

WHEN RECORDED RETURN TO:

NGL WATER SOLUTIONS DJ, LLC
3773 CHERRY CREEK NORTH DRIVE, SUITE 1000
DENVER, COLORADO 80209
ATTENTION: GENERAL COUNSEL
FACSIMILE: 303-815-1011

**SURFACE USE AGREEMENT &
WELL AND PIPELINE EASEMENT**

THIS WELL AND PIPELINE EASEMENT ("**Easement**") is made this 9th day of June, 2014 between DANIEL P. DIETZLER (hereinafter "**Grantor**"), whose address is 150 N. Montclair Ave., Glen Ellyn, Illinois 60137 and NGL WATER SOLUTIONS DJ, LLC, a Colorado limited liability company, (hereinafter "**Grantee**"), whose address is 3773 Cherry Creek North Drive, Suite 1000, Denver, Colorado 80209.

WITNESSETH:

A. Grantor is the owner of certain real property described on **Exhibit A** attached hereto ("**Property**"), and Grantor agrees to grant to Grantee, certain easements for the purposes described below.

B. Grantee desires to obtain certain access and other rights with respect to the Property including the right to inject and store water in various formations below the surface of the Property.

C. Grantor and Grantee hereby wish to set forth their agreement and enter into this Easement.

NOW, THEREFORE, in consideration of the foregoing recitals and the obligations, covenants and agreements herein set forth, the legal sufficiency of which the parties due hereby acknowledge, the parties hereto agree as follows:

AGREEMENT:

1) **GRANT OF EASEMENT.**

a) For and in consideration of the foregoing recitals, the obligations covenants and agreements herein set forth, the sum of Ten Dollars and other good and valuable consideration in hand paid by Grantee to Grantor, the receipt and adequacy of which are hereby acknowledged by Grantor, Grantor hereby grants, bargains, sells and conveys unto said Grantee, its agents, employees, contractors, licensees, successors and assigns, the following rights (collectively, the "**Easements**"):

i) **Well Pad.** An exclusive, perpetual easement in gross (the "**Well Easement**") in and to, upon, over, under, across and through up to four sites, each twenty acres or less,

located within the Property (each a “**Well Pad**,” collectively, the “**Well Pads**”), for the purpose of surveying, constructing, installing, operating, maintaining, inspecting, repairing, altering, relocating, rebuilding, removing, reconstructing and replacing (collectively, the “**Easement Activities**”) water injection wells and related equipment and appurtenances for the transportation and injection of oilfield waste water beneath the surface of the Property. The precise location of the Well Pads will be determined in accordance with Section 2 below.

- ii) Water Treatment. An exclusive, perpetual easement (the “**Treatment Easement**”) in and to, upon, over, under, across and through one site of up to ten acres located within the Property (the “**Treatment Site**”) for the purpose of conducting the Easement Activities with respect to a water treatment facility for the treatment of oilfield waste water for re-use. The precise location of the Treatment Site will be determined in accordance with Section 2 below.
- iii) Solids Processing. An exclusive, perpetual easement (the “**Processing Easement**”) in and to, upon, over, under, across and through one site of up to ten acres located within the Property (the “**Processing Site**”) for the purpose of conducting the Easement Activities with respect to a solids processing facility treatment for the dewatering and further treatment of oilfield solids (e.g. tank bottoms). The precise location of the Processing Site will be determined in accordance with Section 2 below.
- iv) Pipeline. A non-exclusive, perpetual easement in gross (the “**Pipeline Easement**”) in and to, upon, over, under, across and through the Property, for the purpose of conducting Easement Activities with respect to one or more pipelines for the transportation of oilfield waste water and related equipment and appurtenances, including utility lines, above and below ground, between any portion of the Easement Areas (defined below) and the borders of the Property.
- v) Water Storage. An exclusive, perpetual easement in gross (the “**Storage Easement**”) for the injection and storage of water beneath the surface of the Property through injection wells located on the Well Pads and, at Grantee’s discretion, the removal of any water so stored. The Storage Easement shall survive any termination or abandonment of the Easements; regardless of how effected.
- vi) Access. A non-exclusive, perpetual easement in gross (the “**Access Easement**”) for (a) pedestrian and vehicular access in and to, upon, over, across and through the Property as is necessary in order for Grantee to access the Property and perform Easement Activities with respect to the Easements, (ii) the right to construct, install, maintain, repair and replace any additional access roads or driveways as is necessary in order for Grantee to access the Property and perform Easement Activities with respect to the Easements, and (iii) a non-exclusive access easement in and to, upon, over, under, across and through the Lessor’s Property, for the purpose of surveying, constructing, installing, operating, maintaining, inspecting, repairing, altering,

relocating, rebuilding, removing, reconstructing and replacing one or more pipelines for the transportation of water and related equipment and appurtenances, including utility lines, above and below ground (collectively, the "Access and Utility Easement"). Lessor agrees to maintain (including snow and ice removal) and repair all existing roads and driveways located on Lessor's Property and any future roads and driveways it may construct on Lessor's Property, during the Term of this Lease; provided, however, Lessee shall reimburse Lessor, upon demand, for its equitable share of reasonable and documented costs incurred by Lessor in order to maintain such roads and driveways located on Lessor's Property which are routinely used by Lessee.

vii)

- b) The Well Pads, Treatment Site, and Processing Site shall collectively be referred to herein as the "Easement Area(s)".

