

SURFACE USE AGREEMENT

THIS AGREEMENT (the "Agreement"), entered into and effective this 10th day of May, 2016 by and between Raymond A. and Starla L. Durham (the "Surface Owner"), 3075 County Road 37, Hamilton, Colorado 81638 and GRMR Oil and Gas, LLC. (the "Operator"), 370 Interlocken Blvd., Suite 550, Broomfield, Colorado 80021. Raymond A. and Starla L. Durham and GRMR Oil and Gas LLC are sometimes collectively referred to in this Agreement as the "Parties".

WHEREAS, Operator proposes to construct the Bert Federal 29-13 well pad (the "Well Pad") and operate the Bert Federal 29-13 well (the "Well") to explore and drill for oil and gas with a surface location in Lot 2 of Section 29, Township 5 North, Range 90 West, Moffat County, Colorado (the "Subject Lands"); and

WHEREAS, Surface Owner, are the owners of the surface estate of said proposed Well Pad and hereby grant Operator the initial right to access and occupy five (5) acres of the surface to drill, complete, operate, produce and maintain the Well and Well Pad subject to the following terms and conditions:

1. Operator agrees to pay Surface Owner [REDACTED] as consideration for all damages for its use of five (5) acres of surface to access, drill, complete, produce and operate the Well on the proposed Well Pad. It is agreed between the Parties that this is a onetime payment for the purpose of only one Well on the Well Pad. Any additional well proposed on the Well Pad will be governed by a separate agreement between the Parties. [REDACTED]

[REDACTED] Operator agrees to pay the full consideration upon start of well pad construction or execution of Payment Receipt and Written Agreement, whichever occurs first.

2. Operator agrees there will be no drilling activity conducted during the months of September, October, and November without the written consent of Surface Owner, which will not be unreasonably withheld. Should Operator desire to drill during September, October and/or November, Operator agrees to pay an additional [REDACTED] for any drilling activity conducted during said months.

Surface Owner acknowledges that this surface restriction provision applies to the drilling of the Well. Preventative and emergency maintenance of well will occur periodically along with the measuring and hauling of oil during the months of September, October and November.

3. Operator shall also pay to Surface Owner an annual payment of [REDACTED] year until the Well Pad has been reclaimed. Operator shall have the right to install on the Well Pad pumping units, power units, separators, compressors, electrical generators, gas flow lines, pipelines and any other necessary production or injection equipment for the production, re-injection and transportation of gas and water from the Subject Lands, and any facilities necessary for the production, storage, disposal, transportation and marketing of oil and/or gas from under the Subject Lands.
4. New roads constructed by Operator shall not exceed 45 feet in width unless approved by Surface Owner. Entrance to the location off county roads will be built pursuant to the county requirements. New roads shall be properly ditched and contain water bars or culverts as needed to preserve the existing drainage routes for the surrounding lands.

Easements will be compensated at [REDACTED] rod for use of existing roads that Operator has not used in the past; [REDACTED] rod for new rods in range land; and [REDACTED] rod for new roads in irrigated land.

5. Operator agrees to install cattle guards or gates where any of the Surface Owner's fences are removed to allow for Operator's new route. Operator further agrees to relocate that portion of any fence that is removed for a new well location to the perimeter around such location. Any such fencing removed or damaged by Operator will be rebuilt to no less than the specifications of the fence so removed or damaged.

Operator further agrees to fence all areas on its Well Pad which are dangerous to livestock (such as pits and wellheads) and maintain such fencing for as long as Operator is using the Subject Lands. Operator agrees to leave all gates open or closed as found.

6. Operator shall not use any water belonging to Surface Owner without prior written consent of Surface Owner. Operator further agrees to replace or restore reservoirs disturbed by its operations. New well sites will not be located within 500 feet of developed springs. Water monitoring and sampling shall take place in according to the rules and regulations of the Colorado Oil and Gas Conservation Commission in Rule 609 and 910.b.(2).
7. During drilling, production, and reclamation operations, all disturbed areas shall be kept as free of all undesirable plant species designed to be noxious weeds as practicable. Operator's contractors and employees will make every attempt to minimize dust to personal property, crops and neighboring residences caused by excess traffic.

