

**EXHIBIT "B"**  
**TO**  
**LETTER AGREEMENT**

**SURFACE USE AGREEMENT**

This Surface Use Agreement ("SUA") is executed this 9<sup>th</sup> day of December, 2016, between Brighton Lakes, LLC, a Colorado limited liability company whose address is 200 W. Hampden Avenue, Suite 201, Englewood, CO 80111 ("Owner") and Ward Petroleum Corporation, 215 W. Oak Street, #1000, Ft. Collins, CO 80521 ("Operator"), but is effective for all purposes as of the Effective Date set forth in the Letter Agreement that was executed in conjunction with this SUA.

**WITNESSETH:**

WHEREAS, Owner owns certain land(s) described in the Exhibit "A" attached hereto and incorporated herein by this reference, located in the SW/4SW/4 and a portion of the SE/4SW/4 of Section 20, Township 1 South, Range 66 West, 6<sup>th</sup> P.M., Adams County, Colorado ("Owner's Lands"); and

WHEREAS, Owner's overall objective is to preserve the value and quality of Owner's Lands and maintain Owner's Lands for future real estate development; and

WHEREAS, Operator and its affiliates have acquired, or intend in the future to enter into, oil and gas leases covering lands in the W/2 of Section 17, and the W/2 of Section 20 of Township 1 South, Range 66 West, 6<sup>th</sup> P.M., Adams County, Colorado ("Development Lands"); and

WHEREAS, Operator also intends to lease, drill, complete and form spacing units covering the following described lands:

**T1S, R66W, 6th P.M.**

Section 18: E/2

Section 19: E2

Section 29: W/2

Section 30: E/2

Section 31: E/2

Section 32: W/2

The above-described lands are hereinafter referred to as the "Additional Lands."

WHEREAS, Owner wishes to ensure that the sources and quality of water on and under Owner's Lands are not adversely impacted by Operator's activities; and

WHEREAS, Owner and Operator desire to enter into an agreement which will govern Operator's use of Owner's Lands for the purpose of exploration, development and production of oil and gas in a fashion which will preserve the current and future residential use of any lands owned by Owner, including but not limited to Owner's Lands and the Development Lands, while allowing for the reasonable production of oil and gas from the Development Lands and/or Additional Lands and lands pooled therewith; and

WHEREAS, Owner and Operator also desire to enter into an agreement to provide for expeditious development of oil and gas resources without the expense of bonding and litigation, and agree that avoidance of such delay in development is a principal inducement for Operator to enter into this SUA; and

WHEREAS, the parties intend by this SUA to define and assign responsibilities with regard to the activities discussed herein associated with the exploration, capture, production, storage and transportation of oil and gas from Owner's Lands and lands pooled therewith.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## **SECTION 1- OPERATOR'S RIGHTS**

**1.1 Grant of Easement.** Owner hereby grants Operator, its employees, contractors, representatives and agents, a non-exclusive right to enter upon and an exclusive right to use a limited portion of the Owner's Lands (defined herein as the "Brighton Lakes II Location" or the "Location") for the purpose of conducting oil and gas operations, including but not limited to exploring, drilling, completing, fracking, installing, operating, and maintaining flow lines, pipelines, and oil and gas equipment and facilities, producing, maintaining, repairing, operating and plugging and abandonment of oil and gas wells to produce, save, treat, process, store and transport oil and gas and other products produced with or derived from oil and gas produced from wells located on Owner's Lands ("Easements"). With the exception of seismic operations, underground wellbores, underground power lines, access roads, flow lines and other pipelines, all surface activity on Owner's Lands will take place on the Brighton Lakes II Location, which shall be a surface tract wholly contained within Owner's Lands, as depicted on Exhibit "A" attached hereto and incorporated herein by this reference. The Easements also include the right to construct and maintain access roads, underground power lines and pipelines, which shall be located only in Section 20, Township 1 South, Range 66 West, 6<sup>th</sup> P.M., and shall be located to minimize interference with Owner's current and future real estate development. The Easements also include the right to use the surface for seismic operations which may only be conducted in accordance with Rule 333 of the Colorado Oil and Gas Conservation Commission. This Grant of Easement does not grant any rights to use any portion of Owner's Lands other than the Brighton Lakes II Location together with the reasonable minimum additional amount of land necessary for seismic operations, access roads, underground power lines and pipelines. Owner acknowledges that Operator now owns, and may in the future acquire, leasehold rights covering lands in the vicinity of Owner's Lands. Owner hereby grants Operator the right to use the Brighton Lakes II Location, and the Easements in connection with operations on the Development Lands and/or Additional Lands, so long as said operations include drilling, completing, producing, maintaining, repairing, operating and the plugging and abandonment of oil and gas wells on the Brighton Lakes II Location, and only on this Location.

