



NGL 12/15/2014 Final

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COGCC

SURFACE LEASE AGREEMENT

Lessor: 70 Ranch, LLC  
Lessee: NGL Water Solutions DJ, LLC  
Weld County, Colorado

This Surface Lease Agreement ("Lease") is entered into and made effective this 16 day of December, 2014 by and between 70 Ranch LLC, a Colorado limited liability company with an address of 8301 E. Prentice Ave., Suite 100, Greenwood Village, CO, 80111 ("70 Ranch") and NGL Water Solutions DJ, LLC, a Colorado limited liability company having an address of 3773 Cherry Creek Drive North, Denver CO 80209 ("NGL"). 70 Ranch and NGL may be referred to individually as a "Party" and collectively as the "Parties". The subject of this Lease is the following parcel (the "NGL Lease Lands" or "Lands"):

35 acres, more or less, in Section 27, Township 5 North Range 63 West, 6<sup>th</sup> P.M.,  
Weld County, and one additional wellsite and connecting flow line right of way more  
particularly described as:

Weld County Parcel No. 096527100022 [see Exhibit A to the Surface Use Agreement for legal description and map of the 35 acre site and Exhibit B for the additional well site and flow line right of way.] All of the 35 acre site, the additional wellsite and the connection flowline right of way are included in the Lands.

For Red. payment of rent and annual well payment fees, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 70 Ranch by this Lease does grant, lease, remit and remise the Lands to NGL, on the following terms:

1. The term of this Lease shall extend for the period set forth in Section 10 of the Surface Use Agreement executed contemporaneously by the Parties on the above date that is attached hereto as Exhibit 1 and made a part hereof as though fully set forth herein (the "Surface Use Agreement"), provided that, on the second anniversary of this lease, NGL has drilled at least one well, or is in the process of actually drilling one well with equipment capable of reaching permitted depth, to the formation in which it is permitted to dispose of water by sub-surface injection.
2. This Lease is granted for the purpose of allowing NGL the right to apply for permits to drill sub-surface injection wells, to construct, operate, and maintain on the Lands an injection well or wells, together with water receiving facilities and a pumping and injection station, water handling connections, tanks, flowlines and fixtures necessary for that station, and to inject water into a sub-surface injection facility as permitted by the State of Colorado. NGL shall have the use of the surface of the Lands during the term of this Lease, together with the right of ingress and egress to and from the Lands, and from, over, and across other lands owned by 70 Ranch, subject to the terms of that Surface Use Agreement. The well payment fees and per-barrel fees described in the Surface Use Agreement are rental obligations of this Lease. ✓
3. All equipment, fixtures, and facilities placed on the Lands by NGL shall be and remain the property of NGL. Upon expiration of this Lease, NGL shall have a reasonable time, not to

exceed ninety days, in which to remove all of NGL's equipment, fixtures, and facilities. Following the termination of the Lease, NGL shall restore the Lands, in conformity with the terms of the Surface Use Agreement.

4. NGL shall pay the ad valorem taxes on the Lands, together with all taxes assessed against any structure, material, equipment, fixtures, and facilities placed on the Lands by NGL.

5. NGL shall fence and maintain the Lands in accordance with the Surface Use Agreement. Any changes in roads or entrances to the Lands shall be pursuant to the Surface Use Agreement and Exhibit D attached hereto.

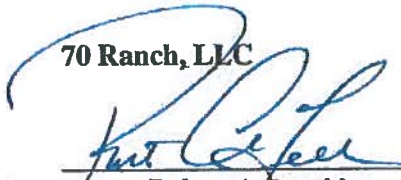
6. 70 Ranch represents and covenants that neither 70 Ranch, a 70 Ranch affiliate nor any third party in which 70 Ranch has an ownership interest shall construct, drill or purchase Disposal Facilities as those terms are defined in the Surface Use Agreement within fifteen (15) miles of NGL's 70 Ranch salt water disposal wells without the written approval of NGL Water.

7. This Lease, and all of its terms and provisions shall extend to and be binding on the heirs, devisees, executors, administrators, representatives, successors and assigns of 70 Ranch and NGL.

This Lease is executed by 70 Ranch and NGL as of the date of acknowledgment of their signatures, but shall be effective as of the Effective Date stated above.

APPROVED  
as to  
FORM  
  
Dec 16, 2014

70 Ranch, LLC

  
By: Robert A. Lembke  
Manager

NGL Water Solutions DJ, LLC

By: Doug White  
Senior Vice President

Acknowledgments on Following Page

ACKNOWLEDGEMENTS

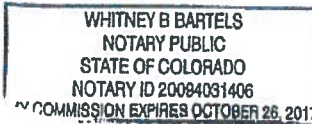
STATE OF COLORADO )

) ss

COUNTY OF ARAPAHOE )

On December 16<sup>th</sup>, 2014, before me, personally appeared Robert A. Lembke as Manager of 70 Ranch, LLC, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



My commission expires:

10-26-17

  
Notary Public

STATE OF COLORADO )

) ss

CITY and COUNTY OF DENVER )

On December \_\_, 2014, before me personally appeared Doug White as Senior Vice President of NGL Water Solutions DJ, LLC, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

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My Commission Expires:

\_\_\_\_\_  
Notary Public

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**70 Ranch, LLC**

By: Robert A. Lembke  
Manager

**NGL Water Solutions DJ, LLC**

By:   
Doug White  
Senior Vice President

Acknowledgments on Following Page

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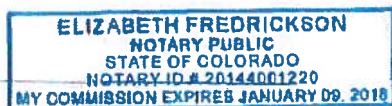
) ss


CITY and COUNTY OF DENVER )

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\_\_\_\_\_  
Notary Public

## Exhibit 1

### SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement"), executed this \_\_\_\_ day of December, 2014, ("Execution Date") but effective for all purposes on December 1 2014, ("Effective Date"), by and between 70 Ranch, LLC, a Colorado limited liability company whose address is 8301 E. Prentice Avenue, Suite 100, Greenwood Village, Colorado 80111 ("70 Ranch"), and NGL Water Solutions DJ, LLC a Colorado limited liability company whose address is 3773 Cherry Creek Drive North Suite 1000, Denver, CO 80209 ("NGL"). 70 Ranch and NGL are each a "Party," and collectively are the "Parties."

