

SURFACE DAMAGE AND RELEASE AGREEMENT

This Surface Damage and Release Agreement ("Agreement") is made and entered into this 12th day of May, 2016, by and between the City of Thornton, a Colorado Municipal Corporation, 9500 Civic Center Drive, Thornton, CO 80229 ("Owner"), and Bayswater Exploration & Production LLC, a Colorado limited liability company, whose address is 730 17th St., Ste. 610 Denver, CO 80202 ("Operator"), sometimes referred to each as a "Party" or collectively as the "Parties."

WITNESSETH:

For and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **OWNERSHIP.** Owner is the surface owner of certain lands located in Weld County, Colorado as more specifically described as follows ("Lands"):

Township 7N, Range 66W, 6th P.M. Section 28: WELD COUNTY PARCEL 070728000002. 18645 PT W2 28 7 66 BEG 1860'N OF SW COR SEC N02D43'W 2416' S40D03'E 256' S67D46'E 729' N51D30'E 1190' S36D36'E 600' S18D13'E 563' S19D30'W 1205' S13D43'E 520' W2150' TO BEG (1D). Also known by street and number as 37414 COUNTY RD 29, Severance, Colorado. Depicted on the attached Exhibit A.

Operator has entered into a Wellbore Surface and Subsurface Consent Agreement with PDC Energy, Inc. ("PDC") dated March 7, 2016, attached hereto as Exhibit B. PDC owns a working or operating interest in or under a valid oil and gas lease or leases entered into with Owner dated January 24, 2012, covering all or portions of the Lands or lands pooled or included in a spacing unit therewith and has consented that Operator may have the non-exclusive use of a portion of the surface of the Lands in connection with the Wells, as depicted in the Brown Area and the Green Area on Exhibit A. Operator understands and agrees that if at some point in the future PDC wishes to operate and produce its own wells under its January 24, 2012 lease with Owner, that Operator and PDC must use and share the same portion of the surface of the Lands shown in the Orange Area in Exhibit C for their respective operation and production of wells. At such point, Operator agrees to cooperate with PDC and Owner to facilitate the sharing of the Lands depicted in the Orange Area in Exhibit C for PDC's operation and production including sharing a single access point into the Orange Area off Weld County Road 29, in a place acceptable to Thornton and Weld County. Additionally, Operator owns a working or operating interest in or under a valid oil and gas lease or leases entered into with Owner dated December 19, 2011 (each a "Lease Agreement," collectively, the "Lease Agreements") that will be developed from the Lands. The terms and conditions of said Lease Agreement(s) are incorporated as if fully set forth herein. To the extent that third

parties may own a working or operating interest in or under a valid oil and gas lease or leases covering a portion of the Lands or lands pooled or included in a spacing unit therewith, Operator represents to Owner that it has the express or implied authority under agreements with such third parties to enter into this Agreement.

2. **OPERATOR'S OIL AND GAS OPERATIONS ON THE LANDS.** Operator may drill or cause to be drilled 24 oil and/or gas well(s) on the Lands, which wells will have bottom hole locations and produce from lands covered by one or more of the Lease Agreements ("Wells") subject to the terms and provisions of this Agreement. Operator agrees that the first well drilled as part of this Agreement shall be located in such a way as to create a spacing unit which includes the north half of the south half, and the south half of the north half of Section 30, T7N, R66W. The wellheads permitted under this Agreement shall be contained in the Black Solid Line area as shown on Exhibit A. In order for Operator to drill, construct, complete, produce, maintain, and operate the Well and all facilities associated therewith, including, but not limited to, access roads ("Access Roads"), pipelines, flow lines, separators, tank batteries, electric lines, and any other facilities or property or equipment necessary for the operation and production of the Well (each a "Facility," collectively, the "Facilities"), it is necessary that Operator enter and utilize a portion of the surface of the Lands. The Parties enter into this Agreement to evidence their agreement regarding the payment of surface damages, entry, surface use, and any other matters relating to Operator's use of the Lands and to define and limit the Facilities on the Lands.
3. **FUTURE USE OF THE LANDS.** Subject to the provisions of any Lease Agreement between Owner and Operator, Operator may drill future oil and gas wells on the Lands, including horizontal and directional wells that produce from and drain lands other than the Lands, provided such lands are validly pooled with all or any portion of the lands included in Operator's Lease Agreement covering the Lands, and so long as such locations are permitted locations under the then applicable well spacing regulations, rules or orders of the Colorado Oil and Gas Conservation Commission ("COGCC") or exceptions granted thereto by the Director of the COGCC. Operator and Owner agree to enter into appropriate surface use and or damage agreements relative to wells that may be drilled on Lands in the future. Operator shall not otherwise have the right to drill new wells on the Lands.
4. **LOCATION.** The location of the Well, the Access Roads to the Well site and all other Facilities relative to the Well to be constructed on the Lands are depicted on Exhibit A. Any material changes to the size or proximity of such locations may be made by Operator only with the express written consent of Owner, which consent shall not be unreasonably withheld. If such changes, in Owner's reasonable opinion, unduly interfere with Owner's existing or intended future use of the surface of the Lands, Owner and Operator will collectively work to find a solution that neither interferes with Owner's use of the Lands or Operator's ability

to operate and/or produce the Well. In any event, at all times, Operator agrees not to use any more of the surface of the Lands than is reasonably necessary to conduct its operations.

5. **GOVERNMENTAL PROCEEDINGS.** Owner shall not oppose Operator in any agency or governmental proceedings, including but not limited to the COGCC or other governing body proceedings, relating to Operator's operations on the Lands (including but not limited to drilling, workovers, well deepening and recompletions), provided that Operator's position in such proceedings is not inconsistent with this Agreement or the Lease Agreement between Owner and Operator.
6. **CONDUCT OF OPERATIONS.** Operator's operations on the Lands will be conducted pursuant to the terms of the Lease Agreement, this Agreement, the standards of practice for the industry, and the rules and regulations of the "COGCC". In the event of a conflict between the terms and provisions of this Agreement and the Lease Agreement, this Agreement shall control.
7. **COMPENSATION AMOUNT.** Prior to mobilization and commencement of the drilling operation for any of the Wells, Operator will pay Owner the sum of [REDACTED] per Well plus [REDACTED] each time Operator remobilizes to drill additional Wells beyond the first Well ("Amount"). The Amount is hereby acknowledged by Owner as full and final consideration for Operator's use of the Lands with respect to the Wells covered by this Agreement and for the drilling operation and for any and all damages caused or created by reason of the reasonable and customary ingress, egress, rights-of-way, drilling, completion, production, and maintenance operations associated with constructing the Wells and Facilities in accordance with this Agreement. Such damages will include, without limitation, damage to Owner's real or personal property, growing crops, crop land, the removal, transportation and care of livestock, re-seeding, construction and use of Access Roads and the preparation and use of the Well site area. If after the initial drilling, completing, and equipping of the Wells and Facilities for production, Operator's subsequent operations thereto results in additional damages on the Lands affected thereby, or in the event that Operator conducts operations or installs or places facilities outside of the those permitted by this Agreement, Operator will timely reimburse Owner for the actual value of such damages.
8. **ADDITIONAL SURFACE USE PROVISIONS, ACCESS ROADS, FENCES AND FACILITIES.** With respect to its operations on the Lands, Operator will comply with the following provisions:
 - A. Access Roads:
 - i. Access Roads will not exceed 24 feet in width.
 - ii. Operator will insure that all of its vehicles accessing the Lands on its behalf remain on the Access Roads.

- iii. Operator agrees to back-slope all Access Roads.
- iv. Operator will provide Owner with a minimum of ten (10) days prior written notice before restoring the surface of all Access Roads to be permanently abandoned by Operator. No later than ten (10) days following receipt of such notice, Owner may elect, in writing, not to have such Access Road abandoned by Operator. In such event, Operator will have no liability under this Agreement, the Lease Agreement, or otherwise, to restore the surface of the Lands utilized as Access Roads. Failure to timely respond will be deemed as Owner's election that Operator shall proceed with the abandonment of the Access Roads and the restoration of the surface thereof.
- v. Operator will stockpile and save any topsoil removed while constructing Access Roads for rehabilitation or re-seeding as reasonably directed by Owner.
- vi. Operator will maintain all Access Roads in good repair and condition during the drilling, completing, equipping, and operating of the Well.

B. Surface Restoration:

Upon permanent cessation of Operator's operations on the Lands, all areas thereof occupied or utilized by Operator will be restored by Operator to their original contour as nearly as is reasonably practicable and re-seeded if so requested by Owner. However Operator's intent to abandon any Access Roads will be subject to the provisions of Section 8(A) (iv).

C. Other.

- i. Operator will install culverts on the Lands that may be necessary to maintain present drainage and irrigation otherwise affected by its operations on the Lands.
- ii. If by reason of the activities of the Operator, including, but not limited to, drilling, completing, equipping, and operating of the Well, there is unanticipated damage to personal property of the Owner or Owner's tenants, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, crops, or irrigation systems, Operator will repair or replace such items after consultation with and to the reasonable satisfaction of the Owner. Owner will notify Operator of any items damaged after the Well's construction and

Operator will repair or replace such items after consultation with the Owner within fifteen (15) days of occurrence.

- iii. Operator agrees that all trash, refuse pipe, equipment, liquids, chemicals, or other materials brought on the Lands that are not necessary for continued operations of the Well will be removed and disposed away from the Lands no later than thirty (30) days after completion of the Well. No such items will be burned or buried on the Lands.
- iv. During construction and subsequent operation of the Lands, Operator shall keep the Facilities and access roads clean, graded, and free from weeds.
- v. If the lands are farmed with a perennial crop such as alfalfa, operator, in addition to the compensation amount stated herein, shall pay the Owner [REDACTED] per acre disturbed by Operator's operations as a one time payment for compensation for reestablishment of such crops.
- vi. At the completion of the drilling operation, Operator agrees to comply with all COGCC rules and regulations, including Rules 900-904 concerning pits, as applicable. Operator shall restore all grades as nearly as possible to the conditions as they existed prior to the execution of this Agreement, unless other arrangements are agreed to between the Parties.
- vii. Operator agrees to discuss screening requests with the Owner and at Operator's discretion may install fencing around the well or its Facilities.
- viii. Operator agrees to perform all drilling operations utilizing a closed loop system for any drilling fluids used as part of the drilling, hydraulic fracturing, and reworking operations associated with this Agreement.
- ix. Operator agrees to report hydraulic fracturing chemical contents to FracFocus for any drilling fluids used as part of the drilling, hydraulic fracturing, and reworking operations associated with this Agreement.