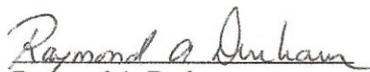
8. Operator shall be responsible for assuring that every contractor or employee who enters Surface Owner's property shall comply with the terms of this Agreement.
9. Neither Operator nor any of its agents or employees shall be allowed to bring any firearms, illegal drugs or dogs onto Surface Owner's Lands without the express permission of Surface Owner. Operator shall make every reasonable effort to ensure that no agents or employees engage in any hunting or fishing activities while on Surface Owner's Subject Lands.

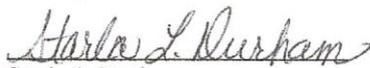
Surface Owner's obligations under this Agreement include prevention, by all reasonable means, of its employees, agents, contractors or guests from being on the Lease Roads in a state of alcoholic intoxication and/or under the influence of illegal drugs. Further, Surface Owner, by all reasonable means possible, will not allow use of firearms by anyone in a state of alcoholic intoxication and/or under the influence of illegal drugs on the subject lands.

10. Operator agrees that all lands disturbed for Operator's operations shall be re-contoured and reclaimed similar to contours and conditions existing prior to Operator's use of the disturbed lands.
11. Operator shall be entitled to construct pipelines and power lines across Subject Lands without payment of further consideration in order to market production from said lines and in preparation for reclamation and final abandonment, Operator shall use its best efforts to consult in good faith with the Surface Owner.
12. Operator shall have the right to continue using the Subject Lands for any purposes necessary or desirable for production of oil and gas from the Well located on the proposed Well Pad. Such use shall include the production of oil and gas in paying quantities, the making of repairs, performing work-overs, testing, evaluating, deepening or recompletion operations, and for such reasonable time thereafter as may be required by Operator to plug and abandon said well.
13. Upon plugging and abandonment of the proposed well drilled under the terms of this Agreement, Operator agrees to remove all equipment associated therewith from Surface Owner's land.
14. Operator agrees that it shall not use Surface Owner's property for any purposes other than those necessary and/or desirable for the exploration for and production of oil and/or gas from Subject Lands. Operator agrees that there will be no equipment storage, including trailers of any kind, off location or on access roads without the consent of Surface Owner.
15. Surface Owner hereby waives any and all requirements for notices and consultation under Rules 305 and 306 of the Rules and Regulations of the State of Colorado Oil and Gas Conservation Commission for the Well and the Well Pad.
16. This Agreement shall remain in force and effect from the date hereof and until the well pad has been fully reclaimed.
17. This Agreement shall be binding upon the successors and assigns of Surface Owner and Operator.
18. This Agreement may be signed in separate counterpart signature pages, no one of which needs to be signed by both Parties, and when so executed, it shall have the same effect as if both Parties had signed the same signature page.
19. This Agreement in whole or in part, will not be recorded by Surface Owner or Operator. Instead a memorandum of this Agreement will be recorded. This Agreement is considered confidential between the Surface Owner and Operator. The Surface Owner agree not to disclose the confidential information contained in this Agreement unless required to do so by law.

IN WITNESS WHEREOF, the Parties hereby agree to accept the terms and conditions contained in this Agreement effective on the date first above written.

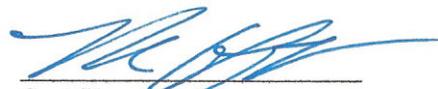
SURFACE OWNER:


Raymond A. Durham


Starla L. Durham

OPERATOR:

GRMR OIL AND GAS, LLC.


Scott Hoennmans
Land Manager/Agent

Michael Griffiths
Operations Manager