#### RECITALS:

A. 70 Ranch, LLC owns the 70 Ranch in Weld County, Colorado. The subject of this lease is described in Exhibit A. The lands described on Exhibit A are referred to in this Agreement as the "Lands" or "NGL Lease Lands".

B. NGL wishes to develop a water injection Well or Wells on the Lands for the purpose of disposing of produced water from oil and gas wells and flowback water from hydraulic fracturing operations on oil and gas wells. ✓

C. 70 Ranch and NGL have agreed upon the terms pursuant to which 70 Ranch will provide access to NGL to the Lands, and pursuant to which operations to be conducted by NGL on the Lands are to be governed.

D. NGL recognizes that its rights on the Lands are defined by this Agreement and that Surface Lease Agreement executed contemporaneously by the Parties on the above-referenced date. NGL acknowledges that there are no implied easements or other implied rights giving it a greater right of access or use of the Lands than the rights that are spelled out in this Agreement or the Surface Lease Agreement.

NOW, THEREFORE, in consideration of the exchange of covenants set forth herein, ten dollars and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 70 Ranch and NGL agree as follows:



1. Definitions

COGCC – has the meaning set forth in Section 2.

Develop - means the work of constructing, building, expanding, and maintaining the Disposal Facilities.

Disposal Facilities – NGL owned sub-surface wastewater disposal well(s) and appurtenant surface facilities, and all other related equipment, including tanks, pipes, pipelines, conduits, pumps, accessories, improvements, electrical equipment and wiring, all necessary surface or underground wires and appurtenances thereto, but not including any handling, transfer or disposal facilities for solid wastes.

Effective Date – has the meaning set forth in the Preamble.

Execution Date – has the meaning set forth in the Preamble.

Lands – has the meaning set forth in Recital A.

Performance Standards – has the meaning set forth in Section 4(d).

Salt Water Disposal Well means an NGL owned Well located on the Lands which is used to dispose of Wastewater.

Surface Lease Agreement (“Lease”) means that lease agreement executed by the Parties contemporaneously by the Parties with this Agreement.

Wastewater – produced non-tributary water and frac flow back water produced in connection with the production of oil and gas wells and that may be disposed of in Class II disposal wells.

Well – a Wastewater disposal well located at or connected to the Disposal Facilities.

Well Payment Fee – has the meaning set forth in Section 3(a).

2. Purpose. This Agreement allows NGL to drill, develop and operate wells on 70 Ranch for the sole purpose of injecting Wastewater into Wells as permitted by the Colorado Oil and Gas Conservation Commission (“COGCC”). No other injection, subsurface, or surface use is authorized by this Agreement.

a. No surface disposal of any kind is authorized by this Agreement.

b. This Agreement and the Surface Lease Agreement authorize the use of the Lands only for the development and operation of Disposal Facilities.

3. Payment to 70 Ranch.

a. Payment for Surface Use. NGL will pay 70 Ranch Redacted (the “Well Payment Fee”) for NGL’s use of the surface of Lands and for subsurface easements

for the initial two injection wells and an additional [Redacted] for each subsequent Well which payment shall commence upon the start of construction of the additional Well or its appurtenant surface facilities drilled by or for NGL on the Lands.

4. Time for Wellsite Payment. NGL shall pay 70 Ranch the Well Payment Fee at the time NGL and 70 Ranch execute this Agreement, and on the 25<sup>th</sup> day of each month thereafter.

a. Payment for Injection. NGL shall pay 70 Ranch [Redacted] [Redact.] of liquid injected into any of the Wells it operates on the Lands.

b. Time for Payment for Injection. NGL shall pay 70 Ranch monthly, on or before the 25<sup>th</sup> of the month, for the volumes injected during the preceding calendar month.

c. Non-Objection and Consent. 70 Ranch agrees to grant property line waivers, if required under COGCC Rule 603, to drill the Wells specified in this Agreement. 70 Ranch agrees to cooperate with NGL in complying with requirements or regulations that may be necessary to obtain other permits to drill a Well that is authorized by this Agreement. 70 Ranch also agrees that it will not object in any forum to the application by NGL for permits to drill Wells and operate Disposal Facilities consistent with this Agreement.

d. Performance Standards. NGL shall conduct surface and down hole operations on the Lands in strict conformance with the performance standards set forth in this Agreement and in Exhibit C (the "Performance Standards"). The Parties agree and acknowledge that the Performance Standards supplement legal and regulatory requirements applicable to NGL's operations. If the application of any Performance Standard would conflict with any legal or regulatory requirement, the more stringent of the Performance Standard or the legal or regulatory requirement shall control. 70 Ranch shall provide written notice to NGL of any potential claim that NGL has failed to conduct its operations in material conformance with the Performance Standards. NGL shall have twenty (20) days from receipt of such notice to develop a plan to bring their operations into conformity with the Performance Standards provided that any review by 70 Ranch of an NGL Plan shall be timely and approval shall not be unreasonably withheld.

e. Use of Lands. NGL shall locate its injection wells, support facilities, flowlines and access roads in accordance with Exhibit B, which is attached hereto. NGL shall not make any use of the Lands that is not specified by Exhibit B.

f. Reclamation. NGL shall be responsible for the reclamation and revegetation of all Wells, flowlines, roads and facilities in compliance with law and regulation in effect at the time the reclamation activity is performed. Minimum reclamation standards applicable to the Lands under this Agreement are set forth on Exhibit E.