Notwithstanding the foregoing or any applicable notice requirements set forth in this Agreement, in the event of an emergency, Operator shall have immediate access to its Well or its Facilities on the Lands.

9. **DEFAULT AND RIGHT TO CURE.** In the event of alleged default by Operator in the payment of any of the sums hereinabove provided to be made, in obligations to be performed, or any other terms, conditions or covenants of the Agreement, Owner will notify Operator, by certified mail, return receipt requested, of the alleged default. Operator will have thirty (30) business days from date the written notification was mailed in which to cure, dispute or otherwise respond to the notification before Owner may allege default.

Except as otherwise agreed in writing, no waiver by Owner of any breach by the Operator of any of its obligations, agreements, or covenants hereunder will be deemed to be a waiver of any subsequent or continuing breach of the same, nor will any forbearance by Owner to seek a remedy for any breach by the Operator be deemed to be a waiver by Owner of its rights or remedies with respect to such breach.

10. **WAIVER OF THIRTY (30) DAY NOTICE.** Owner hereby waives the minimum thirty (30) day written notice requirement for operations to begin and any other notice, subject to Section 11, or consultation requirement of the COGCC. Without waiving the foregoing, Operator agrees it will provide an initial notice to Owner after it has submitted a request for permit to drill from the COGCC.

11. **NOTICE FOR ADDITIONAL OPERATIONS.** Operator will comply with COGCC rules and regulations requiring that advance notice be provided to Owner for subsequent operations on the Well, including, but not limited to, reworking operation thereto.

12. **LIABILITY, RELEASE, AND INDEMNITY.** Except as to claims arising out of pollution or environmental damage (which claims are governed by Section 13 below) all losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation, attorneys' fees and other costs associated therewith (all of the aforesaid herein referred to collectively as "Claims"), arising out of or connected with Operator's operations or actions under this Agreement or under the Lease Agreement, no matter when asserted, shall remain the sole legal responsibility of the Operator. Operator shall release, defend, indemnify, and hold Owner, its officers, directors, employees, successors and assigns, harmless against all such Claims.

13. **ENVIRONMENTAL INDEMNITY.** The following definitions shall apply to this Section 13:

"**Environmental Claims**" shall mean all Claims asserted by governmental bodies or other third parties for pollution or environmental damage of any kind, arising from operations on or ownership of the Lands or ownership of the oil and gas leasehold interests, or ownership of the mining lease, whichever is applicable, and all cleanup and remediation costs, fines and penalties associated therewith, including but not limited to any Claims arising from Environmental Laws or relating to asbestos or to naturally occurring radioactive material. Environmental

Claims shall not include the costs of any remediation undertaken voluntarily by any Party, unless such remediation is performed under the imminent threat of a Claim by a governmental body or other third party.

"Environmental Laws" shall mean any laws, regulations, rules, ordinances, or order of any governmental authority(ies), which relate to or otherwise impose liability, obligations, or standards with respect to pollution or the protection of the environment, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.), the Clean Water Act (33 U.S.C. §§ 466 et seq.), the Safe Drinking Water Act (14 U.S.C. §§ 1401-1450), the Hazardous Material Transportation Act (49 U.S.C. §§ 1801 et seq.), the Clean Air Act, and the Toxic Substances Control Act (15 U.S.C. §§ 2601-2629).

Operator shall defend, indemnify and hold harmless Owner, its successors and assigns, from Environmental Claims relating to the Lands that arise out of Operator's operations.

14. **INSURANCE.** The Operator agrees:

- a. To procure and maintain in force during the term of this Agreement, at Operator's own cost, the following coverage:
 - (1) Commercial General or Business Liability Insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and TWO MILLION DOLLARS (\$2,000,000) general aggregate.
 - (2) Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) for any one occurrence, with respect to each of the Operator owned, hired or non-owned vehicles assigned to or used in the operation of the Lands. In the event that the Operator's insurance does not cover non-owned automobiles, the requirements of this paragraph shall be met by each employee of the Operator who utilizes an automobile in the execution of this Agreement.
 - (3) Worker's Compensation Insurance as required by the Labor Code of the State of Colorado and Employer's Liability Insurance.
- b. If approved by Owner, evidence of qualified self-insured status may be substituted for one or more of the foregoing insurance coverage's.
- c. A Certificate of Insurance ("Certificate") shall be completed by the Operator's insurance agent(s) as evidence that policies providing the

required coverage, conditions, and minimum limits are in full force and effect, and shall be subject to review and approval by Owner's Risk Management Office. The Certificate shall identify this Agreement and name the City of Thornton as an additional insured, and shall provide that the coverage afforded under the policies shall not be canceled, terminated or materially changed until at least 30 days prior written notice has been given to Owner.

- d. Failure on the part of the Operator to procure or maintain policies providing the required coverage, conditions and minimum limits shall constitute a material breach of this Agreement upon which Owner may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by Owner shall be repaid by the Operator to Owner upon demand.
 - e. Owner reserves the right to request and receive a certified copy of any policy and any endorsement thereto. Operator agrees to execute any and all documents necessary to allow Owner access to any and all insurance policies and endorsements pertaining to this Agreement.
 - f. The parties hereto understand and agree that Owner, its officers, and its employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations (Presently \$150,000 per person and \$600,000 per occurrence) nor any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. 24-10-101 et seq., 10 C.R.S., as from time to time amended, or otherwise available to Owner, its officers, or its employees.
15. **NOTICES.** Notice by a Party to the other will be promptly given, orally if possible (with the exception of the default notice described in Section 9), with subsequent written confirmation sent by United States mail, postage prepaid and addressed to that Party at the address as designated below; or to such other place as either Party may from time to time designate by notice to the other given as provided in this Section 15:

Owner
City of Thornton
Attn: City Manager
9500 Civic Center Drive
Thornton, CO 80229

Operator
Bayswater Exploration & Production, LLC
730 17th Street, Suite 610
Denver, CO 80202-3529
Attn: Mr. Lynn S. Belcher
303-629-8779

16. **BINDING EFFECT.** The covenants and conditions herein contained and all of the provisions of this Agreement will inure to the benefit of and will be binding upon the Parties hereto, their respective heirs, representatives, successors or

assigns. Owner agrees to contact any and all tenants of Lands or any other third parties utilizing the surface of the Lands that may be affected by Operator's activities on the Lands. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement and Operator's right to utilize the surface of the Lands pursuant to this Agreement for the payment of any consideration, if any, due such third party from Owner.

17. **ENTIRE AGREEMENT.** This instrument contains the entire agreement between the Parties and may not be modified orally or in any other manner other than by agreement in writing signed by all Parties or their respective successors or assigns.
18. **TERM.** This Agreement will remain in full force and effect for so long as Operator has the right to conduct oil and gas operations on the Lands pursuant to the Lease Agreement; provided, however, that the termination of the Lease Agreement or this Agreement will not relieve the Parties from their respective obligations or liabilities arising therein prior to such termination.
19. **COUNTERPARTS.** This Agreement may be executed by facsimile, in counterparts, each of which will be considered an original and enforceable against either Party.
20. **GOVERNING LAW AND VENUE.** This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Colorado.
21. **SUCCESSORS.** This Agreement constitutes a covenant running with the Lands and will be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective successors, administrators, trustees, executors and assigns.
22. **AUTHORITY OF SIGNATORIES.** The signatories below declare, warrant, and represent that they have the authority to enter into this Agreement on behalf of their respective principals, if any.
23. **CONFIDENTIALITY.** The parties acknowledge and understand that Owner is a public entity, and therefore, by operation of law, the majority of documents in Owner's possession are public records for open review by the general public as required by law, including, but not limited to, the Colorado Open Records Act ("CORA"). Operator may identify confidential proprietary information as confidential in a clear and distinct manner on the document. However, the fact that a document is marked confidential does not make a document exempt from public inspection. Owner shall make the determination as to whether a document is exempt from public inspection pursuant to CORA. Owner shall be held harmless from any claims arising from the release of claimed confidential and proprietary information not clearly designated as such by Operator, or if

designated as such, which is determined by a court of competent jurisdiction to not be subject to protection from disclosure under CORA.

IN WITNESS WHEREOF, the Parties have set their hands the day and year first written above.

OWNER:

CITY OF THORNTON
a Colorado municipal corporation

By: 

Jack Ethredge, City Manager

ATTEST:


City Clerk

APPROVED AS TO FORM:

Gary G. Jacobson, Interim City Attorney


By: Senior Assistant City Attorney

OPERATOR:

Bayswater Exploration & Production, LLC,
a Colorado limited liability company

By: 
Lynn S. Belcher, Executive Vice President

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 12th day of May, 2016 by Lynn S. Belcher, Executive Vice President of Bayswater Exploration & Production, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: 2/25/2020



NOTARY PUBLIC

Exhibit A

to
Surface Damage and Release Agreement between City of Thornton and Bayswater Exploration & Production LLC.



Township 7N, Range 66W, 6th P.M. Section 28: WELD COUNTY PARCEL 070728000002. 18645 PT W2 28 7 66 BEG 1860'N OF SW COR SEC N02D43'W 2416' S40D03'E 256' S67D46'E 729' N51D30'E 1190' S36D36'E 600' S18D13'E 563' S19D30'W 1205' S13D43'E 520' W2150' TO BEG (1D). ALSO KNOWN BY STREET AND NUMBER AS 37414 COUNTY RD 29. SEVERANCE, COLORADO.

ORANGE OUTLINE: PARCEL 070728000002. CITY OF THORNTON PROPERTY AS DESCRIBED ABOVE
BROWN AREA: OIL AND GAS OPERATIONS AREA PER THE SDRA
GREEN AREA: SURFACE FACILITIES
BLACK DASHED LINE: TRUCK ACCESS
BLACK SOLID LINE: LINE OF WELLS
BLUE OUTLINE: NW QTR OF SEC 28

Exhibit B to SDRA

WELLBORE SURFACE AND SUBSURFACE CONSENT AGREEMENT

THIS WELLBORE SURFACE AND SUBSURFACE CONSENT AGREEMENT ("Agreement") is made effective as of the 7th day of March, 2016 ("Effective Date"), by and between PDC Energy, Inc. ("PDC"), a Delaware corporation, whose address is 1775 Sherman St., Suite 3000, Denver, CO 80203 and Bayswater Exploration & Production, LLC ("Bayswater"), whose address is 730 17th St. Suite 610, Denver, CO 80202 (collectively "Parties").

