

FIRST AMENDMENT TO SURFACE USE AGREEMENT WITH RIGHT OF WAY,
PIPELINE EASEMENT AND SURFACE ACCESS

THIS FIRST AMENDMENT TO SURFACE USE AGREEMENT WITH RIGHT OF WAY, PIPELINE EASEMENT AND SURFACE ACCESS (this "First Amendment") is made and entered into this 18th day of August 2015, between Meader Ranch, Inc., hereinafter designated as ("Grantor") and whose address is 65009 WCR 67, Grover, CO 80729 and 8 North, LLC, hereinafter referred to as ("Grantee") and whose address is 370 17th Street, Suite 5300, Denver, CO 80202, with the consent of the Colorado Cattlemen's Agricultural Land Trust ("CCALT"), a Colorado nonprofit organization whose address is 8833 Ralston Road, Arvada, CO 80002 (collectively, the "Parties").

WITNESSETH, that:

WHEREAS, Grantor and Covenant Energy, Inc. ("Covenant") entered into that certain Surface Use Agreement with Right of Way, Pipeline Easement and Surface Access Agreement dated August 6, 2013 (the "Agreement"); and

WHEREAS, CCALT consented to the Agreement by Consent acknowledged on August 2, 2013; and

WHEREAS, Grantee is the successor in title to Covenant as the counter party to Grantor in the Agreement through a transfer of mineral lease deed recorded on 9/23/2014 at reception number 4047891 and on 6/24/15 at reception number 4118423 in the land records of Weld County, Colorado; and

WHEREAS, Exhibit B to the Agreement provided a single drill pad in the extreme northeast corner of the South 1/2 of Section 5, Township 11 North, Range 63 West of the 6th P.M. for Grantee to drill, complete, operate, and maintain horizontal oil and gas wells; and

WHEREAS, Grantor, Grantee, and CCALT have agreed on the terms of this First Amendment and now desire to amend Exhibit B and Paragraphs 2 and 4 of the Agreement to provide Grantee with a different drill pad location, larger drill pad size, and alternative access point for Grantee's Operations; and

WHEREAS, the relocation of the single drill pad and access point will allow for more effective extraction of the mineral resources in the area.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the covenants, agreements and obligations contained herein, Meader Ranch, as Grantor, and 8 North, as Grantee, do hereby AGREE as follows:

1. Paragraph 2 of the Agreement is hereby deleted and the following is substituted therefor:

2. Location of Facilities. Grantor hereby grants to Grantee, its agents, employees, and contractors, and their agents and employees, the non-exclusive right to use those portions of the Land expressly identified in this Agreement and only in the manner expressly set forth in this Agreement. Grantee agrees to comply with the terms and conditions of the Conservation Easement in conducting the drilling, completion, operation, and maintenance of horizontal oil and gas wells ("Grantee's Operations") in accordance with this Amendment and the Lease, and in order to do so, Grantee agrees to limit to the maximum extent reasonably practicable its

impact upon the Land and the Conservation Values and agrees to work cooperatively with Grantor and CCALT through onsite consultations to locate wells in a manner that is "limited, localized and concealed with existing topography." For the purposes of this Agreement, Grantee may locate only one (1) Drillsite (defined below), the disturbed area of which shall not exceed eight (8) acres in size at any time; one (1) access road; one (1) production facility located within the Drillsite that shall be appropriately sized for the Grantee's Operations and which shall be used solely to extract oil and/or gas from wells on the Drillsite and not for any additional outside production; pipelines; and powerlines, only in the locations depicted on Exhibit B attached hereto and made a part hereof. Grantor, Grantee and CCALT have mutually agreed to the location of the Drillsite, the access road, the production facility, pipelines, and powerlines within the Drillsite as depicted on Exhibits B and as further provided for in this First Amendment, which locations the Parties agree minimize impacts to the Conservation Values and comply with Conservation Easement. Upon the completion of Grantee's Operations, the footprint of the disturbed area within the Drillsite, including the production facility for the proper operation of Grantee's Operations, shall be reclaimed in accordance with Section 10 hereof, to a footprint not to exceed four (4) acres in size at any given time. Prior to the initial disturbance of the surface of the Land, Grantee may request changes to the locations of the Drillsite, the production facility, access road, pipelines, and powerlines, depicted on Exhibits B, by identifying the location of any such changes on a revised plat which shall be provided to Grantor and CCALT for Grantor's and CCALT's approval. The revised plat may be approved by mutual agreement of Grantor, CCALT, and Grantee taking into consideration the interests of Grantor, CCALT, and Grantee. Grantor's and CCALT's approval of a revised plat identifying the location of the Drillsite, the access road, the production facility, pipelines, and powerlines shall not be unreasonably withheld.