5. Consultation.

a. NGL may drill Wells in the location areas shown on the attached Exhibit B. Well location areas, access routes, pipeline and flowline rights of way shown on Exhibit B are adopted by the Parties and approved in this Agreement. NGL shall not use any



other access ways, Well location areas, pipeline, or flowline rights of way on the 70 Ranch Lease except those shown on Exhibit B, without the prior written agreement of 70 Ranch.

b. In exercising its access rights to locations on Lands, NGL shall consult with 70 Ranch before mobilizing heavy equipment for any purpose, including but not limited to drilling Wells, completing Wells, workover of Wells, Disposal Facilities, flowlines, construction, re-construction, repair, or remediation. The Parties agree that the consultation for each Well to be drilled on 70 Ranch will be conducted not less than seven (7) days prior to the scheduled rig move for the Well, that existing ranch roads will be used to the maximum degree practical, that all roads other than the Main Road used exclusively by NGL in drilling or servicing Wells will be maintained by NGL, and that NGL will not build any roads except in accordance with this Agreement. NGL shall construct all roads used exclusively for its operation to the standards set forth in Exhibit D. NGL shall take timely and appropriate action to ensure that there is no degradation or material decline in road quality or utility to the main road or its exclusive roads by reason of NGL's operations. NGL shall make road repairs as reasonably requested by 70 Ranch.

c. Prior to heavy equipment operations on the Lands, NGL's representative will consult with 70 Ranch, or its representative, as to the specific wellsite, access road, flowline, tank battery, and any other associated facility that will be the subject of such operations; all of which will be pursuant to and in compliance with the Exhibits attached hereto. If NGL desires to make changes to or deviate from the Exhibits it shall consult with 70 Ranch as to any such change or deviation. 70 Ranch may approve or disapprove any such proposed changes in its sole discretion.

d. 70 Ranch hereby waives its right under COGCC Rule 305 to receive notice at least thirty days in advance of the drilling of each Well, provided that NGL has complied with the provisions of this Section 3 applicable to each Well. 70 Ranch agrees to execute a separate waiver for filing with the COGCC, if requested by NGL.

6. Site Restoration.

a. With respect to the restoration of drilling locations and surface disruption for each wellsite and Disposal Facility on the Lands, upon termination of the Lease, NGL will recontour the Well location or locations and the Disposal Facility or Facilities to the approximate original contour existing prior to operations.

b. Any topsoil removed during construction of Wells or the Wellsite shall be segregated and kept separate from subsoil, as provided for in the COGCC Series 1002 Regulations or equivalent regulation in effect at the time of the drilling and reclamation activity. After subsoils have been replaced, topsoil shall be restored to its original location and condition as near as possible in the course of restoration activities.

c. NGL agrees to install concrete containment consistent with COGCC standards surrounding any tanks or other equipment and extending under such equipment, such that any liquid substances shall be prevented from infiltrating into the soil or groundwater within such containment area.

d. NGL hereby acknowledges that, with respect to the Lands affected by its activities, NGL retains the site restoration responsibility and that it shall comply with the reclamation standards of the Colorado Oil and Gas Conservation Commission. In addition, within 120 days after drilling operations are completed, NGL shall revegetate drill sites, berms, road rights of way, and other areas affected by NGL's activity upon completion of such activities, to the standards set forth in Exhibit E. All revegetation activities shall be accomplished by NGL consistent with the standards included in Exhibit E.

e. NGL hereby indemnifies 70 Ranch from the reasonable cost and expense of such restoration to include attorneys' fees and other costs incurred by 70 Ranch in connection with any matter dealing with site restoration issues for the Lands affected by its activities; provided however that as a requirement for indemnification 70 Ranch must be successful in its claims that NGL did not restore the site as required herein.

f. Notwithstanding the foregoing, within seven (7) days of rig release for a particular well drilled on the Lands, NGL will backfill all mouseholes, ratholes and any working pits. Within one hundred twenty (120) days of rig release for a particular Well, NGL will backfill reserve pits for that well unless otherwise agreed by 70 Ranch and NGL. If requested by 70 Ranch, NGL will use its commercially reasonable efforts to backfill pits earlier.

7. Livestock Control.

a. All drilling locations and Disposal Facilities will be fenced at the cost and expense of NGL to protect livestock from injury due to NGL's wellsite operations.

b. Livestock control measures include, but are not limited to, the installation and maintenance by NGL of cattle guards and/or fences as reasonably requested by 70 Ranch to control livestock movement on the Lands consistent with the normal and usual operations of the 70 Ranch, and NGL's Disposal Facilities.

c. At the conclusion of drilling and completion operations for wells drilled on the Lands, NGL and 70 Ranch shall agree on permanent access control measures such as locked gates, signage and such other control measures as may be agreed. The Parties will set forth such agreed measures, if any, in a separate letter agreement.

8. NGL Subcontractors.

a. 70 Ranch acknowledges that NGL uses the services of various contractors in the course of its business. 70 Ranch also acknowledges that the services provided by those contractors are being provided to NGL on an independent contractor basis. Notwithstanding the independent contractor relationship between NGL and its contractors, NGL hereby agrees to use good faith efforts to control the activities of the contractors and any subcontractors while performing work on the Lands, and while transiting to and from the Lands, so as to minimize disruption to the operation of the 70 Ranch and to minimize unacceptable behavior by the independent contractors.

b. To the extent that employees of NGL's contractors or their subcontractors engage in unacceptable conduct on the Lands or on the 70 Ranch, such as disobeying the 70

Ranch rules posted at each entrance and as identified in Exhibit F, or other unacceptable or rude behavior to 70 Ranch representatives or employees, 70 Ranch reserves the right to immediately remove and bar such persons from the Ranch. If NGL desires 70 Ranch to lift its bar, it shall provide 70 Ranch with probational actions regarding such person to which 70 Ranch, at its discretion, may accept or reject.

c. NGL shall indemnify 70 Ranch against any act or omission by any contractor, employee, affiliate, or other person acting on NGL's behalf on the Lands or on the 70 Ranch, that results in any discharge of a reportable quantity of any regulated substance. In the event of an uncontrolled spill from an NGL well or surface facilities of any quantity, NGL shall immediately notify 70 Ranch and shall be responsible for remediation and cleanup of such spilled substances in accordance with the regulations of the Colorado Department of Public Health and the Environment, or the COGCC, as appropriate.