A. WHEREAS, PDC is the owner of exclusive mineral leasehold interests in the oil and gas leases (collectively, "Leases") more particularly identified as follows:

Lease	Lessor	Lease Date
COL01087.001	City of Thornton, a Colorado Municipal Corporation	1/24/2012
COL01087.002	Georgean Harding Weller, fka Georgean Harding Callison, a married woman dealing in her sole and separate property	1/26/2012
COL01087.003	Gladeen Van Dusen Ragland, a married woman dealing in her sole and separate property	1/30/2012
COL01087.004	Gary A. Van Dusen, individually	1/30/2012
COL01087.005	Kale F. King, a married man dealing in his sole and separate property	1/31/2012
COL01087.006	Elizabeth N. Ault, a married woman dealing in her sole and separate property and as an heir to the Estate of Opal M. Nichols, deceased, and as an heir to the Estate of Frederick Arthur Nichols, deceased	2/7/2012
COL01087.007	Chris L. Harding, individually and as an heir to the Estate of Edward L. Harding, deceased	1/31/2012
COL01087.008	Tod C. Harding, individually and as an heir to the Estate of Edward L. Harding, deceased	1/31/2012
COL01087.009	Nancy J. Levy fka Nancy J. McNulty, a married woman dealing in her sole and separate property and as an heir to the Estate of Opal M. Nichols, deceased, and as an heir to the Estate of Frederick Arthur Nichols, deceased	2/7/2012
COL01087.010	Marian L. Martin fka Marian L. Smallen, individually and as an heir to the Estate of Opal M. Nichols, deceased, and as an heir to the Estate of Frederick Arthur Nichols, deceased, by her AIF Connie L. Seres	2/6/2012
COL01087.011	Richard L. Nichols, individually and as an heir to the Estate of Opal M. Nichols, deceased, and as an heir to the Estate of Frederick Arthur Nichols, deceased	2/7/2012
COL01087.012	Kim D. Harding, a married man dealing in his sole and separate property and as an heir to the Estate of Edward L. Harding, deceased	1/31/2012
COL01087.013	Martha Harding Cordell, a single woman dealing in her sole and separate property and as an heir to the Estate of Edward L. Harding, deceased and as an heir to the Estate of Elizabeth Harding Wright, deceased, by her Attorney in Fact James Cordell	1/26/2012
COL01087.014	Louis Wright and Joanne J. Bourgeois Family Trust, Louis W. Bourgeois, II aka Lou Bourgeois, as Trustee	1/24/2014

COL01324.001	Dean E. Severin, as Trustee of the Dean E. Severin Trust dated November 23, 2004	4/6/2012
COL01324.002	Hazel M. Severin, as Trustee of the Hazel M. Severin Trust dated November 23, 2004	4/6/2012

; and

All Leases cover certain lands in Weld County, Colorado, more particularly described as:

Township 7 North, Range 66 West, 6th P.M.
Section 28 ("Subject Lands");

B. WHEREAS, PDC has the right to conduct oil and gas operations on the Subject Lands, and lands pooled or unitized therewith, pursuant to the Leases and the express and implied covenants therein;

C. WHEREAS, Bayswater intends to acquire rights to the use of the surface and subsurface of the Subject Lands for its oil and gas operations on lands adjacent to the Subject Lands (the "Adjacent Lands") from the owner(s) of the surface of the Subject Lands, together with the mineral owners of the Subject Lands, pursuant to agreements with such owner(s) ("Owner Agreements");

D. WHEREAS, PDC's exclusive rights to use of the mineral estate of the Subject Lands, and its reasonable use of the surface estate of the Subject Lands associated therewith, are prior in time and right to Bayswater's rights pursuant to the Owner Agreements;

E. WHEREAS, Bayswater desires to acquire the consent of PDC to use the surface and subsurface of the Subject Lands for the sole purpose of drilling, completing, operating, refracturing and recompleting the Thornton Horizontal Wells (each a "Well" and collectively, "Wells") from the Bayswater Drillsite tract (as identified on Exhibit "A")(the "Bayswater Drillsite Tract"), but which wells shall be perforated and completed exclusively in the Adjacent Lands, or lands pooled or unitized therewith, with no perforation closer than four hundred sixty feet (460') from the boundary line of the Subject Lands.

F. WHEREAS, the Parties desire to agree on and set forth their respective rights and obligations as to the use of the surface and mineral leasehold estates of the Subject Lands.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Consent to Surface Location and Wellbore Subsurface Passage. Subject to the remaining terms of this Agreement, PDC hereby consents to Bayswater's use of the surface of the Subject Lands to drill, complete and operate the Wells from the Bayswater Drillsite Tract located on the Subject Lands (as identified on Exhibit "A"), and the subsurface and subsurface pore space of the Subject Lands for the passage of the vertical and "build" portions of the wellbores of the Wells, together with the well casing, production tubing and cement attributable thereto, *provided however*, that PDC consents to such use of the surface, subsurface and the subsurface pore space of the Subject Lands by Bayswater, solely in connection with the Wells and their associated wellbores, wellsites, and appurtenances set forth on Exhibit "A," attached hereto and incorporated herein. Exhibit "A" shall include all surveys required by the Colorado Oil and Gas Conservation Commission ("COGCC") for approval of COGCC Form 2 and 2A, as well as directional/deviated drilling plans. In the event Bayswater's planned use of the Subject

Lands changes from that set forth in Exhibit "A" as of the Effective Date, including any changes to the Wells related to replacement, sidetracking or twinning, the Parties shall, upon subsequent written agreement and prior to such changes being implemented, amend Exhibit "A" in writing from time to time to reflect Bayswater's actual use of the Subject Lands.

2. Subsurface Passage Only. Notwithstanding anything in this Agreement to the contrary, Bayswater's use of the subsurface and subsurface pore space of the Subject Lands shall be limited to passage of the vertical and "build" portions of the wellbores of the Wells, together with the well casing, production tubing and cement attributable thereto. Without limiting the generality of the foregoing, (i) Bayswater shall not conduct any seismic, logging, testing, perforating, stimulating, fracturing, completion, recompletion or production operations in or from that portion of the wellbore of any Well that passes through the subsurface and/or pore space of the Subject Lands, and (ii) each Well shall be perforated and completed exclusively in, and production obtained solely from, the Adjacent Lands, or lands pooled or unitized therewith, with no perforation in any Well closer than four hundred sixty feet (460') from the boundary line of the Subject Lands.

3. Well Separation. Bayswater shall drill all Wells from the Bayswater Drillsite Tract (as identified on Exhibit "A") such that the Wells will, at all times and at all depths, maintain a minimum of One Hundred and Fifty feet (150') of separation from the segment of PDC's current and future horizontal wells that lie within Section 28, T7N, R66W, as described in Applications for Permits to Drill that are pending or approved as of the date of this Agreement (the "Wells"). In addition to the separation required by the preceding sentence, Bayswater shall further be required to maintain a minimum of five hundred feet (500') of separation from the planned first take point of any Bayswater well drilled from the Bayswater Drillsite Tract and PDC's existing horizontal well the Thornton 21K-443 located in Sections 21 and 28, Township 7 North, Range 66 West, as detailed on the map and as drilled survey data incorporated herein as Exhibit "B".

4. Indemnification. Bayswater shall release, defend, indemnify, and hold PDC, its, subsidiaries, and affiliates, and its and their respective directors, officers, members, partners, agents and employees, harmless from and against any and all reasonable costs, claims, demands, liens, liabilities, losses, controversies, damages judgments, legal proceedings, investigative costs, and causes of action (including attorneys' fees awarded to any claimant and/or incurred by PDC in defense of any claim and court costs) (collectively, "Losses"), to the extent the Losses are caused by, arise from or relate to Bayswater's (or its contractors and subcontractors) oil and gas operations on the Subject Lands, except if such Losses arise from PDC's gross negligence or willful misconduct. Bayswater's indemnity obligations herein include, but are not limited to, Losses arising from: (i) Bayswater's failure to comply with the express and implied covenants and/or obligations of the Owner Agreements and/or the oil and gas leases upon which it drills or conducts its operations; (ii) Bayswater's failure to comply with any law, ordinance or regulation of any city, county, state, federal or other governmental agency or entity having jurisdiction over the Subject Lands, including but not limited to, laws, ordinances and regulations pertaining or relating to the protection of public health, safety or the environment; (iii) damage to property, or injury or death to any person; (iv) damages to PDC's oil and gas operations upon the Subject Lands, the equipment associated therewith, or the geological formations used therefore; (v) any blowout or other uncontrolled situation resulting in the loss of natural gas, oil and/or associated hydrocarbons from subsurface formations underlying the Subject Lands; and (vi) Bayswater's obligations under Section 11. Bayswater shall: (i) immediately notify PDC of any suit filed or claims covered hereby; (ii) defend PDC at Bayswater's sole expense in the dispute; (iii) permit PDC to retain its own legal counsel to participate in the defense thereof, at the sole cost and expense of Bayswater; and (iv) not settle any claim against PDC without PDC's prior written consent, which consent shall not be unreasonably withheld.

