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**EASEMENT, RIGHT-OF-WAY  
and SURFACE DAMAGES AGREEMENT**

This Easement, Right-of-Way and Surface Damages Agreement (this "Agreement") is made and entered into this 1<sup>st</sup> day of September, 2015, by and between Edge Energy LLC, a Colorado limited liability company ("Operator"), whose address is 800 18<sup>th</sup> Street, Suite 300, Denver, Colorado 80202 and Mathew D. Flaherty ("Surface Owner"), whose address is 3422 Purcell St. Brighton, Colorado 80601-3483. Operator and Surface Owner may be referred to herein individually as a ("Party"), or collectively as the ("Parties").

**Recitals**

A. Surface Owner owns the surface estate of that certain tract of land being a portion of Section 18, Township 4 North, Range 62 West, County of Weld, State of Colorado, also known as Assessor's Parcel Number 104918200002, more particularly described on that certain Warranty Deed recorded in the public records of Weld County, reception # 3018952, recorded on 12/30/2002, and further depicted on Exhibit A, attached hereto and made a part hereof (hereinafter referred to as the "Property"); and

B. Operator wishes to develop its oil and gas leasehold estate by drilling, completing, developing, exploring for and producing oil and gas from vertical and horizontal oil and gas wells, exploratory oil and gas wells and pilot holes both on and off the Property and explore, produce and develop its mineral estate on, under, through and off the Property; and

C. Surface Owner intends to grant Operator perpetual easement and the right to use and occupy the Property within a defined area more accurately defined herein and on Exhibit A, for purposes of oil and gas exploration, development, operation and uses incident thereto; and

D. This Agreement sets forth the Parties' rights and obligations regarding the relationship between the development of the Property by Surface Owner and Operator's operation and development of its oil and gas leasehold estate on the Property, such rights and obligations to be binding upon the Parties' and their successors and assigns.

**Agreement**

NOW, THEREFORE, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Surface Owner, the parties hereto agree as follows:

1. **Consideration.** For and in consideration of the uses of the Property set forth herein and any and all necessary and reasonable damages caused by Operator and related easements granted to Operator under this Agreement; Operator has agreed to provide compensation to Surface Owner as described in that certain Letter Agreement entered into by and between Surface Owner and Operator, dated September 1<sup>st</sup>, 2015. Consideration shall be paid to Surface Owner no less than thirty (30) days prior to commencement of excavation operations on the Well Site (as defined below) and other consideration as defined in the Letter Agreement.

2. **Grant of Easement.** Surface Owner shall grant Operator, Operator's third-party designees, contractors, vendors, employees and other third-party personnel, a perpetual easement and right-of-way for access, construction, operation, maintenance, removal, reclamation and use of one (1) access road (the "Access Road") and one (1) well site and (1) production pad (the "Well Site"); and together with the Access

Road, the "Subject Properties") for all oil and gas uses, development, operation and production and other related materials and equipment on the Subject Properties, as well as necessary and perpetual easement to install, build, construct, operate, access, maintain, upgrade, downgrade, remove and access utility lines, fiber optic cable, flowlines, above-ground temporary water pipelines, water tanks, oil, gas, water, and associated petroleum liquids pipelines and related above ground appurtenances (such easement and right of way being herein referred to as the "Easement"). The Well Site and the Access Road shall generally be located on the Property as depicted on Exhibit A.

Operator's Easement shall include the right to drill, complete and produce wellbores under and through the Property to locations off of the Property from the Well Site. Any wellbores drilled from the Well Site may be drilled in a manner deemed reasonable by Operator and in a manner that is consistent with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"). Wellbores drilled may include but shall not be limited to: vertical, directional, pilot holes, horizontal and twinned and other well bores.

3. **Right-of-Way for Gathering.** Surface Owner hereby grant Operator or a third-party company, at Operator's discretion, the option to place and operate pipelines within or adjacent to access roads or on definite locations on the Property ("Pipeline Right-of-Way") which allow Operator or a third-party company to connect its facilities to third-party infrastructure. Pipeline Right-of-Way granted to Operator will be a permanent right-of-way consisting of a width of 50 feet, that being 25 feet on each side of the centerline of the first installed pipeline on the Property for the purpose of accessing, installing, maintaining, upgrading, changing, removing, operating and replacing pipelines and above-ground appurtenances. Operator will have the option to delineate the Pipeline Right-of-Way in the form of an as-built survey plat and record the same in the public records of the county where the Property is situated.

4. **Subsurface Easement.** Operator is hereby granted a subsurface easement at any time during the term of this Agreement, anywhere on, through and under the Property or on, through and under other lands owned by Surface Owner, allowing passage of any wellbore for any of Operator's current or future wellbores, whether exploratory in nature, producing or nonproducing, along with the right to occupy any portion of the subsurface space under the Property with Operator's wellbores.