9. Default.

a. Should either Party default on any of the obligations set forth in this Agreement, the non-defaulting Party may give the defaulting Party written notice specifying in reasonable detail the nature of the claimed default. The defaulting Party shall have thirty (30) days to cure or commence action which, if diligently pursued, would cure the alleged default, or to contest the existence of the alleged default.

b. Should the defaulting Party fail to cure, commence curative action or contest the existence of the alleged default within such thirty (30) day period, the non-defaulting Party may terminate this Agreement by giving written notice of such termination, which shall be subject to the dispute resolution provision identified herein.

10. Term and Termination.

a. This Agreement will remain in full force and effect for 15 years and shall continue thereafter on a year-to year basis until either Party terminates the agreement by providing notice to the other Party at least 30-days prior to the annual renewal date. NGL may terminate the lease any time during the lease term if it has plugged and abandoned all Wells and NGL has complied with the requirements pertaining to removal of equipment, reclamation, cleanup and all other applicable provisions of this Agreement and existing laws and regulations. When this Agreement ceases to be in full force and effect, the Parties will execute any and all releases necessary to evidence the fact that this Agreement shall no longer apply to the Lands.

b. Notwithstanding the foregoing, this Agreement will terminate on the second anniversary of the Effective Date if NGL has received the required governmental approvals to drill a Well on the Lands but NGL has not commenced actual drilling operations on the Lands with equipment capable of drilling the Well to its permitted total depth by that date; provided however that NGL shall have submitted its application for the required permit(s) by July 1, 2015.

c. If NGL is denied necessary permits, the lack of which will prevent NGL from operating Wells under this Lease and Surface Use Agreement, NGL may terminate the Lease. Notwithstanding the above, if NGL has disturbed the surface, it shall remediate such

disturbance as required herein. No monthly Well Payment Fees that have been paid shall be refunded.

d. 70 Ranch shall notify NGL in writing of any breach of this Agreement and NGL shall have thirty (30) days to remedy the breach or, at a minimum taken reasonable steps to remedy the breach.

11. Audit. 70 Ranch shall have a right to audit the accounts of NGL to determine whether or not injection payments have been made properly, up to once every twelve months. 70 Ranch shall initiate an audit by delivering to NGL an audit request, in writing, specifying a date not less than five business days from the date of the audit request letter. 70 Ranch shall conduct its audit in the offices of NGL. NGL shall make available to 70 Ranch all records relating to its operations on 70 Ranch. In the event that an audit reveals that NGL has underpaid its injection fees by 5% or more, NGL shall reimburse 70 Ranch the cost of the audit and shall pay the shortage, with interest at a 6% annualized rate on the monthly balance of the shortage, within ten business days. In the event that an audit reveals no shortage of 5% or more, or reveals an overpayment, 70 Ranch shall bear its own cost of the audit. If an audit reveals an overpayment, NGL may recoup the overpaid amounts by withholding one sixth of the overpaid amount from the injection fees that would otherwise be owed for each of the subsequent six months.

12. Environmental Indemnification.

a. Except for 70 Ranch's gross negligence or willful misconduct, NGL will save, indemnify, defend and hold harmless 70 Ranch from any environmental claims relating to the Lands that arise out of NGL's ownership or operation of the Wells, Disposal Facilities, its pipeline, or rights of way on the Lands.

13. Mediation and Arbitration

a. Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to arbitration.

b. 70 Ranch and NGL shall endeavor to resolve claims, disputes and other matters in question between them by mediation. Requests for mediation shall be filed in writing with the other party to this Agreement. Mediation shall proceed in advance of arbitration which shall be stayed pending mediation. All mediated settlement conferences shall take place in Denver, Colorado within sixty days of the date of a Party's notice to mediate.

c. The Parties shall share the mediator's fee and any filing fees equally. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

d. All claims, disputes controversies, and other matters in question arising out of or relating to this Agreement or the breach, termination, interpretation, or validity thereof that are not resolved by mediation shall be decided by arbitration, which, unless the Parties mutually agree otherwise in writing, shall be in accordance with the Commercial Rules of the American Arbitration Association in effect at the time of the arbitration. The Parties shall share the arbitrator's fee and any filing fees equally. The Parties shall be responsible for payment of

their own attorney fees. The demand for arbitration shall be filed in writing with the other Party to this Agreement and with the American Arbitration Association. Issues of arbitrability shall be decided by the arbitrator. The arbitrator may not award lost profits, incidental, indirect, consequential, or punitive damages. The arbitrator shall issue a reasoned decision in writing which shall be based on Colorado law relying on the plain language of the contract documents supported by established principles of contract interpretation. The arbitration shall be conducted by a single arbitrator using AAA expedited arbitration procedures. Arbitration hearings shall take place in Denver, Colorado.

e. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

14. Miscellaneous.

a. All notices and communications required or permitted under this Agreement shall be in writing and addressed as set forth below. Any communication or delivery hereunder shall be deemed to have been duly made and the receiving Party charged with notice: (i) if personally delivered, when received, (ii) if sent by telefax, when receipt of the fax has been confirmed by the intended receiving Party, (iii) if mailed, three (3) business days after mailing, certified mail, return receipt requested, or (iv) if sent by overnight courier, one day after sending.

b. If to 70 Ranch:

70 Ranch, LLC  
8301 E. Prentice Avenue, Suite 100  
Greenwood Village, CO 80111  
Phone: (303) 773 1005  
Fax: (303) 773-1176  
Attn: Ron von Lembke

cc: Christopher Hayes  
The Hayes Law Firm LLC  
1580 Lincoln Street Suite 1280  
Denver, CO 80202

If to NGL:  
NGL Water Solutions, LLC  
3773 Cherry Creek North Drive, Suite 1000  
Denver, CO 80209  
Phone: (303) 815-1010  
Attn: Doug White

cc: Senior Vice President – Legal  
NGL Water Solutions, LLC  
3773 Cherry Creek North Drive, Suite 1000  
Denver, CO 80209  
Phone: (303) 815-1010  
Attn: Senior Vice President – Legal



c. The Parties agree that the giving of notice to Mr. Hayes shall not constitute notice for the purposes of this Paragraph 13.