5. Liquidated Damages Relating to the Wells: Notwithstanding anything to the contrary in Section 4 hereof, in the event that Bayswater breaches Section 3 of this Agreement by failing to maintain a minimum of One Hundred and Fifty feet (150') of separation from the Wells, or by failing to maintain a minimum of five hundred feet (500') of separation from the planned first take point of any Bayswater well and PDC's Thornton 21K-443 well, Bayswater shall be liable to PDC and shall, within 10 business days, transfer to PDC by check or wire transfer of immediately available funds, liquidated damages in the amount of [REDACTED] (the "Well Separation Damages"). The Parties acknowledge that the Well Separation Damages have been determined in order to compensate PDC for the loss of its ability to drill and complete the Wells in the future, and agree that the Well Separation Damages are reasonable in light of the anticipated harm, the difficulties of proof of loss, and the inconvenience of otherwise obtaining an adequate remedy. Sections 4 and 5 hereof are not mutually exclusive, it being the understanding of the Parties that damages may exist pursuant to which indemnity obligations arise under both Sections 4 and 5 hereof.
6. Damage Prevention. In conducting its oil and gas operations on the Subject Lands, Bayswater shall take all precautions necessary, reasonable, and proper, and/or as directed by the COGCC, or other federal, state or local agency having jurisdiction, to protect against, prevent, and/or mitigate damages to all subsurface formations, the hydrocarbons found or stored therein, and the equipment and appurtenances associated therewith.
7. Access to Subject Lands. Excepting the use of access roads upon the Subject Lands, Bayswater's use of the surface of the Subject Lands shall be limited exclusively to the Bayswater Drillsite Tract, or as otherwise permitted under the Owner Agreements. In the event if any representative, contractor or other agent of PDC wishes to obtain access to the Bayswater Drillsite Tract, PDC must obtain express consent from Bayswater following at least twenty-four (24) hours prior notice, via telephone or electronic mail, with details of PDC's intended activity and purpose. In such event any representatives, contractors and other agents of PDC shall at all times be accompanied by a Bayswater representative.
8. Notice of Operations. With the exception of emergency operations (which shall require immediate notice via telephone or electronic mail), Bayswater shall provide seventy-two (72) hours prior Notice (as defined in Section 27 herein) to PDC of any of the following oil and gas operations on the Subject Lands performed by Bayswater and/or any of its contractors and/or subcontractors: (i) the drilling, completion, refracturing and/or recompletion of any Well and (ii) the plugging and abandonment of any Well. Bayswater shall notify PDC immediately, in the event that any environmental law matter is discovered by Bayswater or raised by any city, county, state, federal or other governmental agency.
9. Well Information. Bayswater shall provide to PDC, without notice but within a reasonable time upon written request, the following information concerning the Wells: (i) wellbore and casing as-builts; (ii) cement bond logs; (iii) drilling and completion reports; and (iv) completed interval reports, which PDC shall maintain as confidential, to the extent the same are not otherwise available in the public domain, or are required to be disclosed by applicable local, state or federal law.
10. No Modification of Bayswater Lease. Nothing in this Agreement is intended or shall be interpreted to amend or modify any surface use agreement or Owner Agreement, or Bayswater's existing leases covering the Adjacent Lands, or lands pooled therewith (the "Bayswater Leases") or any of the terms and conditions set forth therein, and PDC is not, by virtue of this Agreement or any other agreement or instrument, purporting to grant or restrict the rights of the parties to the Bayswater Leases or the Owner Agreements.

11. Disclaimer as to PDC's Scope of Authority. It is expressly understood by the Parties that (i) PDC's authority to consent or grant rights to Bayswater to use the surface, subsurface and subsurface pore space of the Subject Lands is limited to the rights derived by PDC as lessee of the Leases and as a party to any surface use agreement covering the Subject Lands, and (ii) PDC does not have the authority to grant an easement to, or otherwise authorize Bayswater to use the surface, subsurface and subsurface pore space of the Subject Lands for the benefit of the Adjacent Lands, or lands pooled or unitized therewith. Bayswater shall be solely responsible, at its sole cost and expense, of obtaining Owner Agreements, easements, consents, waivers or other authorizations from the surface owner(s) and mineral owner(s) of the Subject Lands, together with any other necessary third parties, prior to conducting any operations on the Subject Lands, and shall indemnify, defend and hold PDC harmless from any claim arising therewith.

12. Well Casing. When Bayswater sets intermediate and/or production casing for any Well, as appropriate, the casing must:

12.1 Be adequately centralized with metal-type centralizer, from 200 feet above the top of the Niobrara Formation; and

12.2 Be adequately cemented in accordance with the rules and regulations of the COGCC, which is to be shown on a reliable cement bond log. The cement bond log shall: (i) integrally include either full equipment calibration and a free pipe signal VDL and/or a full wave train analysis; (ii) a post-cementing transit time curve to verify proper toll centralization; (iii) be run no sooner than a period of seventy-two (72) hours has passed since the completion of the cementing operations; (iv) be run in conjunction with a depth control log.

13. No Waiver. Nothing in this Agreement shall waive or release any rights any Party may have to seek enforcement of, or make a claim for breach of, the express covenants, promises, and provisions of this Agreement.

14. Fees and Costs. The Parties to this Agreement shall be responsible for all of their own attorney fees, costs, and expenses incurred in connection with the negotiation and execution of this Agreement.

15. Integration Clause. This Agreement contains all of the agreements and understandings between the Parties, and there are no other written or oral agreements regarding the subject matter hereof.

16. Successors and Assigns. This Agreement shall be binding upon the Parties and each of their respective successors and permitted assigns.

17. Governing Law and Forum Selection. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado. The courts and authorities of the State of Colorado shall have sole and exclusive jurisdiction and venue over all controversies that may arise with respect to the negotiation, execution and interpretation of, and compliance with or breach of, this Agreement.

18. Warranty of Authority. Except as set forth in the first sentence of Section 11, each Party who executes this Agreement warrants and represents to the other Party hereto that he or she has the authority to do so and thereby bind the respective Party to this Agreement, along with all respective heirs, personal representatives, successors, and assigns, and agrees to indemnify and hold harmless the other Party from any claim that such authority did not exist.

19. No Reliance on Representations. Each Party is executing this Agreement solely in reliance upon its own knowledge and judgment, and not upon any representations, except as expressly stated herein, by any other Party, or anyone acting on any other Party's behalf.

20. Interpretation. Should this Agreement require judicial interpretation, it is agreed that the court interpreting the same shall not apply a presumption that its terms will be more strictly construed against one Party by reason of the rule of construction that a document is to be construed more strictly against the Party who prepared the same, it being agreed that the Parties have had an opportunity to participate jointly and fully in the preparation of this Agreement.

21. Severability. In the event that any condition or covenant contained in this Agreement is either deemed to be invalid or void by any court of competent jurisdiction or cannot be performed, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect any other covenant or condition herein contained. If such a condition, covenant, or other provision shall be deemed invalid due to scope or breadth, then such provision shall be valid to the extent and scope permitted by law.

22. Recitals and Exhibits Incorporated. All Recitals and Exhibits to this Agreement are incorporated herein by this reference.

23. Amendment. This Agreement may not be amended or modified, except in a writing signed by both Parties.

24. Cooperation of the Parties. Each of the Parties shall execute and deliver any and all additional papers, documents, and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder, and to carry out the intent of this Agreement. In the event that it becomes necessary to prepare and execute any additional documents in order to effectuate the purposes of this Agreement, the Parties hereto agree to do so within ten (10) business days of the written request for such.

25. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

26. Term. This Agreement shall be effective as of 7:00 AM Mountain Time on the Effective Date and shall continue in full force and effect until the earlier to occur of: (i) the plugging and abandonment of the Wells; (ii) the expiration, release or other loss of PDC's rights under the Leases; or (iii) Bayswater's conclusion of its oil and gas operations on the Subject Lands; provided, however, that Bayswater's indemnity obligations pursuant to Section 4 shall survive any such termination.

27. Notices. Unless otherwise specifically noted, all notices authorized or required between the Parties by any of the provisions of this Agreement shall be in writing and delivered in person, by courier service, or by any electronic means of transmitting written communications which provides written confirmation of complete transmission (such as facsimile or read-receipt electronic mail), and properly addressed to the other Party at the address specified below. A notice given under any provision of this Agreement shall be deemed delivered only when received by the Party to whom such notice is directed, and the time for such Party to deliver any notice in response to such originating notice shall run from the date the originating notice is received as evidenced by a written confirmation of receipt.

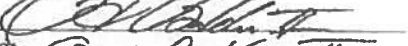
If to PDC:

PDC Energy, Inc.
Attn: O.F. Baldwin II, VP Land
1775 Sherman St.
Ste. 3000
Denver, CO 80203
303.891.3966 (phone)
303.860.5838 (facsimile)
303.860.5800 (phone)

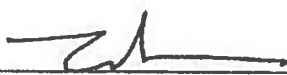
If to Bayswater:

Bayswater Exploration & Production, LLC
Attn: Pamela B. Kingery, Land Manager
730 17th Street
Ste. 610
Denver, CO 80202
P.kingery@bayswater.us
Dated effective for all purposes on the Effective Date.

PDC ENERGY, INC.

By: 
Name: O.F. Baldwin II
Title: Vice President - Land

Bayswater Exploration & Production, LLC

By: 
Name: Lynn S. Belcher
Title: Executive Vice President

ACKNOWLEDGEMENTS

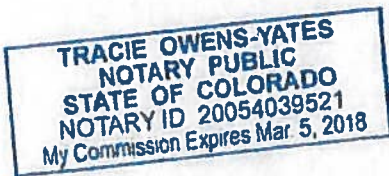
STATE OF COLORADO

County
COUNTY OF Denver

)
) ss
)

The foregoing instrument was acknowledged before me this 22nd day of March, 2016, by O.F. Baldwin, II, Vice President Land of PDC Energy, Inc., who represented he was duly authorized to execute the foregoing instrument for the uses and purposes set forth therein.

WITNESS my hand and official seal.



Tracie Owens-Yates
Name: Tracie Owens-Yates
Notary Public
State of Colorado
My commission expires: 3/5/2018

STATE OF COLORADO

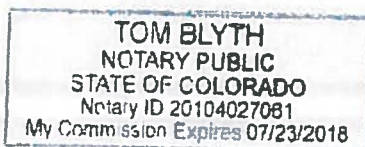
COUNTY OF DENVER

)
) ss
)

The foregoing instrument was acknowledged before me this 7th day of March, 2016, by Lynn S. Belcher, Executive Vice President of Bayswater Exploration & Production, LLC, who represented he was duly authorized to execute the foregoing instrument for the uses and purposes set forth therein.

