

AMENDMENT TO EASEMENT OF RIGHT-OF-WAY AND SURFACE USE AGREEMENT AND LETTER AGREEMENT

This Amendment to the Easement of Right-of-Way and Surface Use Agreement and Letter Agreement (collectively "Amendment") is effective as of October 15, 2015, by and between King, LLC, herein referred to as ("Surface Owner") and Kerr-McGee Oil & Gas Onshore, LP ("KMG") with offices at 1099 18th Street, Suite 1800, Denver, Colorado 80202.

RECITALS

- A. KMG and Surface Owner entered into an Easement of Right-of-Way and Surface Use Agreement ("SUA") dated September 10, 2012 and recorded December 6, 2012 at Reception Number 3894126 in the records of the Clerk and Recorder of Weld County, Colorado.
- B. Contemporaneously with the execution of the SUA, KMG and Surface Owner entered into a Letter Agreement dated September 7, 2012 ("Letter Agreement") regarding compensation for wells drilled on the Lands identified in the SUA.
- C. KMG and Surface Owner desire to amend the SUA and Letter Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, KMG and Surface Owner agree as followed:

- A. The Legal Description contained in the SUA and Letter Agreement should more accurately read, and is therefore revised, as follows:

Township 1 North, Range 66 West of the 6th P.M.

Section 8: Lot "B" of Recorded Exemption No. 1471-08-01 RECX15-0154 recorded at Reception No. 4191717 in the records of the Clerk and Recorder's Office of Weld County, Colorado

- B. The SUA is hereby amended with the addition of the following paragraph

3. Grant of Additional Rights

KMG is hereby granted the right to locate on the Lands, at specific locations as may be determined by KMG now or in the future, an easement and right of way for above-ground utilities and/or subsurface utilities related to operations on the Lands. Surface Owner grants KMG the easement and right-of-way in the form attached to this SUA and labeled Attachment 2.

Surface Owner further grants and conveys to KMG and its successors and assigns, non-exclusive, perpetual subsurface easements through the Lands for the placement of wellbores for the purpose of drilling, operating and producing oil and gas wells that produce and drain hydrocarbons from other lands. Upon request of KMG or its successor and assigns, Surface Owner agrees to execute, acknowledge and deliver to KMG and its successor and assigns separate subsurface easements reflecting the foregoing grant on the form attached to this SUA and labeled Attachment 3.

- C. The SUA is hereby amended with the addition of the following paragraph:

4. Pipeline Easement and Right-of-Way

Surface Owner agrees to negotiate in good faith with Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gatherer designated by KMG, the location of an easement and right-of-way on the Lands for the construction, use, maintenance, and replacement of pipelines for the transportation of hydrocarbons and water from the Lands and other lands, and associated electric power lines, data transmission lines and equipment. Surface Owner grants Kerr-McGee Gathering or its designate, the pipeline easement and right-of-way in the form attached to this SUA and labeled Attachment 1.

D. The SUA is hereby amended with the addition of the following paragraph:

5. Surface Owner, for itself and its successors and assigns, hereby waives the right to, and covenants not to, protest or object to the use of the surface of the Lands as provided in this SUA or any amendments thereto. Furthermore, Surface Owner and its successors and assigns will provide KMG and its successors and assigns with all written waivers and other evidence of support they may reasonably require to obtain permits from the Colorado Oil and Gas Conservation Commission ("COGCC") or any local jurisdiction or regulatory authority.

Surface Owner further understands and acknowledges that COGCC rules and regulations govern the distance between a wellhead and public roads, production facilities, buildings, building units and surface property lines, among other things. To the fullest extent possible, Surface Owner hereby waives all setback requirements in COGCC Rules 603 and 604 and any successor rules or amendments, including Exception Zone setbacks and any other state or local setback requirements or other laws, requirements or regulations that would prohibit or interfere with the rights of KMG and its successors and assigns to explore for and produce oil and gas from the Lands or other lands, particularly in the manner as provided in this SUA or any amendments thereto..

Surface Owner acknowledges that KMG and its successors and assigns may cite the waivers in this SUA in order to obtain exceptions and variances from the COGCC or from any other state or local body having jurisdiction over oil and gas operations. Surface Owner agrees that this SUA satisfies any requirement for a consent to an exception or variance signed by the surface owner, Building Unit Owner (as that term is defined in the COGCC Rules and any successor rules or amendments), homeowner or the like and agrees that KMG and its successors and assigns may provide a copy of this SUA to the COGCC or to any other state or local body in satisfaction of such requirement. In addition, Surface Owner agrees to execute and deliver to KMG and its successor and assigns all consents and waivers requested, including waivers required from Building Unit Owners, homeowners and other parties.

