this Agreement;

WHEREAS, the parties agree that the Oil and Gas Facilities shall be located as depicted on Exhibit "B", attached hereto and made a part hereof, and Extraction, as Operator shall conduct its operations on the Property in accordance with and comply with the rules and regulations of the COGCC;

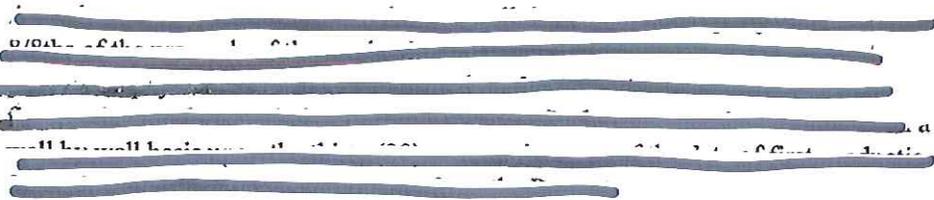
WHEREAS, the parties enter into this Agreement in order to minimize the surface impact and to protect the value of the surface estate owned by Richmark by providing for a multi-well pad site and to permit Extraction to develop the oil and gas reserves underlying and adjacent to the Property;

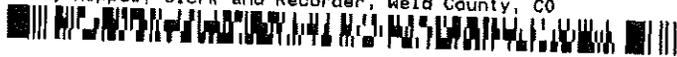
AGREEMENT

NOW, THEREFORE, in consideration of the premises, they payments made and to be made hereunder, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is herein acknowledged, Richmark and Extraction agree as follows:

1. The Recitals set forth above are incorporated in this Agreement as though fully restated in the Paragraph 1.
2. Extraction may use the surface of the Property to conduct oil and gas operation, including, without limitation, to drill, complete, operate, frac and refrac, rework, redrill, recomplete, deepen, and maintain oil and gas wells and to obtain easements for and install and maintain

flow lines and pipelines. The parties specifically agree that the wells drilled on the Property pursuant to this Agreement may have bottom locations on lands other than the Property.

3. The wellheads, production facilities, vapor recover and flare units, tanks, separators and other equipment to be utilized by Extraction in connection with the oil and gas wells that it has drilled and may drill on the Property pursuant to this Agreement ("Equipment") will be located generally as depicted on Exhibit "B" and this Agreement expressly governs the locations of wells and production facilities on the surface estate. The location of flow lines and pipelines shall be determined at a subsequent date.
 - a. Richmark and Extraction recognize and agree that in order to minimize the surface impact to and to protect the value of the surface estate and to allow Extraction to conduct oil and gas operations on the Property, Extraction will comply with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC") existing as of the date of mutual execution of this agreement and that the agreed upon locations depicted herein comply with all safety requirements of the COGCC rules.
 - b. If Extraction is not able to locate the Equipment or any additional Equipment at the exact locations depicted on Exhibit "B" the locations may be modified as appropriate.
4. Richmark and Extraction agree that the Property may be used by Extraction to conduct any oil and gas operations that may be reasonably necessary, useful or convenient for the production of oil and gas from the surface of the Property
5. In consideration of this Agreement, Extraction has agreed to pay Richmark the following payments:
 - a. A one-time surface  well for each well that is drilled on the Property. The payment will be made by Extraction to Richmark, which represents that there are no other persons or entities entitled to any portion of the payments to be made on a well by well basis to Richmark, prior to the commencement of the wells on a well-by-well basis.
 - b. 
 - c. If Extraction or any successor recompletes a well in additional formations or to additional depths other than originally completed and produced or if Extraction or any successor drills and produces a new lateral from an existing wellbore, the well shall be considered a new well. As to any such new well there shall be a thirty (30) year payment term beginning from the date of first production from such new well.