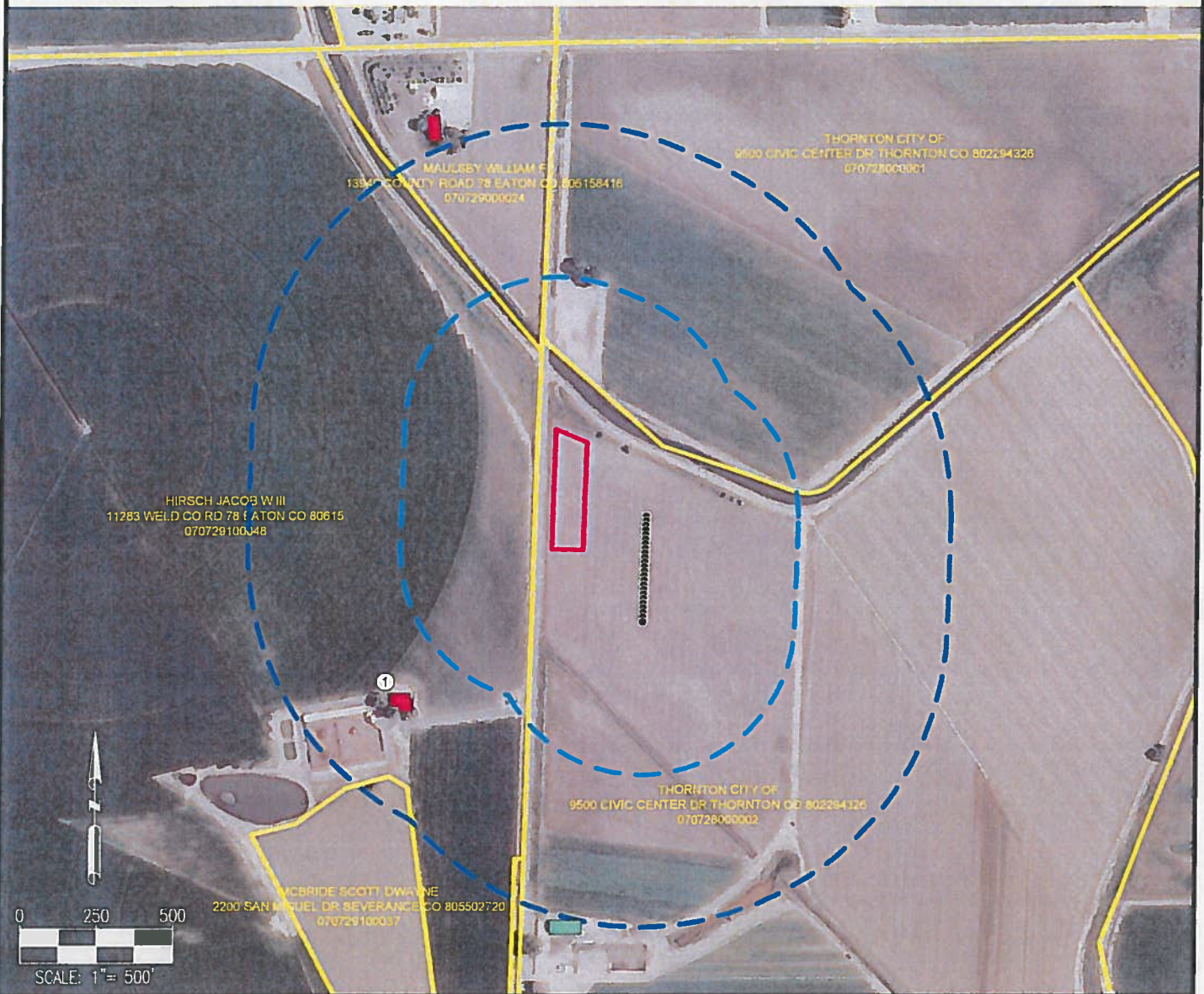
WITNESS my hand and official seal.

My commission expires: 7/23/2018



Name: [Signature]
Notary Public

Wellbore Surface and Subsurface Consent Agreement Exhibit "A"



EXCEPTION ZONE

There are no building units within the Exception Zone

BUFFER ZONE

1. Hirsch Jacob W III is $\pm 563'$ SW of Proposed Production Facility

LEGEND:

- = PROPOSED WELL
- = PROPOSED FACILITY BERM
- = 500' EXCEPTION ZONE
- = 1000' BUFFER ZONE
- = PROPERTY LINE
- = BUILDING UNIT
- = BUILDING

REFERENCE LOCATION

All measurements are made from the wall or corner of the nearest Building Unit and the center of the proposed wellhead or Production Facility edge closest to said Building Unit.

PREPARED BY



FIELD DATE
01-06-16

DRAWING DATE
01-19-16

BY
KAD

CHECKED BY
TJN

SITE NAME
THORNTON 28-H PAD

SURFACE LOCATION
SW 1/4 NW 1/4, SEC. 28, T7N, R66W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR:



Wellbore Surface & Subsurface Consent Agreement - Exhibit B

Header Information		measured depth (ft)	true vertical depth (ft)	inclination (°)	azimuth (°)	northing +N/-S (ft)	easting +E/-W (ft)
Operator Name		0.00	0.00	0.00	0.00	0.00	0.00
PETROLEUM DEVELOPMENT CORPORATION		145.00	145.00	0.60	315.80	0.54	-0.53
Operator Number		235.00	234.99	0.80	283.60	1.03	-1.47
69175		326.00	325.98	1.00	283.30	1.36	-2.86
Well Name and Number		417.00	416.96	1.20	298.50	2.00	-4.47
Thornton 21K-443		509.00	508.94	1.10	279.90	2.61	-6.19
API Number (if available)		600.00	599.93	1.10	285.80	3.00	-7.89
05-123-37128		691.00	690.91	1.30	296.90	3.70	-9.65
Location: QQ SEC TWP RGE		782.00	781.90	0.40	268.00	4.16	-10.89
Sec.21-T7N-R66W		872.00	871.89	0.90	242.40	3.82	-11.83
Citing Type: Planned or Actual		1003.00	1002.88	1.00	197.50	2.25	-13.08
Actual		1094.00	1093.86	0.90	196.40	0.81	-13.52
Deviation Indicator		1186.00	1185.85	0.70	212.80	-0.35	-14.03
Horizontal	▼	1282.00	1281.84	1.30	110.70	-1.23	-13.33
North Reference		1378.00	1377.81	1.90	54.40	-0.69	-11.02
True	▼	1474.00	1473.72	3.20	40.60	2.27	-7.98
Grid Type		1570.00	1569.58	3.00	35.60	6.35	-4.77
	▼	1665.00	1664.44	3.10	37.90	10.40	-1.75
		1760.00	1759.28	3.60	18.90	15.24	0.80
		1855.00	1854.04	4.50	14.10	21.68	2.67
		1951.00	1949.71	5.10	10.90	29.52	4.39
		2047.00	2045.22	6.40	4.90	39.05	5.66
		2142.00	2139.54	7.30	6.80	50.31	6.83
		2237.00	2233.63	8.60	10.40	63.29	8.82
		2332.00	2327.50	9.10	5.00	77.76	10.76
		2427.00	2421.15	10.20	0.60	93.66	11.50
		2521.00	2513.54	11.10	354.70	110.99	10.75
		2616.00	2606.65	11.80	353.10	129.74	8.74
		2711.00	2699.69	11.50	351.20	148.74	6.13

Wellbore Surface & Subsurface Consent Agreement - Exhibit B

Header Information		measured depth (ft)	true vertical depth (ft)	inclination (°)	azimuth (°)	northing +N/-S (ft)	easting +E/-W (ft)
		5660.00	5600.04	4.70	337.90	658.79	-112.05
		5755.00	5694.75	4.30	334.20	665.60	-115.06
		5850.00	5789.50	4.00	323.60	671.47	-118.58
		5945.00	5884.35	2.70	297.00	675.16	-122.54
		6040.00	5979.28	1.40	290.10	676.57	-125.62
		6136.00	6075.26	0.80	292.20	677.23	-127.34
		6231.00	6170.26	0.70	304.50	677.81	-128.43
		6326.00	6265.25	0.70	290.90	678.34	-129.46
		6421.00	6360.24	0.40	284.40	678.63	-130.32
		6516.00	6455.24	0.70	258.60	678.60	-131.21
		6611.00	6550.23	0.70	274.90	678.53	-132.36
		6707.00	6646.22	1.00	276.00	678.67	-133.77
		6740.00	6679.22	1.10	266.10	678.68	-134.38
		6772.00	6711.21	1.10	276.60	678.69	-134.99
		6804.00	6743.21	1.30	222.30	678.46	-135.54
		6835.00	6774.18	3.10	178.00	677.36	-135.74
		6867.00	6806.07	6.30	167.50	674.78	-135.33
		6899.00	6837.75	9.90	168.60	670.37	-134.41
		6931.00	6869.08	13.40	171.10	664.01	-133.29
		6963.00	6900.00	16.50	174.90	655.82	-132.31
		6994.00	6929.50	19.20	178.60	646.33	-131.80
		7026.00	6959.48	21.70	181.10	635.16	-131.78
		7058.00	6988.94	24.30	181.40	622.66	-132.06
		7089.00	7016.95	26.40	181.60	609.39	-132.41
		7121.00	7045.30	28.90	179.00	594.55	-132.47
		7153.00	7073.09	30.50	178.20	578.70	-132.08
		7184.00	7099.49	32.70	178.20	562.46	-131.57
		7217.00	7126.96	34.60	178.80	544.18	-131.09
		7248.00	7152.18	36.50	179.60	526.16	-130.84
		7280.00	7177.54	38.70	178.50	506.64	-130.52