5. **Improvements.** With respect to Operator's equipment and facilities other than those uses described herein, Operator may install and maintain, at its sole cost and expense, fences, gates and locks if required by the COGCC or if necessary or convenient for the security of uses herein, the Well Site, production facilities, or any easements on the Property.

6. **Consents and Waivers.** Surface Owner hereby waive the 30-day written notice requirement for commencement of operations with heavy equipment for the drilling of a well (Rule 305.f) and any other and/or future notice or consultation requirements of the COGCC, including without limitations the provisions and allowed waivers under COGCC Rules 305 and 306.

Additionally, Surface Owner hereby waives the Greater Wattenberg Area (GWA) special well location, spacing and unit designation requirements of the COGCC, including without limitations the provisions and allowed waivers under COGCC Rules 318A.a and 318A.c. These GWA waivers are solely intended to minimize surface disturbance on Surface Owner lands while fully complying with the Surface Owner wishes of this Agreement. Surface Owner agrees to give notice to and consult with all tenant farmer(s), lessee(s) or other party or parties that may own an interest in crops or surface improvements that could be affected by any of Operator's proposed or reasonably foreseeable operations.

7. **Governmental Proceedings.** Surface Owner shall not oppose Operator in any agency hearing or meeting, nor shall Surface Owner object to any of Operator's Operations on the Easement in



any governmental proceeding, including but not limited to the COGCC, state, county, local jurisdiction or other governing body proceedings, related to Operator's operations on the Property, including but not limited to: Well Site, well heads, oil and gas facilities, access, utility or pipeline location setback and positioning or any other drilling operations provided that Operator's position in such proceedings is consistent with this Agreement.

8. **Successors and Assigns.** The terms, covenants and conditions hereof shall be a covenant running with the land and shall be binding upon and inure to the benefit of the Parties and their respective heirs, devisees, executors, administrators, successors and assigns.

9. **Termination.** This Agreement shall automatically terminate and be of no further force and effect at such time that Operator's oil and gas leasehold estate expires and Operator has plugged and abandoned all Wells owned all or in part by Operator and pursuant to the requirements of all applicable oil and gas leases pertaining to removal of equipment, reclamation and cleanup.

10. **Waiver of Surface Damages.** Surface Owner hereby waives all surface damage payments pursuant to any COGCC or local regulation, state statute, common law or prior agreement for each and every well on the Well Site and for each production facility, access road or flowlines and other easement referenced herein.

11. **Release of All Claims.** Surface Owner accepts payment and consideration described in Section 1 as full consideration and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of Operator's drilling and completion operations on the Property and its continuing activities for the production and/or transportation of oil, gas, or other hydrocarbons or products associated with such operations and activities including, but not limited to: surface use, access, wellhead equipment, above-ground temporary water pipelines, utilities, fiber optic cables, separators, tank batteries, metering and measurement equipment, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable and customary uses of land related to said operations, uses or activities.

12. **Runs With the Land.** The rights granted under this Agreement shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

13. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

14. **Entire Agreement.** This Agreement sets forth the entire understanding among the Parties hereto regarding the matters addressed herein, and supersedes any previous communications, representations or agreement, whether oral or written. This Agreement shall not be amended, except by written document signed by all Parties.

15. **Counterpart Execution.** This Agreement may be executed in any number of counterparts each of which shall be deemed an original instrument but all of which together shall constitute one and the same instrument.

The Parties have executed this Agreement on the day and year first above written.

**Surface Owner**

Signed: \_\_\_\_\_

Mathew D. Flaherty

(Matthew)  
MK

**Edge Energy LLC**

Signed: \_\_\_\_\_

By: Steve Enger

Its: President

ACKNOWLEDGEMENTS

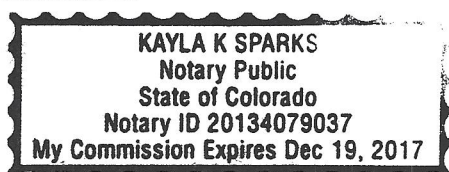
STATE OF COLORADO )  
 ) ss.  
COUNTY OF Danver )

The foregoing instrument was acknowledged before me this 14 day of September by Steve Enger, as President of Edge Energy LLC, on behalf of such limited liability company.

Witness my hand and official seal.

(SEAL)

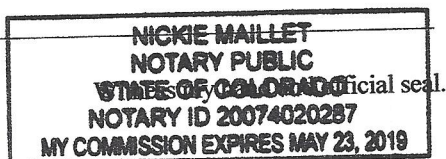
My Commission Expires:



[Signature]  
Notary Public

STATE OF COLORADO )  
 ) ss.  
COUNTY OF ADAMS )

The foregoing instrument was acknowledged before me this SEPTEMBER 14, 2015 (date) by MATTHEW FLAHERTY (name of person acknowledged).