- a. As additional consideration for this SUA, Operator has agreed to be obligated to drill a minimum of four (4) horizontal wells, in the Initial Spacing Unit to a depth sufficient to test the Codell and/or Niobrara formations. At least one of the obligation test wells shall be drilled to test the Niobrara formation. Each of the aforementioned four wells are to be drilled pursuant to a drilling and spacing unit consisting entirely of the W/2 of Section 17, and the W/2

of Section 20, T1S, R66W, 6<sup>th</sup> P.M. (the "Development Lands"). In the event Operator fails to drill at least one of the four obligation wells within three (3) years of the effective date of this SUA, this SUA shall automatically terminate.

- b. In addition to Operator's obligation to drill four (4) wells as described in subsection a. above, Operator further agrees that in the event Operator is designated operator of any horizontal well(s), wherein the drilling and spacing unit consists of the Additional Lands, or any portion thereto, Operator is required to locate said well(s) on Owner's Lands.

**1.2 Subsurface Easement.** Owner grants Operator a subsurface easement, during the term of this SUA, for passage of well bores under Owner's Lands for operations affecting the Development Lands.

**1.3 Termination of Rights.** This SUA, and Operator's rights and obligations hereunder, will terminate upon the first to occur of: (a) failure of the parties to agree, prior to the end of the Due Diligence Period described in the Letter Agreement, to Exhibit A to the SUA as described in Section 6.15 below; or (b) the permanent cessation of production from all wells located on the Brighton Lakes II Location. Notwithstanding any provision in this SUA to the contrary, upon permanent cessation of production from all wells located in or pooled with the Development Lands, and the failure of the Operator to extend the Oil and Gas Lease covering the Development Lands in accordance with the terms of the Oil and Gas Lease, the Operator shall be prohibited thereafter from drilling any additional wells on the Location. Termination of this SUA shall not excuse the Operator from its obligation to reclaim and restore the surface according to the standards prescribed herein and as required by local, state or federal rules, regulations and statutes.

**1.4 Non-Exclusive Rights.** Other than as to the Brighton Lakes II Location and mineral development under Oil and Gas Leases or Involuntary Pooling Orders, for which the Operator and its successors and assigns have exclusive rights, the rights of Operator to use Owner's Lands as set forth herein are non-exclusive, and Owner reserves the right to use all access roads and all surface and subsurface uses of Owner's Lands, and to grant successive easements on or across Owner's Lands on such terms and conditions as Owner deems necessary or advisable, provided they do not unreasonably interfere with operations of Operator. Owner agrees to advise Operator in writing of any written approval granted by Owner for use of Owner's Lands by others which may affect Operator's operations. Operator may assess other users for maintenance of Operator's roads used by such users, although Operator shall not assess Owner for maintenance for such normal wear and tear of Operator's roads. Operator shall not assume any liability associated with actions or inactions of any third parties granted access.