Wellbore Surface & Subsurface Consent Agreement - Exhibit B

Header Information		measured depth (ft)	true vertical depth (ft)	inclination (°)	azimuth (°)	northing +N/-S (ft)	easting +E/-W (ft)
		8281.00	7489.50	88.70	179.50	-400.68	-86.65
		8311.00	7489.92	89.70	180.20	-430.68	-86.57
		8341.00	7489.97	90.10	179.00	-460.68	-86.37
		8372.00	7489.84	90.40	178.90	-491.67	-85.80
		8403.00	7489.54	90.70	178.90	-522.66	-85.20
		8433.00	7489.04	91.20	179.30	-552.66	-84.73
		8464.00	7488.29	91.60	180.00	-583.65	-84.54
		8494.00	7487.32	92.10	179.60	-613.63	-84.44
		8525.00	7486.34	91.50	179.70	-644.61	-84.25
		8555.00	7485.59	91.40	179.10	-674.60	-83.93
		8586.00	7484.83	91.40	179.30	-705.59	-83.50
		8616.00	7484.17	91.10	179.10	-735.58	-83.08
		8647.00	7483.77	90.40	180.10	-766.58	-82.87
		8678.00	7483.63	90.10	179.70	-797.58	-82.81
		8709.00	7483.47	90.50	179.50	-828.57	-82.60
		8739.00	7483.05	91.10	180.20	-858.57	-82.52
		8769.00	7482.32	91.70	180.50	-888.56	-82.70
		8800.00	7481.32	92.00	180.90	-919.54	-83.08
		8830.00	7480.32	91.80	181.90	-949.52	-83.81
		8860.00	7479.51	91.30	182.40	-979.49	-84.94
		8891.00	7479.00	90.60	182.20	-1010.46	-86.18
		8921.00	7478.66	90.70	181.80	-1040.44	-87.23
		8952.00	7478.28	90.70	181.50	-1071.42	-88.12
		8982.00	7477.96	90.50	180.90	-1101.41	-88.75
		9012.00	7477.62	90.80	180.60	-1131.41	-89.14
		9043.00	7477.30	90.40	181.00	-1162.40	-89.57
		9073.00	7477.12	90.30	180.20	-1192.40	-89.89
		9104.00	7476.90	90.50	179.90	-1223.40	-89.91
		9134.00	7476.61	90.60	180.50	-1253.40	-90.02
		9164.00	7476.30	90.60	180.90	-1283.39	-90.39

Wellbore Surface & Subsurface Consent Agreement - Exhibit B

Header Information		measured depth (ft)	true vertical depth (ft)	inclination (°)	azimuth (°)	northing +N/-S (ft)	easting +E/-W (ft)
		10147.00	7465.81	88.70	180.40	-2266.07	-101.76
		10178.00	7466.19	89.90	182.20	-2297.06	-102.46
		10210.00	7466.27	89.80	182.00	-2329.04	-103.63
		10242.00	7466.35	89.90	182.20	-2361.02	-104.81
		10273.00	7466.30	90.30	181.90	-2392.00	-105.92
		10305.00	7466.10	90.40	181.80	-2423.98	-106.95
		10336.00	7465.62	91.40	181.50	-2454.96	-107.84
		10368.00	7464.53	92.50	181.70	-2486.93	-108.73
		10399.00	7463.47	91.40	180.80	-2517.90	-109.41
		10430.00	7462.77	91.20	181.30	-2548.89	-109.98
		10463.00	7461.88	91.90	182.30	-2581.86	-111.01
		10494.00	7460.79	92.10	180.50	-2612.83	-111.77
		10526.00	7459.62	92.10	180.80	-2644.81	-112.13
		10557.00	7458.51	92.00	181.50	-2675.78	-112.76
		10589.00	7457.37	92.10	181.50	-2707.75	-113.59
		10621.00	7456.11	92.40	180.20	-2739.72	-114.07
		10653.00	7454.86	92.10	181.10	-2771.69	-114.43
		10685.00	7453.66	92.20	182.50	-2803.66	-115.43
		10717.00	7452.26	92.80	184.40	-2835.57	-117.36
		10748.00	7450.77	92.70	184.80	-2866.43	-119.84
		10780.00	7449.35	92.40	184.50	-2898.29	-122.43
		10812.00	7448.65	90.10	184.40	-2930.19	-124.92
		10843.00	7448.89	89.00	184.50	-2961.09	-127.32
		10875.00	7449.65	88.30	183.90	-2993.00	-129.66
		10906.00	7450.54	88.40	183.80	-3023.91	-131.74
		10938.00	7451.43	88.40	183.50	-3055.84	-133.78
		10969.00	7452.41	88.00	183.20	-3086.77	-135.59
		11001.00	7453.50	88.10	182.80	-3118.71	-137.26
		11032.00	7454.52	88.10	183.10	-3149.65	-138.86
		11064.00	7455.50	88.40	183.10	-3181.59	-140.59

Wellbore Surface & Subsurface Consent Agreement - Exhibit B

Header Information		measured depth (ft)	true vertical depth (ft)	inclination (°)	azimuth (°)	northing +N/-S (ft)	easting +E/-W (ft)
		12048.00	7454.64	91.70	176.80	-4164.77	-147.94
		12080.00	7453.71	91.60	176.20	-4196.70	-145.99
		12112.00	7452.79	91.70	176.20	-4228.62	-143.87
		12144.00	7451.84	91.70	176.30	-4260.53	-141.78
		12176.00	7450.92	91.60	176.40	-4292.46	-139.74
		12208.00	7450.00	91.70	175.60	-4324.36	-137.51
		12239.00	7449.03	91.90	176.60	-4355.28	-135.40
		12272.00	7447.90	92.00	176.00	-4388.19	-133.28
		12303.00	7446.93	91.60	175.80	-4419.09	-131.06
		12335.00	7445.92	92.00	175.70	-4450.99	-128.69
		12367.00	7444.84	91.90	176.00	-4482.89	-126.38
		12433.00	7442.53	92.10	175.60	-4548.67	-121.54



PETROLEUM DEVELOPMENT CORP Weld County CO

SEC.21-T7N-R66W

Thornton 21K-HZ Pad Sec.21-T7N-R66W

Thornton 21K-443

Wellbore #1

Survey: Survey #1

Standard Survey Report

12 August, 2013

Company: PETROLEUM DEVELOPMENT CORP Weld
 County CO
Project: SEC.21-T7N-R66W
Site: Thornton 21K-HZ Pad Sec.21-T7N-R66W
Well: Thornton 21K-443
Wellbore: Wellbore #1
Design: Wellbore #1

Local Co-ordinate Reference: Well Thornton 21K-443
TVD Reference: WELL @ 4978.0ft (RKB -15')
MD Reference: WELL @ 4978.0ft (RKB -15')
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: Landmark

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
1,003.0	1.00	197.50	1,002.9	2.3	-13.1	-1.9	0.56	0.08	-34.27
1,094.0	0.90	196.40	1,093.9	0.8	-13.5	-0.4	0.11	-0.11	-1.21
1,186.0	0.70	212.80	1,185.9	-0.4	-14.0	0.7	0.33	-0.22	17.83
1,282.0	1.30	110.70	1,281.8	-1.2	-13.3	1.6	1.67	0.63	-106.35
1,378.0	1.90	54.40	1,377.8	-0.7	-11.0	1.0	1.67	0.63	-58.65
1,474.0	3.20	40.60	1,473.7	2.3	-8.0	-2.1	1.49	1.35	-14.38
1,570.0	3.00	35.60	1,569.6	6.3	-4.8	-6.2	0.35	-0.21	-5.21
1,665.0	3.10	37.90	1,664.4	10.4	-1.7	-10.3	0.17	0.11	2.42
1,760.0	3.60	18.90	1,759.3	15.2	0.8	-15.3	1.27	0.53	-20.00
1,855.0	4.50	14.10	1,854.0	21.7	2.7	-21.7	1.01	0.95	-5.05
1,951.0	5.10	10.90	1,949.7	29.5	4.4	-29.6	0.68	0.63	-3.33
2,047.0	6.40	4.90	2,045.2	39.0	5.7	-39.2	1.49	1.35	-6.25
2,142.0	7.30	6.80	2,139.5	50.3	6.8	-50.5	0.98	0.95	2.00
2,237.0	8.60	10.40	2,233.6	63.3	8.8	-63.5	1.46	1.37	3.79
2,332.0	9.10	5.00	2,327.5	77.8	10.8	-78.0	1.02	0.53	-5.68
2,427.0	10.20	0.60	2,421.2	93.7	11.5	-93.9	1.39	1.16	-4.63
2,521.0	11.10	354.70	2,513.5	111.0	10.8	-111.2	1.50	0.96	-6.28
2,616.0	11.80	353.10	2,606.6	129.7	8.7	-129.9	0.81	0.74	-1.68
2,711.0	11.50	351.20	2,699.7	148.7	6.1	-148.9	0.51	-0.32	-2.00
2,805.0	11.30	349.00	2,791.8	167.0	2.9	-167.1	0.51	-0.21	-2.34
2,901.0	11.00	347.10	2,886.0	185.2	-0.9	-185.1	0.49	-0.31	-1.98
2,996.0	12.40	348.50	2,979.0	204.0	-5.0	-203.8	1.50	1.47	1.47
3,091.0	12.30	345.80	3,071.8	223.8	-9.5	-223.5	0.62	-0.11	-2.84
3,187.0	11.60	345.20	3,165.8	243.1	-14.5	-242.6	0.74	-0.73	-0.63
3,282.0	11.20	342.80	3,258.9	261.1	-19.6	-260.5	0.65	-0.42	-2.53
3,377.0	11.90	344.50	3,352.0	279.4	-25.0	-278.6	0.82	0.74	1.79
3,473.0	11.30	342.20	3,446.0	297.9	-30.5	-297.0	0.79	-0.63	-2.40
3,568.0	11.20	333.20	3,539.2	315.0	-37.5	-313.9	1.85	-0.11	-9.47
3,664.0	10.60	335.40	3,633.5	331.3	-45.4	-330.0	0.76	-0.63	2.29
3,759.0	11.20	333.60	3,726.7	347.5	-53.1	-346.0	0.73	0.63	-1.89
3,853.0	10.80	335.30	3,819.0	363.7	-60.8	-362.0	0.55	-0.43	1.81
3,948.0	10.90	341.90	3,912.3	380.3	-67.4	-378.4	1.31	0.11	6.95
4,043.0	10.90	358.60	4,005.6	397.9	-70.4	-395.8	3.31	0.00	17.58
4,138.0	11.40	359.10	4,098.8	416.2	-70.7	-414.2	0.54	0.53	0.53
4,232.0	11.50	358.10	4,191.0	434.9	-71.2	-432.8	0.24	0.11	-1.06
4,327.0	11.30	356.70	4,284.1	453.6	-72.0	-451.6	0.36	-0.21	-1.47
4,422.0	10.60	355.20	4,377.4	471.6	-73.3	-469.5	0.80	-0.74	-1.58
4,517.0	10.20	353.70	4,470.8	488.7	-75.0	-486.5	0.51	-0.42	-1.58
4,612.0	9.50	352.70	4,564.4	504.8	-76.9	-502.6	0.76	-0.74	-1.05
4,708.0	10.00	354.70	4,659.0	521.0	-78.7	-518.7	0.63	0.52	2.08
4,803.0	10.00	353.70	4,752.6	537.4	-80.3	-535.1	0.18	0.00	-1.05
4,898.0	9.10	352.90	4,846.3	553.1	-82.2	-550.7	0.96	-0.95	-0.84
4,994.0	9.90	347.80	4,940.9	568.7	-84.8	-566.2	1.21	0.83	-5.31
5,089.0	9.50	345.90	5,034.6	584.3	-88.5	-581.7	0.54	-0.42	-2.00
5,184.0	9.00	345.70	5,128.3	599.1	-92.2	-596.4	0.53	-0.53	-0.21
5,279.0	9.00	343.30	5,222.2	613.4	-96.2	-610.6	0.40	0.00	-2.53
5,374.0	8.30	342.40	5,316.1	627.0	-100.4	-624.1	0.75	-0.74	-0.95
5,469.0	7.40	340.20	5,410.2	639.3	-104.5	-636.3	1.00	-0.95	-2.32
5,564.0	6.50	338.60	5,504.5	650.1	-108.6	-646.9	0.97	-0.95	-1.68
5,660.0	4.70	337.90	5,600.0	658.8	-112.0	-655.6	1.88	-1.88	-0.73
5,755.0	4.30	334.20	5,694.8	665.6	-115.1	-662.3	0.52	-0.42	-3.89
5,850.0	4.00	323.60	5,789.5	671.5	-118.6	-668.1	0.87	-0.32	-11.16
5,945.0	2.70	297.00	5,884.3	675.2	-122.5	-671.6	2.10	-1.37	-28.00
6,040.0	1.40	290.10	5,979.3	676.6	-125.6	-673.0	1.39	-1.37	-7.26