2) IDENTIFICATION OF EASEMENT AREAS. Grantee shall, upon at least 15 days' prior written notice to Grantor from time-to-time, notify Grantor of the specific location and size of each Easement Area (each, a "Takedown Notice"). In each Takedown Notice, Grantee shall depict and describe the location of the applicable Easement Area respectively as Exhibits B-1, B-2, B-3, B-4, B-5, and B-6 and in each case Grantee shall re-record this Easement. Grantor hereby acknowledges and agrees that, provided Grantee gives notice as required under this Section 2 Grantee shall be entitled, subject to Section 13(a) below, to effect such re-recordings without Grantor's consent or signature.

3) EASEMENT FEE.

- a) From and after Grantee's designation of the first Easement Area until such time as Grantee affirmatively terminates this Easement pursuant to Section 6 below; Grantee shall pay to Grantor a monthly Easement Fee REDACTED (the "Easement Fee"). The Easement Fee shall be payable monthly, in advance, without notice or request. Grantee shall not be in default under this Easement for its failure to make timely payments of the Easement Fee unless and until such failure continues ten days after Grantor's delivery of a notice identifying such default to Grantee.
- b) In addition, Grantee shall pay to Grantor a one-time fee at the time of each Takedown Notice, which fee shall be equal to REDACTED for each acre identified in the applicable Takedown Notice.

4) GRANTOR'S COVENANTS.

- a) Grantor warrants that it has full right and lawful authority to grant the Easements and promises herein and agrees to defend, indemnify and hold harmless Grantee in the exercise of its rights herein against any defect in Grantor's title to the Property or Grantor's right to grant the Easements. Grantor warrants and forever defends the

Easements herein conveyed against every person or party that claims the same or any part thereof.

- b) Neither Grantor, nor any person claiming by, through or under Grantor, shall unreasonably interfere with or obstruct the use and enjoyment of the Easements by Grantee, or construct, erect, install or permit the building, construction, erection or installation of any structure or obstruction, improvement, fence, wall, curb or other barrier or structure in or on the Property which could in any respect unreasonably impair access to and use of the Property by Grantee, except with prior written permission from Grantee. Any structure or obstruction such as a building, fence or trees located on the Property which interferes with the use of or obstructs the operation of the Easements or access to the Property may be removed by Grantee without liability for damages arising therefrom. In the event the terms of this Section are violated, such violation shall immediately be removed or eliminated by Grantor upon receipt of written notice from Grantee, or Grantee shall have the immediate right to correct or eliminate such violation at the sole expense of Grantor, its heirs, successors or assigns, which shall promptly reimburse Grantee for any expense related thereto. Grantor shall not in any manner interfere with the Easement Activities or the purposes for which this Easement is conveyed.

5) GRANTEE'S COVENANTS.

- a) Grantee shall maintain all facilities and structures it installs on, in or under the Property. Other portions of the Property shall be maintained by Grantor, its heirs, successors or assigns.
- b) Grantee shall exercise its rights under this Easement so as to minimize interruption of Grantor's operations on the Property
- c) Grantee shall protect the Property and any adjacent lands of Grantor or others from damage caused in whole or in part by acts or omissions of Grantee, its agents, employees, contractors, concessionaires, representatives, successors and assigns (collectively, and together with Grantee, "**Grantee's Responsible Parties**").
- d) In all actions undertaken on the Property by any of Grantee's Responsible Parties, all work shall be completed in a workmanlike manner, free of all liens (including mechanic's liens) and encumbrances on the Property.
- e) Grantee shall comply with all applicable federal, state and local laws, rules and ordinances in connection with its use of the Property and has or shall obtain all permits and approvals required by applicable governmental or quasi-governmental entities in connection with Grantee's Easement Activities and use of the Property as permitted hereunder. This Easement and rights granted herein shall not be used in such a manner as to violate any county regulation, city ordinance or state or federal law, rule or regulation.