d. This Agreement and the transactions contemplated thereby shall be construed in accordance with and governed by the laws of the State of Colorado. The parties hereby submit themselves to the exclusive jurisdiction of the courts of the State of Colorado and to venue in the District Court for Weld County for enforcement of decisions made in arbitration.

e. This Agreement may not be amended or any rights hereunder waived except by a written instrument signed by the Party charged with such amendment or waiver and delivered by said Party claiming the benefit of any such amendment or waiver.

f. When NGL or 70 Ranch is used in this Agreement, it also means its successors and assigns, as well as its employees and officers, agents, affiliates, contractors, subcontractors and/or purchasers. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of 70 Ranch and NGL and may be executed in counterparts.

g. The Parties will execute a memorandum of this Agreement and record the memorandum in the records of Weld County, Colorado.

h. This Agreement supersedes any and all other agreements between the Parties hereto.

[REMAINDER OF PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date and year first above written.

70 RANCH, LLC

BY: \_\_\_\_\_

Robert A. Lembke

Manager

APPROVED  
as to  
FORM

Dec 16, 2014

NGL Water Solutions DJ, LLC.

BY: \_\_\_\_\_

Doug White

Senior Vice President

#### ACKNOWLEDGEMENTS

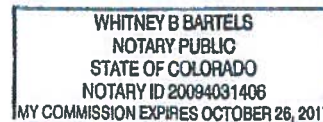
STATE OF COLORADO )

) ss

COUNTY OF ARAPAHOE )

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of December; before me, personally appeared Robert A. Lembke as Manager of 70 Ranch, LLC, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



My commission expires:

10-26-17

Whitney Bartels  
Notary Public

Q

STATE OF COLORADO )

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CITY and COUNTY OF DENVER )

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Notary Public

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**70 RANCH, LLC**

BY: \_\_\_\_\_

Robert A. Lembke

Manager

**NGL Water Solutions DJ, LLC.**

BY:  \_\_\_\_\_

Doug White  
Senior Vice President

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WITNESS my hand and official seal.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

CITY and COUNTY OF DENVER )

WITNESS my hand and official seal.

*Robert*

**Notary Public**





## EXHIBITS

- A. NGL Lease Lands
- B. Locations and Development Areas
- C. Performance Standards
- D. Road Construction Standards
- E. Reclamation Standards
- F. 70 Ranch Rules

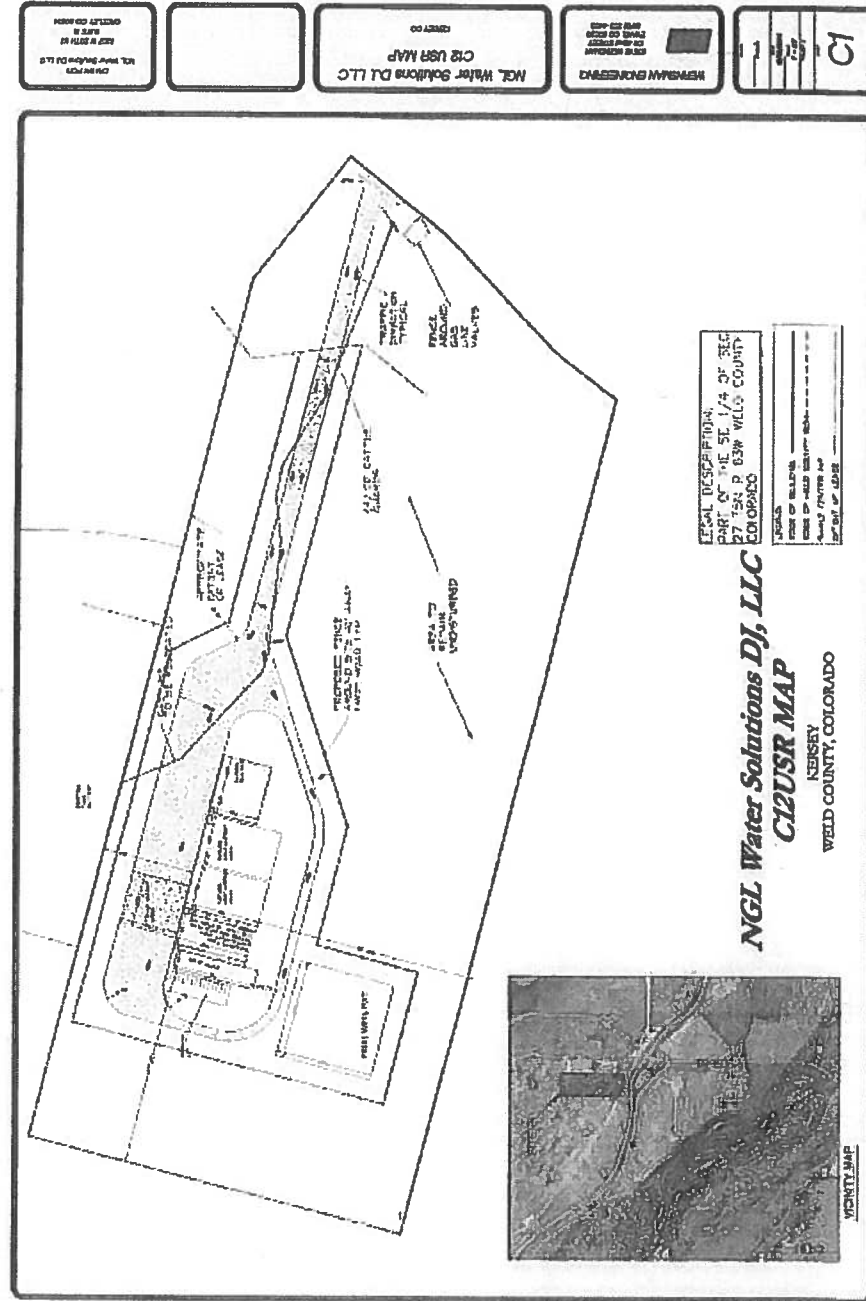
**Exhibit A**  
to  
Surface Use Agreement  
between  
70 Ranch LLC and NGL Water Solutions DJ, LLC