- a. Notwithstanding any right to use the Owner's Lands for the purpose of drilling, producing and operating horizontal wells producing from the Development Lands or Additional Lands, Owner reserves and retains the right to grant third parties a similar right to utilize other surface owned by the Owner in the SW/4 of Section 20 as a location for the drilling, production and operation of wells, hereinafter referred to as an "Additional Locations." However, any grant of Additional Locations by Owner shall require that a third party grantee's operations on the Additional Location will not materially interfere with Operator's use of the Owner's Lands.

## **SECTION 2 - OPERATIONS ON OWNER'S LANDS**

### **Construction of Flow Lines.**

a. Except as otherwise agreed to by Owner in writing, all such flow lines shall be used only for oil or gas or water produced from wellheads located on Owner's Lands; provided that the location of any flow lines within Owner's Lands, or any other land owned by Owner shall be either identified on the attached Exhibit A or if not so identified, must be approved in accordance with Section 16.15 below.

b. Operator shall be responsible for segregating topsoil, backfilling, reseeding and recontouring the surface of any disturbed area so as not to interfere with Owner's operations and shall reclaim such area to pre-existing conditions or conditions desired by Owner as best as reasonably practical. Operator shall provide Owner with the Exhibit A described in Section 16.15 below showing the location of all flow lines, other pipelines and power lines after installation. All flow lines and other pipelines located by Operator on Owner's Lands shall be buried at least four feet (4') below the surface. Operator shall install metal locator strips above all lines. All easements for flow lines, other pipelines and power lines shall be limited to twenty (20') feet in width, being ten feet (10') on each side of the centerline of the pipeline, except during construction when the easements shall not exceed fifty feet (50') in width.

c. Subject to certain conditions as described herein, if any flowline is not connected to a well capable of producing oil and gas in commercial quantities and Operator, its successors or assigns, fail to use such flowline for a period in excess of three (3) consecutive years, such flowline shall be deemed abandoned and Operator shall take the actions necessary to clean up, mitigate the effects of use, including purging any remaining oil or gas from the flow line and rendering the flow line environmentally safe and fit for abandonment in place. The pipeline easement granted herein for the flowline which has been deemed so abandoned shall then terminate and revert to Owner.

### **2.1 Power Lines.**

a. Except as otherwise agreed to by Owner in writing, all power transmission lines built by Operator will be buried at least four (4) feet below the surface and constructed so as to cause the least possible interference with Owner's existing or future residential development.

b. To the maximum extent possible, Operator shall use power from any existing power lines that currently cross Owner's Lands. Operator shall pay for any upgrade or other charge resulting from such use.

c. At such time as Operator desires to abandon any buried power line located on Owner's Lands, it shall notify Owner of such desire, and Owner shall have sixty (60) days within which to make a written election to take over such power line for Owner's own use. If Owner elects to take over a power line, Owner shall assume all liability, costs and reclamation obligations associated therewith, and Operator shall have no further liability or responsibility for costs or reclamation for the power line, or that portion thereof, which Owner elects to take over. Owner shall promptly file all notices or applications necessary for Owner to acquire and operate such power line. If Owner does not elect to take over a power line, Operator shall continue to bear all liability, costs and reclamation obligations associated therewith and shall de-energize said power lines as soon as reasonably practicable.

### **2.4 Wells and Tank Batteries.**

a. **Generally.** Operator shall be entitled to drill as many wells on the Brighton Lakes II Location as may be permitted by law. To the extent technologically and economically feasible, Operator shall use telemetry to monitor its operations so as to reduce the frequency of travel by Operator's employees, agents, or contractors on Owner's Lands.

b. **Drilling and Production Facilities.** The drilling and production facilities, tank batteries and ancillary production equipment shall be located on the Brighton Lakes II Location . Except for seismic operations, access roads, underground wellbores, underground power lines, flow lines and other pipelines, all surface activity on Owner's Lands will take place on the Brighton Lakes II Location.