- f) Grantee shall obtain, keep in force and maintain commercial general liability insurance insuring against claims and liability for personal and bodily injury, death and property damage occurring on, in or about the Property during the policy period. Grantee will obtain Commercial General Liability coverage with limits not less than \$2,000,000 per occurrence and \$2,000,000 annual aggregate. Grantee may maintain other commercially reasonable insurance policies, in its sole discretion.
 - g) Grantee shall obtain, keep in force and maintain and cause each of its contractors to obtain, keep in force and maintain, at no cost to Grantor, commercial general liability, combined single limit, bodily injury and property damage and liability insurance (which insurance shall be primary and non-contributing) insuring Grantee and Grantor against all liability arising out of this Easement (including Grantee's contractual indemnity obligation hereunder) in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
- 6) ABANDONMENT; TERMINATION; SURRENDER.
- a) Abandonment. Grantee shall not be deemed to have abandoned its rights under this Easement and no permanent abandonment of this Easement by Grantee or Grantee's successors or assigns shall be effective without written notice to Grantor of Grantee's intent to so abandon.
 - b) Termination. Grantee may terminate this Easement upon at least one full calendar month's prior written notice to Grantor in which case this Easement shall be terminated as of the date set forth in such notice; provided, however, that any such termination or abandonment shall not terminate Grantee's right to store water pursuant to the Storage Easement which easement and rights are and shall be perpetual. Upon termination, Grantee shall be released of its obligations hereunder; provided that Grantee shall be responsible for payment of the monthly Easement Fee through the date of such termination (without proration for any partial month). Notwithstanding Grantee's termination of this Easement, Grantee shall have continued access to the Property as necessary to remove its property and otherwise comply with the surrender provisions of this Easement.
 - c) Surrender. Upon termination of this Easement, Grantee shall remove all surface improvements installed pursuant to this Easement and shall restore such areas of the Property on which such improvements were located to a condition that is as nearly as is practicable to the condition that existed prior to installation of such improvements. Grantee shall be entitled to leave any improvements installed under the surface of the Property; including underground pipes, conduits and well casings; provided that Grantee plugs and abandons any such wells in such manner as required by all applicable laws, rules and regulations.
- 7) ASSIGNABILITY. Grantee may freely assign its rights and obligations under this Easement.

8) BENEFITS AND BURDENS. The benefits and burdens of the Easements shall be binding upon and shall inure to the benefit of Grantee and Grantor and their respective heirs, successors and assigns.

9) RUNS WITH THE LAND. The easements, covenants, conditions and agreements contained in this Easement shall run with the Property and be binding upon all parties having any right, title, or interest in the same, or any portion thereof.

10) ESTOPPELS. Each party hereto, within 20 days after receiving a notice requesting the same from the other, shall deliver a written estoppel certificate setting forth that, to the knowledge of the responding party, that the requesting party is not in default in the performance of any of its obligations under this Easement, or, if in default, setting forth the nature of such default, and setting forth the status of such other matters related to this Easement as the requesting party may reasonably specify for disclosure. If the responding party fails to deliver the requested estoppel certificate within the requisite time period, then it shall be conclusively deemed that the requesting party is not then in default of any obligations under this Easement. If a party shall request and receive from another party more than two sets of estoppel certificates during any period of 12 successive months, then the requesting party shall reimburse the other party upon demand for the reasonable costs and expenses incurred in connection with each additional certificate requested by the requesting party.

11) AUTHORITY. Grantor warrants that Grantor is the owner of the Property in fee simple absolute and has full and lawful authority to grant this Easement.

12) SUBJACENT AND LATERAL SUPPORT. Grantor covenants and agrees that Grantee shall have the right to subjacent and lateral support of the Easement Areas and the pipelines to whatever extent is necessary for the full, complete and undisturbed enjoyment of the rights of Grantee under this Easement. It is specifically agreed between the parties that Grantor shall take no action, except as set forth herein, which would impair the earth, cover over, or impair the lateral or subjacent support of any water pipeline or appurtenances within the Property. Any such modification undertaken shall be upon the terms that provide for the reimbursement to Grantee of the cost of any alterations to any of the infrastructure or other facilities made necessary by the change.

13) GENERAL PROVISIONS.

a) Recording. This Easement shall be recorded in the office of the Weld County Clerk and Recorder upon execution hereof by both parties. Grantor hereby agrees that Grantee may record any documentation prepared in accordance with Section 2 above and that if Grantor fails to execute such documentation within 15 days of Grantee's request for the same then Grantor hereby consents to the recording of the same.

b) Section Headings. The Section headings herein are inserted only for convenience and reference and shall in no way define, limit, or prescribe the scope or intent of any provisions of this Easement.