*[Handwritten signature]*

# NGL Lease Lands

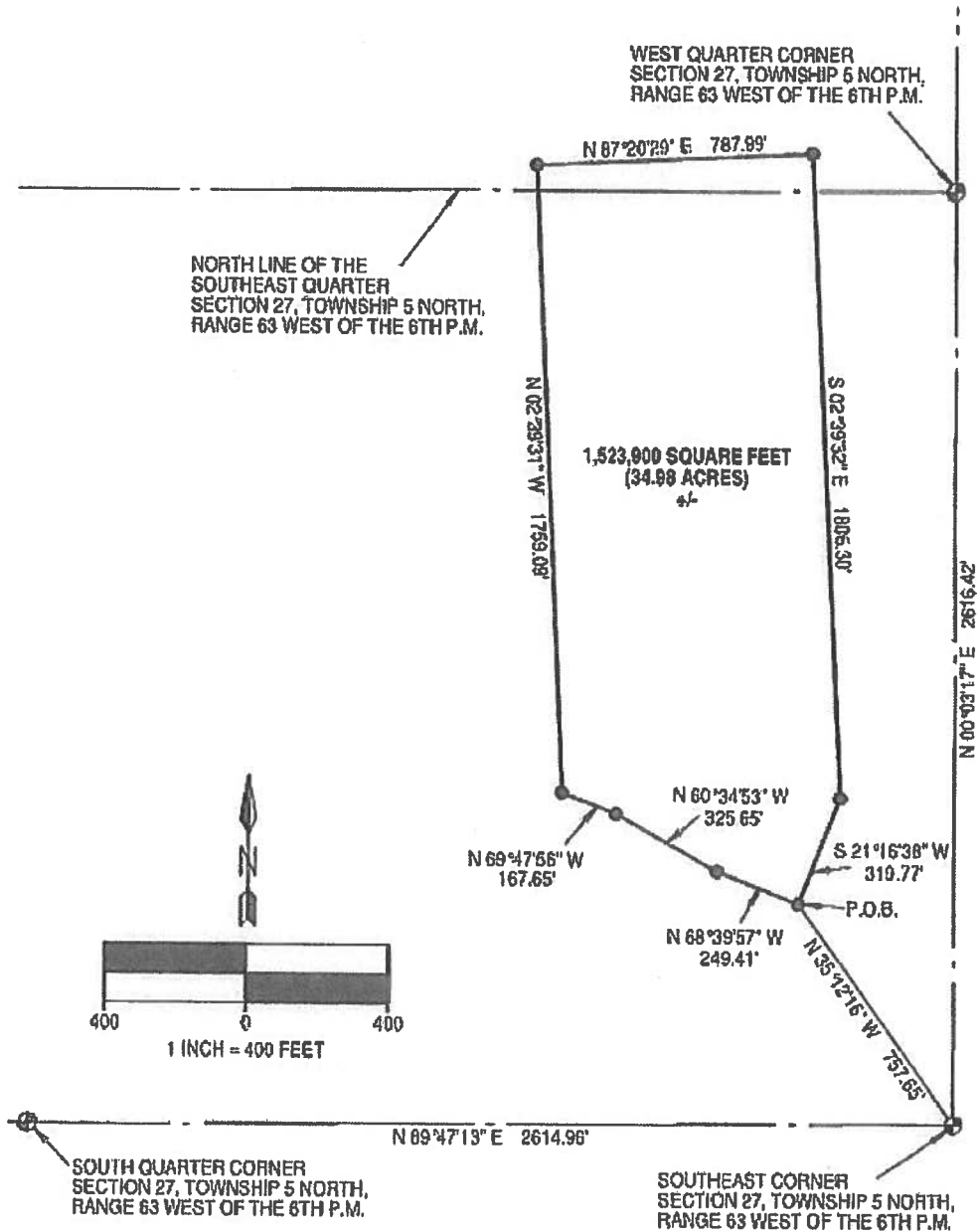
35 acres of property situated on 5N 63W Section 27 and specifically identified in the diagram attached hereto (the "Property").

Land within the leased area, but outside of the facility's fence line and cattle guards, shall be considered "Open Space" and shall be made available to 70 Ranch for livestock grazing. NGL shall not place improvements, spoils, or facilities on the open space without prior written approval from 70 Ranch.