E. The SUA is hereby amended with the addition of the following paragraph:

6.

a. No Party shall be liable for, or be required to pay for, special, punitive, exemplary, incidental, consequential or indirect damages to the other Party for activities undertaken within the scope of this SUA.

b. Except as to claims arising from pollution or environmental damage (which claims are governed by Paragraph 6.d.) or from breach of other provisions of this SUA (which claims shall be governed by the terms of this SUA), each Party shall be and remain responsible for its own liability for 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"), to the extent caused by a Party's respective ownership or operations on the Property, no matter when asserted. Each Party shall release, defend and indemnify the other Party, its officers, directors, employees, successors and assigns, against all such Claims. This provision does not, and shall not be construed to, create any rights in persons or entities not a party to this SUA, nor does it create any separate rights in the Parties to this SUA, other than the right to be indemnified for Claims as provided herein.

c. Upon the assignment or conveyance of a Party's entire interest in the Property, the Party shall be released from its indemnification obligations identified in this SUA for all actions or occurrences happening after such assignment or conveyance.

d. Environmental Indemnities

Environmental matters shall be governed exclusively by the following.

"Environmental Claims" means 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 Property, and all cleanup and remediation costs, fines and penalties associated therewith, including but not limited to, any Claims arising from Environmental Laws. Environmental Claims does 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" means any laws, regulations, rules, ordinances, or order of any governmental authority, which relate to or otherwise impose liability, obligation, 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.) and the Clean Air Act and the Toxic Substances Control Act (15 U.S.C. §§ 2601 2629).

Each party agrees to indemnify, defend and save the other party harmless from and against any and all liability (including reasonable attorney's fees) for Environmental Claims relating to its ownership or use of the Property, to the extent caused by that party's use or activity on the Property.

e. Exclusion from Indemnities

The indemnities of the Parties in this SUA shall not cover or include any amounts which the indemnified Party is actually reimbursed by any third party. The indemnities in this SUA shall not relieve either Party from any obligations to third parties.

f. Notice of Claim for Indemnification

If a Claim is asserted against a Party for which the other Party would be liable under the provisions of paragraph 5, it is a condition precedent to the indemnifying Party's obligations hereunder that the indemnified Party give the indemnifying Party written notice of such Claim setting forth all particulars of the Claim, as known by the indemnified Party, including a copy of the Claim (if it is a written Claim). The indemnified Party shall make a good faith effort to notify the indemnifying Party

within five days of receipt of a Claim and shall effect such notice in all events within such time as will allow the indemnifying Party to defend against such Claim.

- F. Section 3 A) and Section 3 B) of the Letter Agreement are deleted by this Amendment. As a result of the deletion of Section 3 A) the referenced Exhibit "A" to the Letter Agreement is also deleted.

Nothing in the SUA, Letter Agreement, or Amendment is intended to limit the rights granted to KMG under the applicable oil and gas leases covering the lands, or other statutory or common law rights available to it.

Except as expressly amended and modified in this Amendment, all of the terms and provisions of the Letter Agreement shall remain the same, and the validity of the SUA and Letter Agreement are hereby ratified by KMG and Surface Owner.

The Amendment shall be a covenant running with the Lands identified in the SUA.

KMG and the Surface Owner acknowledge that this Amendment shall be recorded.

This Amendment may be executed in counterparts, each of which shall be deemed an original and which together shall constitute one and the same instrument

IN WITNESS THEREOF, KMG and Surface Owner have caused this Amendment to be executed by duly authorized representatives on the dates set forth in the acknowledgments, to be effective on the date first written above.

SURFACE OWNER:
King, LLC

_____

By: Earl P. King

Title: Managing Member

KERR-McGEE OIL & GAS ONSHORE LP

_____ 

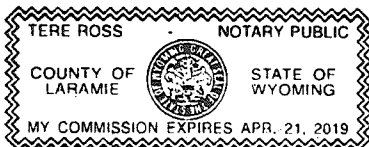
By: Ronald H. Olsen, Agent & Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF WYOMING)
) ss.
COUNTY OF Laramie)

The foregoing instrument was acknowledged before me this 19th day of August, 2016, by Earl P. King, as Managing Member of King, LLC, as Surface Owner.

Witness my hand and official seal.

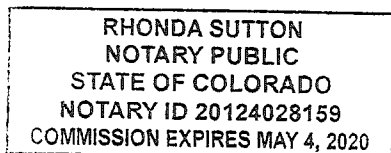


Tere Ross
Notary Public
My Commission Expires: 4/21/2019

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 25 day of August, 2016, by Ronald H. Olsen, as Agent & Attorney-in-Fact for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.



Rhonda Sutton