- c) Severability. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision herein and any present or future statute, law, ordinance or regulation contrary to which the parties hereto have no legal right to contract, the latter shall prevail, but the provision of this Easement affected shall be limited only to the extent necessary to bring it within the requirements of such statute, law, ordinance or regulation.
- d) Counterparts. This Easement may be executed in any number of counterparts, each of which shall be deemed to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.
- e) Governing Law. The terms and provisions of this Easement, and the interpretation and enforcement thereof, shall be governed by the laws of the State of Colorado, to which all parties consent to venue and jurisdiction.
- f) Waiver. No term or condition of this Easement will be deemed to have been waived or amended unless expressed in writing, and the waiver of any condition or the breach of any term will not be a waiver of any subsequent breach of the same or any other term or condition.
- g) Amendment. Subject to Section 2, this Easement may not be amended or terminated except by a written instrument signed by the then-fee-owner(s) of the Property and the Grantee.
- h) Entire Agreement. This Easement, together with the exhibits attached hereto, contains the entire agreement of the Parties with respect to the subject matter hereof and no prior written or oral agreement shall have any force or effect or be binding upon the Parties. This Easement shall be binding upon, and inure to the benefit of, the Parties, their heirs, executors, personal representatives, nominees, successors or permitted assigns.
- i) Notices. All notices or requests which are required or which may be given by either party to the other hereunder shall be in writing and shall be deemed delivered: (a) upon personal delivery or (b) one business day following delivery to a recognized overnight delivery courier at the respective addresses set forth in the initial paragraph of this Easement or such other address as either party may designate by such notice.
- j) Default. If any party hereto breaches any provision of this Easement and fails to cure such breach within 10 days after written notice thereof, the non-breaching party shall be entitled to any and all remedies, legal or equitable.
- k) Disclaimer of Joint Venture. This Easement is not intended to create a joint venture, partnership or agency relationship between Grantor and Grantee, and such joint venture, partnership, or agency relationship is specifically hereby disclaimed.
- l) Incorporation of Recitals. The above recitals are true and correct and incorporated herein.

- m) Construction. The Parties have participated jointly in the negotiation and drafting of this Easement. In the event an ambiguity or question of intent or interpretation arises, this Easement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Easement.

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GRANTEE:

NGL WATER SOLUTIONS DJ, LLC,
a Colorado limited liability company

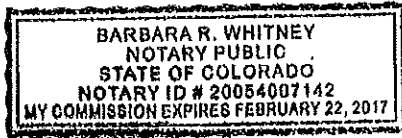
By: _____

Name: James Burke

Title: President

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 5TH day of
JUNE 2014, by JAMES BURKE as PRESIDENT of NGL WATER
SOLUTIONS DJ, LLC, a Colorado limited liability company.



Notary Public: Barbara R. Whitney
My Commission Expires: 2/22/2017

EXHIBIT A

Legal Description of Property

Township 10N Range 61W

Section 11:

THE E ½ OF SECTION 11, TOWNSHIP 10 NORTH, RANGE 61 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO

Section 14:

THE E ½ AND THE SW ¼ OF SECTION 14, TOWNSHIP 10 NORTH, RANGE 61 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO

Section 13:

THE S ½, THE NE ¼ AND THE E ½ OF THE NW ¼ OF SECTION 13, TOWNSHIP 10 NORTH, RANGE 61 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO;

Section 24:

ALL OF SECTION 24, TOWNSHIP 10 NORTH, RANGE 61 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO.
EXCEPTING THEREFROM THAT PART CONVEYED IN WARRANTY DEED RECORDED MARCH 4, 1998 AT RECEPTION NO. 2597965.

Township 10N Range 60W

Section 17:

THE E ½ OF THE W ½, THE SE ¼ AND THE S ½ OF THE NE ¼ OF SECTION 17, TOWNSHIP 10 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO.

Section 18:

THE W ½ OF SECTION 18, TOWNSHIP 10 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO.

Section 19:

ALL OF SECTION 19 TOWNSHIP 10 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO
EXCEPTING THEREFROM THAT PART CONVEYED IN WARRANTY DEED RECORDED MARCH 4, 1998 AT RECEPTION NO. 2597965.

Section 20:

ALL OF SECTION 20, TOWNSHIP 10 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO.

Section 28:

THE NW ¼ OF SECTION 28 TOWNSHIP 10 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO;

Section 29:

THE SW ¼ AND THE N ½ OF SECTION 29 TOWNSHIP 10 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO;

Section 30:

THE S $\frac{1}{2}$ OF THE NW $\frac{1}{4}$ AND THE NE $\frac{1}{4}$ OF THE NW $\frac{1}{4}$ OF SECTION 30 TOWNSHIP 10 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO.

EXHIBIT B-[]

Description of Easement Areas

Below described is the location of [Well Pad number __] [the Treatment Site] [the Processing Site] which was identified by notice from Grantee to Grantor dated _____.

[To be inserted pursuant to Section 2]