# Exhibit A (Cont.)

## Leased Area - Metes & Bounds Description

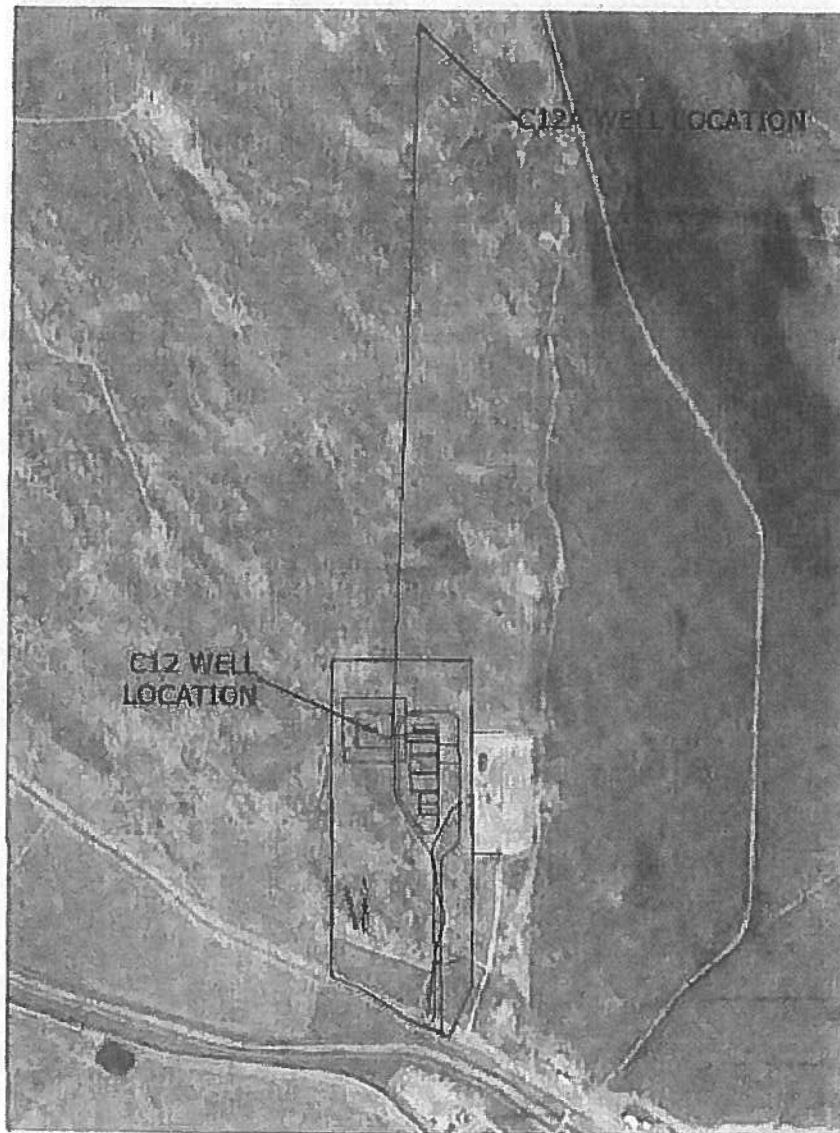


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**Exhibit B**  
to  
**Surface Use Agreement**  
between  
70 Ranch LLC and NGL Water Solutions DJ, LLC  
**Well Locations, Development Areas, and Access Routes**

Additional well locations may be permitted after consultation and mutual agreement by the Parties. NGL shall have full use of the 70 Ranch Main Road in support of its activities. The Parties acknowledge that 70 Ranch does not possess ownership or control over the bridge in the Southwest corner of Section 26-5N-63W.





*Handwritten signature or initials.*

**Exhibit C**  
**to**  
**Surface Use Agreement**  
**between**  
**70 Ranch LLC and NGL Water Solutions DJ, LLC**

**Operational Protection Standards**

Pursuant to Section 1(h) of the Agreement, NGL shall construct, install and maintain the following items at its Disposal Facilities in accordance with the following guidelines:

1. **Wellsites.** NGL will install and maintain steel containment rings with impermeable liners at all Well sites. All NGL Disposal Facilities Wells will be protected from livestock with well head guards or livestock fencing. Where applicable, NGL may elect, but is not required, to install one or more monitoring Wells at its Well sites to monitor ground water for TDS and TPH. 70 Ranch consents to the installation of monitoring Wells at Well sites and will be entitled to test results from the Wells. NGL may use existing water quality monitoring wells on Lands with the consent of 70 Ranch. 70 Ranch will, upon request from NGL, make available existing water quality monitoring data related to the Lands. During drilling and injection operations on Lands, NGL will require service providers to park trucks onto a retaining tarp to collect any liquids that might fall from the trucks. If the quantities of spilled fluids are minimal then the service provider will mop up the materials with absorbent cloths. Service providers will use a vacuum truck for any larger spills on the tarp. In either circumstance, any spill associated with injection or other services will be contained and cleaned up without affecting the surface of the Lands.

2. **Flowlines.** NGL will install to a depth of four feet, four and one half (4 ½) inch steel flowlines that will be coated and wrapped to protect from external degradation. Prior to backfilling operations the flowlines will be checked for damage to the protective coating. Any damage discovered will be repaired prior to installation to insure flowline integrity. NGL shall pressure check each flowline to not less than 150% of operating pressure annually or monitor flowline integrity on a daily basis to confirm flowline integrity. 70 Ranch will be entitled to review the test results. NGL will repair or replace any line that does not hold pressure during a pressure check operation.

3. **Disposal Facilities.** All NGL Disposal Facilities will be protected from livestock with livestock fencing. Where applicable, NGL may elect, but is not required, to install one or more monitoring wells at its Disposal Facilities to monitor ground water for TPH. 70 Ranch consents to the installation of monitor wells at Disposal Facilities and will be entitled to test results from the wells. All underground lines associated with a Disposal Facility installation will be coated and wrapped to protect from external degradation or shall be located within secondary containment. Prior to backfilling operations the Disposal Facility lines will be checked for damage to the protective coating. Any damage discovered will be repaired to insure water handling line integrity. 70 Ranch will be entitled to review the test results. NGL will repair or replace any line that does not hold pressure during a pressure check operation.

## **Exhibit D**

to  
Surface Use Agreement  
between  
70 Ranch LLC and NGL Water Solutions DJ, LLC

### **Road Construction Standards**

NGL shall construct and maintain roads used exclusively by NGL for its operations in accordance with the following guidelines:

**Pre-Construction Access Road Layout:** NGL will locate and design access roads in coordination with 70 Ranch based upon the existing topography and will seek to minimize the surface impact to the greatest extent reasonable. The Parties will attempt to locate roads in higher areas on Lands, and away from areas used as infiltration basins.

**Disposal Facility/Well Access Roads.** A Well access road will be one lane (estimated to be 12 feet) in width and construction shall, at a minimum, include disking the access road to level the vegetation, application of water for stability and packing, plating with 6-10 inches of clay followed by 3-5 inches of 1.5" road base to create a pad that will accommodate the heavy nature of drilling and completion tools. NGL and 70 Ranch may agree to substitute crushed concrete in place of the 1.5" road base as the top plating material. If a Well access road is greater than ½ mile in length, NGL and 70 Ranch may elect to place turn-outs along the road to prevent traffic from meeting and turning out into the grassland. Well access roads will be flat-bladed to the topography and culverts will be placed by NGL as needed to maintain current drainage. Well access roads will be maintained by NGL and shall be kept reasonably free of ruts and potholes by routine maintenance operations. NGL will consult with 70 Ranch on all roads which are constructed to access the Disposal Facilities.