Directional

Company: PETROLEUM DEVELOPMENT CORP Weld
County CO
Project: SEC.21-T7N-R66W
Site: Thornton 21K-HZ Pad Sec.21-T7N-R66W
Well: Thornton 21K-443
Wellbore: Wellbore #1
Design: Wellbore #1

Local Co-ordinate Reference: Well Thornton 21K-443
TVD Reference: WELL @ 4978.0ft (RKB -15')
MD Reference: WELL @ 4978.0ft (RKB -15')
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: Landmark

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,219.0	87.90	178.40	7,487.6	-338.7	-87.2	340.9	0.33	0.00	0.33
8,250.0	88.20	180.00	7,488.7	-369.7	-86.8	371.9	5.25	0.97	5.16
8,281.0	88.70	179.50	7,489.5	-400.7	-86.7	402.9	2.28	1.61	-1.61
8,311.0	89.70	180.20	7,489.9	-430.7	-86.6	432.8	4.07	3.33	2.33
8,341.0	90.10	179.00	7,490.0	-460.7	-86.4	462.8	4.22	1.33	-4.00
8,372.0	90.40	178.90	7,489.8	-491.7	-85.8	493.8	1.02	0.97	-0.32
8,403.0	90.70	178.90	7,489.5	-522.7	-85.2	524.8	0.97	0.97	0.00
8,433.0	91.20	179.30	7,489.0	-552.7	-84.7	554.7	2.13	1.67	1.33
8,464.0	91.60	180.00	7,488.3	-583.6	-84.5	585.7	2.60	1.29	2.26
8,494.0	92.10	179.60	7,487.3	-613.6	-84.4	615.7	2.13	1.67	-1.33
8,525.0	91.50	179.70	7,486.3	-644.6	-84.2	646.6	1.96	-1.94	0.32
8,555.0	91.40	179.10	7,485.6	-674.6	-83.9	676.6	2.03	-0.33	-2.00
8,586.0	91.40	179.30	7,484.8	-705.6	-83.5	707.6	0.64	0.00	0.65
8,616.0	91.10	179.10	7,484.2	-735.6	-83.1	737.5	1.20	-1.00	-0.67
8,647.0	90.40	180.10	7,483.8	-766.6	-82.9	768.5	3.94	-2.26	3.23
8,678.0	90.10	179.70	7,483.6	-797.6	-82.8	799.5	1.61	-0.97	-1.29
8,709.0	90.50	179.50	7,483.5	-828.6	-82.6	830.5	1.44	1.29	-0.65
8,739.0	91.10	180.20	7,483.1	-858.6	-82.5	860.5	3.07	2.00	2.33
8,769.0	91.70	180.50	7,482.3	-888.6	-82.7	890.5	2.24	2.00	1.00
8,800.0	92.00	180.90	7,481.3	-919.5	-83.1	921.4	1.61	0.97	1.29
8,830.0	91.80	181.90	7,480.3	-949.5	-83.8	951.4	3.40	-0.67	3.33
8,860.0	91.30	182.40	7,479.5	-979.5	-84.9	981.4	2.36	-1.67	1.67
8,891.0	90.60	182.20	7,479.0	-1,010.5	-86.2	1,012.4	2.35	-2.26	-0.65
8,921.0	90.70	181.80	7,478.7	-1,040.4	-87.2	1,042.4	1.37	0.33	-1.33
8,952.0	90.70	181.50	7,478.3	-1,071.4	-88.1	1,073.4	0.97	0.00	-0.97
8,982.0	90.50	180.90	7,478.0	-1,101.4	-88.7	1,103.4	2.11	-0.67	-2.00
9,012.0	90.80	180.60	7,477.6	-1,131.4	-89.1	1,133.4	1.41	1.00	-1.00
9,043.0	90.40	181.00	7,477.3	-1,162.4	-89.6	1,164.4	1.82	-1.29	1.29
9,073.0	90.30	180.20	7,477.1	-1,192.4	-89.9	1,194.4	2.69	-0.33	-2.67
9,104.0	90.50	179.90	7,476.9	-1,223.4	-89.9	1,225.4	1.16	0.65	-0.97
9,134.0	90.60	180.50	7,476.6	-1,253.4	-90.0	1,255.4	2.03	0.33	2.00
9,164.0	90.60	180.90	7,476.3	-1,283.4	-90.4	1,285.3	1.33	0.00	1.33
9,196.0	91.10	180.30	7,475.8	-1,315.4	-90.7	1,317.3	2.44	1.56	-1.88
9,228.0	91.60	180.60	7,475.1	-1,347.4	-91.0	1,349.3	1.82	1.56	0.94
9,260.0	92.20	180.10	7,474.0	-1,379.4	-91.2	1,381.3	2.44	1.88	-1.56
9,291.0	91.40	179.10	7,473.0	-1,410.3	-91.0	1,412.3	4.13	-2.58	-3.23
9,323.0	90.00	179.20	7,472.6	-1,442.3	-90.5	1,444.2	4.39	-4.38	0.31
9,355.0	89.70	179.50	7,472.7	-1,474.3	-90.1	1,476.2	1.33	-0.94	0.94
9,386.0	89.90	179.50	7,472.8	-1,505.3	-89.8	1,507.2	0.65	0.65	0.00
9,418.0	90.00	179.50	7,472.9	-1,537.3	-89.6	1,539.2	0.31	0.31	0.00
9,450.0	90.30	180.00	7,472.8	-1,569.3	-89.4	1,571.2	1.82	0.94	1.56
9,481.0	91.10	181.00	7,472.4	-1,600.3	-89.7	1,602.2	4.13	2.58	3.23
9,513.0	91.70	181.30	7,471.6	-1,632.3	-90.3	1,634.1	2.10	1.88	0.94
9,545.0	92.10	181.40	7,470.6	-1,664.3	-91.1	1,666.1	1.29	1.25	0.31
9,577.0	92.50	181.50	7,469.3	-1,696.2	-91.9	1,698.1	1.29	1.25	0.31
9,608.0	91.90	181.10	7,468.1	-1,727.2	-92.6	1,729.1	2.33	-1.94	-1.29
9,640.0	91.20	181.30	7,467.2	-1,759.2	-93.3	1,761.1	2.27	-2.19	0.63
9,672.0	90.20	181.00	7,466.8	-1,791.2	-93.9	1,793.1	3.26	-3.13	-0.94
9,703.0	89.90	180.90	7,466.8	-1,822.2	-94.4	1,824.1	1.02	-0.97	-0.32
9,735.0	90.00	180.10	7,466.8	-1,854.2	-94.7	1,856.1	2.52	0.31	-2.50
9,766.0	90.30	180.80	7,466.7	-1,885.2	-95.0	1,887.0	2.46	0.97	2.26
9,798.0	90.90	181.60	7,466.4	-1,917.2	-95.6	1,919.0	3.12	1.88	2.50
9,830.0	91.50	181.90	7,465.7	-1,949.2	-96.6	1,951.0	2.10	1.88	0.94



Wellbore Surface & Subsurface Consent Agreement - Exhibit B Survey Report

Directional

Company:	PETROLEUM DEVELOPMENT CORP Weld County CO	Local Co-ordinate Reference:	Well Thornton 21K-443
Project:	SEC.21-T7N-R66W	TVD Reference:	WELL @ 4978.0ft (RKB -15')
Site:	Thornton 21K-HZ Pad Sec.21-T7N-R66W	MD Reference:	WELL @ 4978.0ft (RKB -15')
Well:	Thornton 21K-443	North Reference:	True
Wellbore:	Wellbore #1	Survey Calculation Method:	Minimum Curvature
Design:	Wellbore #1	Database:	Landmark