6. This Agreement shall remain in full force and effect for a term of five (5) years from the date of execution hereof and for so long as any of the wells drilled on the Property are producing oil and/or gas and associated hydrocarbons in "paying quantities". For the purposes of this Agreement, "paying quantities" means on a well-by-well basis, proceeds from production exceed the lease operating expenses on a month to month basis and that no well shall be considered not to be producing in paying quantities unless and until lease operating expenses exceed revenues for a period of six consecutive months of actual production.

[SIGNATURE PAGE AND ACKNOWLEDGEMENT TO FOLLOW]

SIGNED this 26TH day of JUNE, 2015

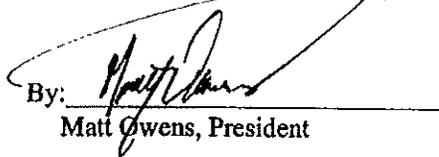
RICHMARK REAL ESTATE PARTNERS, LLC

EXTRACTION OIL AND GAS, LLC

By:


Arlo Richardson, President of Richmark Holdings, Inc., Manager of Richmark Real Estate Partners, LLC

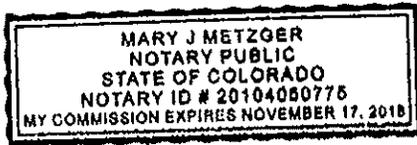
By:


Matt Owens, President

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing was acknowledged before me this 26 day of June, 2015 by Arlo Richardson, President of Richmark Holdings, Inc., Manager of Richmark Real Estate Partners, LLC.

Witness my hand and seal.



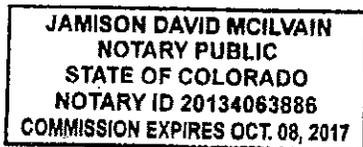

Notary Public

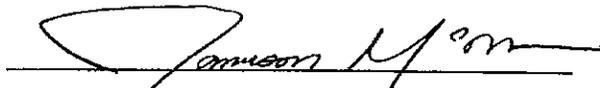
My Commission Expires: 11/17/18

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing was acknowledged before me this 26TH day of JUNE, 2015 by Matt Owens, President of Extraction Oil and Gas, LLC.

Witness my hand and seal.




Notary Public

My Commission Expires: OCTOBER 08, 2017



EXHIBIT "A"
DESCRIPTION OF LANDS

ALL THAT PART OF LOTS 2 AND 3 OF THE NORTHEAST QUARTER (1/4) OF THE NORTHWEST QUARTER (1/4) OF SECTION 9, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M., IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO, LYING SOUTH AND EAST OF THE CENTERLINE OF THE CACHE LA POUFRE RIVER. EXCEPTING THEREFROM THE SOUTH 30 FEET OF LOTS 2 AND 3;

TOGETHER WITH THAT PORTION OF VACATED ROAD RIGHTS-OF-WAY ADJACENT TO SUBJECT PARCEL AS VACATED BY RESOLUTION RECORDED SEPTEMBER 14, 2007 AT RECEPTION NO. 3504085.

AND

ALL OF LOTS 4 AND 5 OF THE NORTHEAST QUARTER (1/4) OF THE NORTHWEST (1/4) OF SECTION 9, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M., IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO, ACCORDING TO THE SUBDIVISION OF LANDS BY THE UNION COLONY COMPANY OF COLORADO.

TOGETHER WITH THAT PORTION OF VACATED ROAD RIGHT-OF-WAY ADJACENT TO SUBJECT PARCEL AS VACATED BY RESOLUTION RECORDED SEPTEMBER 14, 2007 AT RECEPTION NO. 3504085.

AND

ALL OF LOT 3 AND THE NORTH 361.05 FEET OF LOT 4 OF THE SOUTHEAST QUARTER (1/4) OF SECTION 9, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M., IN THE CITY OF GREELEY, COUNTY OF WELD, STATE OF COLORADO.