**Abandonment.** Upon plugging and abandonment operations, all roads will be returned to their relative slope, contour and vegetation as set forth in the COGCC Rules including revegetation to the standards described in Exhibit E. 70 Ranch may elect to retain an access road that is no longer associated with NGL's operations and shall evidence that desire to the COGCC in writing as part of the final reclamation process.

**Exhibit E**  
**to**  
**Surface Use Agreement**  
**between**  
**70 Ranch LLC and NGL Water Solutions DJ, LLC**

**Reclamation Standards**

Pursuant to Section 3(h) of the Agreement, NGL will conduct reclamation of Lands affected by NGL's activities in accordance with the following guidelines:

1. **Pre-Construction Well Layout:** NGL will design the rig footprint based on the existing topography to minimize the surface impact to the greatest extent reasonable. NGL and 70 Ranch shall consult concerning the location and design of the drilling footprint. The drillsite shall be located to minimize surface impact and to allow favorable reclamation, including re-vegetation, following completion operations.

2. **Drillsite Preparation.** In most instances, a drillsite will be plated with clay and in some situations also with road base to create a pad that will accommodate the heavy nature of drilling and completion tools and subsequent operations. NGL shall consult with 70 Ranch if it intends not to plate a drillsite with clay.

3. **Activities.** After construction and during the drilling and completion stage, the drillsite will be stabilized and protected for stormwater management and wind erosion using best management practices, including straw mulch, silt fences and/or logs, hydra-cover of dirt piles as advisable.

4. **Reclamation Upon Completion of Operations.**

Promptly after completion operations, the location will be re-contoured to match the surrounding topography while creating and blending a pad to the prevailing topography for future operations surrounding the well head. The recontoured area is generally 100 feet in diameter.

If road base was used to plate the location, this material will be removed.

Clay used for plating and drillsite stabilization will be incorporated into the sandy soils to create a seedbed that is less prone to wind and water erosion than the prevalent sandy soils alone. The clay will improve the seedbed in terms of both future operational impacts as well as water retention for re-vegetation. Sandy areas that are not blended with this clay/sand process will be protected in this interim stage by spraying with flex terra and in the interim a cover crop seed mix for erosion protection.

Depending on the season of the year a cover crop such as winter wheat, rye, sterile millet, oats or another annual cover crop will be established for a cover crop to further protect the location from erosion, weed control and to improve the organic matter of the seedbed.

In the spring or fall the cover crop will be mowed and the chosen native seed mix will be sown into the cover crop stubble. NGL and 70 Ranch shall agree to the native seed mix. If the partners cannot agree to a native seed mix, then each Party agrees that the Colorado State University County Extension Office may specify the native seed mix to be used.

A four-strand barbed-wire fence will be built and maintained around the drillsite for protection from livestock until the re-vegetation process is complete.

If the native seed re-vegetation effort fails in whole or in part for any reason, or if the location is re-disturbed with additional heavy equipment for well servicing operations creating additional impact to the drillsite the reclamation process will continue until such time that the site has been successfully reclaimed.

5. Reclamation Success. A site shall be successfully reclaimed when (i) two growing seasons have passed and (ii) the location has reached eighty percent re-vegetation of the applicable Reference Area. A "Reference Area" shall be the surrounding vegetation outside of the fenced area of the Wellsite if that vegetation has not been adversely affected by prior oil and gas activities or hog farming activities (an "undisturbed area"). If the area adjacent to the Wellsite is not an undisturbed area, then the Reference Area shall be an undisturbed area within the same cadastral section as the Wellsite, and an area of similar ecology as the area adjacent to the Wellsite. A Reference Area shall be approximately ten percent the size of the area of disturbance associated with a Wellsite (the "Reference Area"). When the location has reached this level of re-vegetation, the fence will be removed by NGL and the location will be re-introduced to livestock pasturing. If the Parties cannot agree that a site has been successfully reclaimed, then the Parties will ask the Colorado State University County Extension Office to assess the site and determine if the revegetated area has 80% of the vegetative cover of the applicable Referenced Area.

6. Default Seed Mix. The default seed mix shall be the Native Sand Hill Mix which includes most if not all of the native grasses identified in the United States Department of Agriculture Soil Conservation Service soil survey for the Lands described.



Exhibit F  
to  
Surface Use Agreement  
between  
70 Ranch LLC and NGL Water Solutions DJ, LLC

70 Ranch Rules



70 RANCH RULES

All persons be advised:

70 Ranch is private property. The roads on 70 Ranch are private roads.

- KEEP GATE SHUT AT ALL TIMES, \$50 FINE.
- OBEY SPEED LIMIT OF 20 MPH, \$100 FINE.
- SPEEDERS GOING 40+MPH, \$250 FINE.
- AGRICULTURAL MACHINERY AND LIVESTOCK HAVE RIGHT OF WAY.
- STAY ON LEASED ROAD.
- OFFICIAL TRAVEL ONLY - NO TRESPASSING.
- DO NOT LEAVE TRASH ON SITE.
- REPORT ALL SPILLS TO 70 RANCH.
- NO SMOKING ON RANCH.
- NO FIREARMS, DOGS, ALCOHOL, OR ILLEGAL DRUGS ALLOWED ON RANCH.
- REPORT ANY AND ALL ISSUES TO 70 RANCH MAINTENANCE SHOP.
- OBEY 70 RANCH OWNERS AND EMPLOYEES.
- ALL TRUCK TRAFFIC MUST USE CHANNEL 30 WHILE ON RANCH.
- FAILURE TO FOLLOW THE RULES CAN LEAD TO REPORTING TO YOUR EMPLOYER AND EXPULSION FROM THE PROPERTY.

By entering 70 Ranch property, you:

Agree to comply with all posted rules and speed limits.

Agree to stop and consent to allow your vehicle to be searched for prohibited items and substances when requested by 70 Ranch.

Consent to citations, fines, and/or other penalties that may be imposed for violations of the 70 Ranch rules and regulations.