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
11,572.0	89.80	180.80	7,461.9	-3,689.1	-160.1	3,692.1	0.70	-0.63	-0.31
11,604.0	89.70	180.20	7,462.0	-3,721.1	-160.4	3,724.1	1.90	-0.31	-1.88
11,635.0	90.20	180.10	7,462.0	-3,752.1	-160.4	3,755.1	1.64	1.61	-0.32
11,667.0	90.20	180.10	7,461.9	-3,784.1	-160.5	3,787.0	0.00	0.00	0.00
11,698.0	90.50	179.10	7,461.7	-3,815.1	-160.3	3,818.0	3.37	0.97	-3.23
11,730.0	90.70	179.40	7,461.4	-3,847.1	-159.9	3,850.0	1.13	0.63	0.94
11,762.0	90.70	179.30	7,461.0	-3,879.1	-159.5	3,882.0	0.31	0.00	-0.31
11,794.0	90.60	178.20	7,460.6	-3,911.1	-158.8	3,913.9	3.45	-0.31	-3.44
11,826.0	90.80	178.10	7,460.3	-3,943.1	-157.8	3,945.9	0.70	0.63	-0.31
11,857.0	91.40	177.70	7,459.7	-3,974.0	-156.6	3,976.8	2.33	1.94	-1.29
11,890.0	91.30	177.40	7,458.9	-4,007.0	-155.2	4,009.7	0.96	-0.30	-0.91
11,921.0	91.30	177.50	7,458.2	-4,038.0	-153.8	4,040.6	0.32	0.00	0.32
11,953.0	91.30	177.70	7,457.5	-4,069.9	-152.5	4,072.5	0.62	0.00	0.63
11,985.0	91.70	177.30	7,456.6	-4,101.9	-151.1	4,104.5	1.77	1.25	-1.25
12,016.0	91.90	177.20	7,455.6	-4,132.8	-149.6	4,135.4	0.72	0.65	-0.32
12,048.0	91.70	176.80	7,454.6	-4,164.8	-147.9	4,167.2	1.40	-0.63	-1.25
12,080.0	91.60	176.20	7,453.7	-4,196.7	-146.0	4,199.1	1.90	-0.31	-1.88
12,112.0	91.70	176.20	7,452.8	-4,228.6	-143.9	4,231.0	0.31	0.31	0.00
12,144.0	91.70	176.30	7,451.8	-4,260.5	-141.8	4,262.8	0.31	0.00	0.31
12,176.0	91.60	176.40	7,450.9	-4,292.5	-139.7	4,294.7	0.44	-0.31	0.31
12,208.0	91.70	175.60	7,450.0	-4,324.4	-137.5	4,326.5	2.52	0.31	-2.50
12,239.0	91.90	176.60	7,449.0	-4,355.3	-135.4	4,357.3	3.29	0.65	3.23
12,272.0	92.00	176.00	7,447.9	-4,388.2	-133.3	4,390.2	1.84	0.30	-1.82
12,303.0	91.60	175.80	7,446.9	-4,419.1	-131.1	4,421.0	1.44	-1.29	-0.65
12,335.0	92.00	175.70	7,445.9	-4,451.0	-128.7	4,452.8	1.29	1.25	-0.31
12,367.0	91.90	176.00	7,444.8	-4,482.9	-126.4	4,484.7	0.99	-0.31	0.94
12,430.4	92.09	175.62	7,442.6	-4,546.1	-121.7	4,547.7	0.68	0.30	-0.61
BHL 2140'FNL, 1080'FWL									
12,433.0	92.10	175.60	7,442.5	-4,548.7	-121.5	4,550.3	0.68	0.30	-0.61

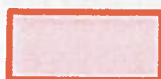
Design Targets

Target Name

- hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
LOT-A	0.00	0.00	1.0	273.3	-1,180.9	1,447,778.57	3,196,533.31	40.560400	-104.792660
- survey misses target center by 1212.1ft at 1.2ft MD (1.2 TVD, 0.0 N, 0.0 E)									
- Polygon									
Point 1			1.0	0.0	0.0	1,447,778.57	3,196,533.31		
Point 2			1.0	449.0	0.0	1,448,227.54	3,196,529.71		
Point 3			1.0	449.0	1,289.0	1,448,237.89	3,197,818.63		
Point 4			1.0	0.0	1,289.0	1,447,788.91	3,197,822.23		
Point 5			1.0	449.0	1,289.0	1,448,237.89	3,197,818.63		
Point 6			1.0	449.0	0.0	1,448,227.54	3,196,529.71		
BHL 2140'FNL, 1080'	0.00	0.00	7,458.0	-4,550.4	-172.3	1,442,963.32	3,197,580.55	40.547160	-104.789030
- survey misses target center by 53.0ft at 12430.4ft MD (7442.6 TVD, -4546.1 N, -121.7 E)									
- Point									

Checked By: _____ Approved By: _____ Date: _____

Exhibit C
Shared Oil & Gas Operations Area
Bayswater, and PDC



Area shown in orange depicts the shared Oil and Gas Operations Area for PDC and Bayswater



Corporate Office
1775 Sherman Street, #3000
Denver, Colorado 80203
303.860.5800
www.petd.com

May 9, 2016

City of Thornton
Attn: Scott Twombly
9500 Civic Center Drive,
Thornton, CO 80229



SENT VIA UPS
(Tracking # 1ZX921010394951900)

Re: Surface Damage and Release Agreement
Between PDC Energy, Inc. and Bayswater Exploration and Production, LLC
Township 7 North, Range 66 West, Section 28, 6th P.M., Weld County, CO

Dear Mr. Twombly:

This letter is to serve as notice of PDC Energy, Inc. ("PDC") acknowledgement of the enclosed Surface Damage and Release Agreement (SUA) between the City of Thornton (Thornton) and Bayswater Exploration and Production, LLC (Bayswater).

On March 7, 2016, PDC and Bayswater entered into a Wellbore Surface and Subsurface Consent Agreement ("Consent Agreement") which has been incorporated as Exhibit B of the SUA regarding the Oil and Gas Operations Area (OGO) on lands owned by the City of Thornton in Section 28, Township 7 North, Range 66 West. In that Consent Agreement Bayswater agreed to contain its operations within the Brown Area and Green Area depicted in Exhibit A of the SUA.

By way of this letter, PDC agrees to coordinate with Bayswater in locating PDC's operations for wells drilled from the proposed 28GK-HZ Pad to the Orange Area shown in Exhibit C of the SUA, further detailed in the attached preliminary location drawing dated 9/30/2015 and incorporated herein, however subject to refinement per the terms of applicable Surface Damage and Release Agreement. PDC and Bayswater may share certain areas within the Orange Area depicted in Exhibit C, but no surface lands outside the Orange Area depicted in Exhibit C shall be used for oil and gas operations of Bayswater or PDC's 28GK-HZ Pad Wells. PDC will work diligently to assist Bayswater in utilizing a single shared access point to the shared OGO Orange Area depicted in Exhibit C off Weld County Road 29, in a place acceptable to the City of Thornton and Weld County in accordance with applicable laws.

Per the terms of Lease #28 between PDC and the City of Thornton dated January 24, 2012, PDC shall first enter into a surface damage and use agreement with the City of Thornton prior to commencement of any surface operations located within the referenced lands.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Tyler Sims".

J. Tyler Sims, MBA, CPL
Senior Regional Landman

CC: Blake Leavitt
Attachment

THORNTON 28-H PAD PRELIMINARY LOCATION DRAWING



- 1 Proposed Well THORNTON A-29-30HN
- 2 Proposed Well THORNTON B-29-30HC
- 3 Proposed Well THORNTON C-29-30HN
- 4 Proposed Well THORNTON D-29-30HN
- 5 Proposed Well THORNTON E-29-30HC
- 6 Proposed Well THORNTON F-29-30HN
- 7 Proposed Well THORNTON G-29-30HN
- 8 Proposed Well THORNTON H-29-30HC
- 9 Proposed Well THORNTON I-29-30HN
- 10 Proposed Well THORNTON J-29-30HN
- 11 Proposed Well THORNTON K-29-30HC
- 12 Proposed Well THORNTON L-29-30HN

- 13 Proposed Well THORNTON M-29-30HN
- 14 Proposed Well THORNTON N-29-30HC
- 15 Proposed Well THORNTON O-29-30HN
- 16 Proposed Well THORNTON P-29-30HN
- 17 Proposed Well THORNTON Q-29-30HC
- 18 Proposed Well THORNTON R-29-30HN
- 19 Water Well (Permit #79) is ±247' SE.
- 20 Operational Disturbance Area
- 21 Proposed Facility
- 22 Proposed Access Road
- 23 Concrete Ditches are ±274' NE, ±342' NE, and ±787' NW
- 24 Canal is ±341' NE

- 25 Private roads are ±235' E, ±296' NE, ±371' NE, ±760' SW, and ±961' NW
- 26 County Road 29 is ±620' W
- 27 Ditches are ±565' SW, and ±650' SW
- 28 Powerline is ±1126' NW
- 29 Fence is ±607' W
- 30 Proposed PDC Facility
- 31 Proposed Well Thornton 28G-423
- 32 Proposed Well Thornton 28G-223
- 33 Proposed Well Thornton 28K-443
- 34 Proposed Well Thornton 28K-303
- 35 Proposed Well Thornton 28K-423
- 36 Proposed Well Thornton 28K-223
- 37 500' Radius

Legend

- Proposed Well
- Water Well
- Proposed PDC Well
- Disturbance Area
- 500' Radius
- Proposed Facility
- Building Unit
- Proposed PDC Facility
- Proposed PDC Well Pad
- Proposed Access Road
- Ditch
- Powerline
- Public Road
- Private Road
- Fence
- Concrete Ditch
- Canal

Measured from Nearest Well or Facility Edge

Building -	±858' SW
Building Unit -	±858' SW
Public Road - (CR 29)	±40' W
Prop. Line (HIRSCH JACOB W III)	±54' W

Utility (Power Line) -	±451' NW
Railroad -	>5280' E

Measured from Edge of Disturbance Area

Surface Water (Concrete Ditch) -	±20' NE
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Measured from Nearest Well

Water Well - ±118' SE	SWL = 8'
Permit: 79	Receipt: 9058255

Reference Location

**** THORNTON I-29-30HN ****

Lat: 40.548233°
Long: -104.790526° (NAD83)
1788' FNL & 639' FWL

Disturbance Acreage:

6.04 Acres Drilling Operations
3.52 Acres Interim Reclaim

Current Surface Use: Irrigated Crop
Future Surface Use: Irrigated Crop

PREPARED FOR:



FIELD DATE:

N/A

DRAWING DATE:

09-30-15

BY:

CSG

CHECKED BY:

KAD

SITE NAME:

THORNTON 28-H PAD

SURFACE LOCATION:

SW1/4 NW1/4 SEC. 28, T7N, R66W, 6TH P.M.
WELD COUNTY, COLORADO



EXPLORATION AND PRODUCTION, LLC