EXCEPT THAT PART OF LOT 3 LYING WITHIN THE FOLLOWING DESCRIBED PARCEL: PART OF LOTS 3, 4 AND 5 IN THE SOUTHEAST QUARTER (1/4) OF THE NORTHWEST QUARTER (1/4) OF SECTION 9, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M., ACCORDING TO THE SUBDIVISION OF LANDS BY THE UNION COLONY COMPANY OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 4 AND CONSIDERING THE WEST LINE OF SAID LOT 4 TO BEAR NORTH 00°20'00" EAST, WITH ALL OTHER BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO; THENCE NORTH 00°20'00" EAST, 138.94 FEET ALONG THE WEST LINE; THENCE SOUTH 89°40'00" EAST, 665.85 FEET TO THE EAST LINE OF SAID LOT 3; THENCE SOUTH 00°19'25" EAST 131.77 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3; THENCE SOUTH 89°26'02" WEST, 333.39 FEET TO THE NORTHEAST CORNER OF SAID LOT 5; THENCE SOUTH 00°20'00" WEST, 3.50 FEET, THENCE NORTH 90°00'00" WEST, 334.02 FEET, THENCE NORTH 00°20'00" EAST, 3.50 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF VACATED ROAD RIGHTS-OF-WAY ADJACENT TO SUBJECT PARCEL AS VACATED BY RESOLUTION RECORDED SEPTEMBER 14, 2007 AT RECEPTION NO. 3504085.

AND

THAT PART OF LOT 3 OF THE SOUTHEAST QUARTER (1/4) OF THE SOUTHWEST QUARTER (1/4) OF SECTION 4, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M., CITY OF

GREELEY, COUNTY OF WELD, STATE OF COLORADO, ACCORDING TO THE SUBDIVISION LANDS BY THE UNION COLONY COMPANY OF COLORADO, LYING SOUTH AND EAST OF THE CACHE LA POUFRE RIVER.

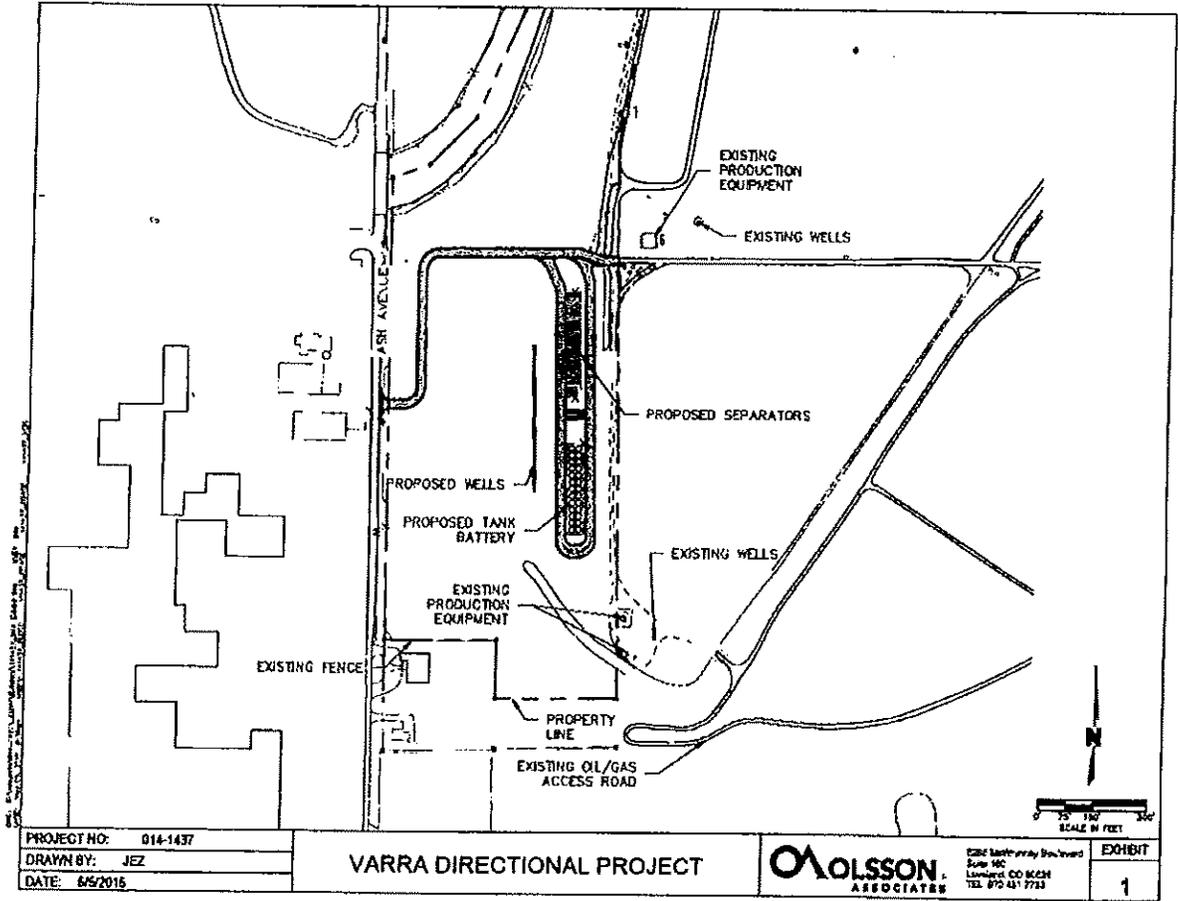
TOGETHER WITH THAT PORTION OF VACATED ROAD RIGHT-OF-WAY ADJACENT TO SUBJECT PARCEL AS VACATED BY RESOLUTION RECORDED SEPTEMBER 14, 3007 AT RECEPTION NO. 3504085.