(SEAL)

Nickie Maillet  
Notary Public

My Commission Expires:

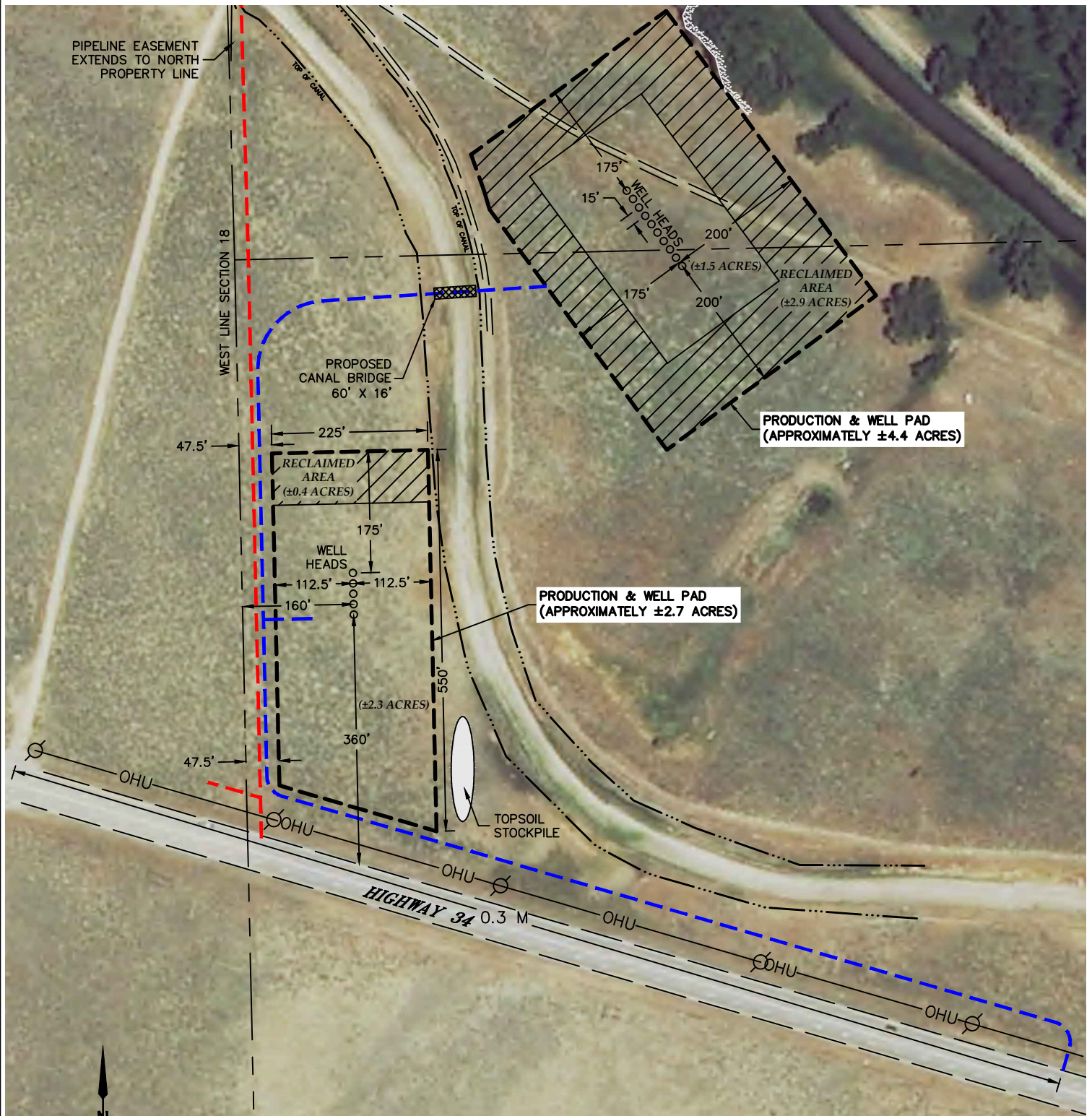
9/23/15



# EXHIBIT "A" Page 1 of 1

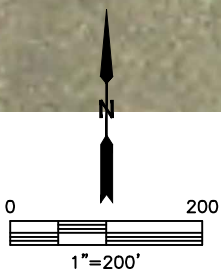
Attached to and made part of the certain Easement, Right-of-Way and Surface Damage Agreement dated \_\_\_\_\_, 2015, by and between Edge Energy LLC, a Colorado Limited Liability Company and Matthew D. Flaherty, Surface Owner. Covering the following lands:

Township 4 North, Range 62 West, 6th P.M.  
Section 18: SW1/4NW1/4, NW1/4SW1/4  
Weld County, Colorado



## LEGEND

- APPROXIMATE  $\odot$  PROPOSED ACCESS
- APPROXIMATE  $\odot$  PIPELINE EASEMENT



DATE: rev9/17/2015  
PROJECT#: 2015129