2. Paragraph 4 of the Agreement is hereby deleted and the following is substituted therefor:

4. Access Road. Grantor does hereby **GRANT** (to which grant CCALT expressly consents) to Grantee a non-exclusive road easement thirty (30) feet in width for ingress and egress to and from the Drillsite for Grantee's Operations, in the location depicted on Exhibit B attached hereto and made a part hereof (the "Access Road"). Grantee agrees to pay Grantor the sum of [REDACTED] per acre within the non-exclusive road easement as consideration for this First Amendment for the use and maintenance of the Access Road. The Access Road may be improved only in accordance with the Conservation Easement. Grantor, Grantee, and CCALT have mutually agreed to the location of the Access Road as depicted on Exhibit B.

3. The following is hereby added as Paragraph 23 of the Agreement:

23. In addition to the consideration paid in Paragraph 8. and Paragraph 22 of the Agreement, at the time of execution of this First Amendment, Grantee shall pay to CCALT, CCALT's reasonable costs of staff time and fees up to a maximum total amount of [REDACTED] as well as an additional [REDACTED] for use in a restoration project to offset potential impacts to the Conservation Values identified in the Conservation Easement, or if no restoration project is feasible within five (5) years of the date of this First Amendment, CCALT shall use said payment to further conservation in Colorado's shortgrass prairie ecosystems.

4. The following is hereby added as Paragraph 24 of the Agreement:

24. Successors and Assigns. Except as otherwise specifically provided herein, this Agreement shall inure to the benefit of, and be binding upon, the heirs, successors, personal

representatives, and assigns of the Parties. Its covenants shall run with the land and shall bind the Parties and their respective heirs, successors, personal representatives, and assigns forever.

5. In the event of any conflict between the terms and provisions of the Agreement, and the terms and provisions of this First Amendment, the terms and provisions of this First Amendment shall govern and control. Except as amended hereby, the Agreement remains in full force and effect and is ratified by the Parties.

IN WITNESS WHEREOF, Grantor and Grantee have executed this First Amendment to Surface Use Agreement with Right of Way, Pipeline Easement and Surface Access Agreement as of the date and year first above written.

GRANTOR:
Meador Ranch, Inc.

By: Charles P. Meador
Title: President
Date: 8-18-15

GRANTEE:
8 North, LLC

By: James M. [Signature]
Title: Agent
Date: 18 August 2015

(ACKNOWLEDGMENT PAGES TO FOLLOW)

ACKNOWLEDGMENTS

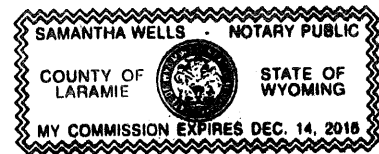
STATE OF WYOMING)
)
COUNTY OF LARAMIE)

The foregoing instrument was acknowledged before me this 18th day of August 2015 by Charles P. Meader, as president of Meader Ranch, Inc., to me known to be the identical person described herein and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal:


Notary Public

My commission expires: 12/14/2016



STATE OF COLORADO)
)
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 18th day of August 2015 by Jamison McIlvain as agent of 8 North, LLC, to me known to be the identical person described herein and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal:


Notary Public

My commission expires: October 4th, 2017

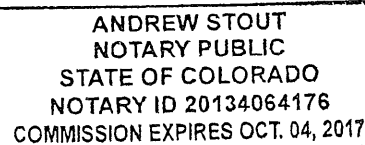


EXHIBIT "B"
Township 12 North, Range 63 West, Section 5, S ½