AND

ALSO A PARCEL OF LAND PARTLY IN LOT 4, IN THE SOUTHEAST QUARTER (1/4) OF THE SOUTHWEST QUARTER (1/4) OF SECTION 4, AND PARTLY IN LOT 1, IN THE NORTHEAST QUARTER (1/4) OF THE NORTHWEST QUARTER (1/4) OF SECTION 9, TOWNSHIP 5 NORTH, RANGE 65 WEST OF THE 6TH P.M., ACCORDING TO THE SUBDIVISION LANDS OF THE UNION COLONY COMPANY OF COLORADO, BEIGN MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT MARKED BY AN IRON PIN WHICH IS 270 FEET FROM THE SOUTHWEST CORNER OF LOT 4 IN THE SOUTHEAST QUARTER (1/4) OF THE SOUTHWEST QUARTER (1/4) OF SAID SECTION 4, AND WHICH SAID POINT IS THE SOUTHWEST CORNER OF A CERTAIN 2.0 ACRE TRACT OF LAND DESCRIBED IN WARRANTY DEED DATED FEBRUARY 26, 1889, AND RECORDED IN BOOK 80, PAGE 390 OF THE WELD COUNTY RECORDS; THENCE FROM SAID POINT SOUTH 00°01'00" WEST ALONG THE WEST LINE OF SAID LOT 4 AND LOT 1, A DISTANCE OF 558.55 FEET TO A POINT MARKED BY AN IRON PIN; THENCE NORTH 10°01'00" EAST ALONG AN EXISTING FENCE 568.3 FEET, MORE OR LESS, TO A POINT MARKED BY AN IRON PIN IN THE SOUTH LINE OF SAID 2.0 ACRE TRACT HERETOFORE DESCRIBED; THENCE WEST ALONG THE SOUTH LINE OF SAID 2.0 ACRE TRACT 98.5 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF VACATED ROAD RIGHTS-OF-WAY ADJACENT TO SUBJECT PARCEL AS VACATED BY RESOLUTION RECORDED SEPTEMBER 14, 2007 AT RECEPTION NO. 3504085.

EXHIBIT "B"
OIL AND GAS FACILITIES



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 07/02/2015 03:32 PM R Fee: \$41.00
 Carly Koppes, Clerk and Recorder, Weld County, CO