2.5 **Maintenance.** Operator shall keep the well sites, roads, and other areas used by Operator safe and in good order, including without limitation control of noxious weeds, litter and debris. Operator shall conduct periodic trash pickup as deemed necessary. Operator shall comply with city, state and federal laws, rules and regulations governing the presence of any petroleum products, toxic or hazardous chemicals or wastes on Owner's Lands. To the extent allowed by applicable regulations, all equipment and facilities placed on Owner's Lands by Operator shall be painted in accordance with Colorado Oil and Gas Conservation Commission Rule 804 requiring uniform, non-contrasting, non-reflective color tones matched to but slightly darker than the surrounding landscape.

2.6 **Noise Mitigation.** Operator shall install all noise mitigation measures as required by Colorado Oil and Gas Conservation Commission Rule 802 or local regulations.

2.7 **Operator's Roads.** Any road constructed by Operator upon Owner's Lands shall be constructed and used to the following specifications:

a. Except in case of emergencies, no operations shall be conducted in the mud when activity leaves an impression of two inches in depth unless Operator requires immediate access in its sole opinion. Operator agrees, if such immediate access is required during muddy conditions, to repair affected roads as soon as reasonably practicable.

b. The travelling surface of all roadways shall not exceed sixteen feet (16') in width. Improved roads shall be constructed with a two percent (2%) crown from the center of the road to the shoulder to promote positive drainage. The easement for any roadway shall be limited to twenty-five feet (25') in width to allow for fills, shoulders and associated structures, unless otherwise dictated by local, state or federal laws or regulations governing such roads. Where requested by Owner, Operator shall install side ditches along roads to transport runoff to appropriate drainage structures.

c. If requested by Owner, access by Operator to Owner's Lands from any county road shall be controlled by a metal, hinged gate, which gate Operator shall construct and install in accordance with reasonable specifications of Owner. Operator shall not construct roads to Owner's Lands from any adjoining landowner's property. Owner and Operator may place locks on gates across roads used by Operator on Owner's Lands, provided that each shall be provided with keys or combinations to open such gates. Each party shall give the other fifteen (15) days advance notice of its election to lock gates in order that the other party can consult with such party and make arrangements for access.

d. If requested by Owner, Operator shall place an appropriate sign at the entrance to each of Operator's roads designating them as "Private Roads, No Trespassing or Hunting".

e. Operator shall employ best management practices to suppress dust from any roads it uses on Owner's Lands.

**2.8 Operator's Use of Roads.** In the interests of safety and dust control, Operator and its contractors, agents, representatives and employees shall not exceed 20 miles per hour on roads located on Owner's Lands. If livestock or wildlife are present near Operator's vehicles, the livestock or wildlife shall have the right-of-way and speeds shall be reduced to 10 miles per hour.

**2.9 Fences.** Operator shall construct stock-tight fences around any equipment installed by Operator on Owner's Lands. Operator shall, at its expense, construct permanent wood privacy or other similar type fencing around all wellheads, tanks and other surface facilities. All fencing constructed by Operator on Owner's Lands shall be approved by Owner, which approval shall not be unreasonably withheld. Maintenance of Operator's fences shall be the responsibility of Operator.

**2.10 Owner's Improvements.** No existing fences, gates or other improvements shall be cut or damaged by Operator without the consent of Owner, which consent shall not be unreasonably withheld. In the event Owner's fences, gates or other improvements are cut or damaged by Operator, the damage shall be repaired by Operator as soon as reasonably practical.

**2.11 Non-Disturbance.** Operator and its employees, contractors, representatives and agents shall not enter onto Owner's Lands except as allowed under terms of this SUA or with Owner's prior consent.

**2.12 Fire.** Operator shall take reasonable steps to prevent fires and to promptly extinguish fires. No trash or timber slash will be burned by Operator on Owner's Lands, the Development Lands, or any other surrounding lands. Operator shall reimburse Owner for the reasonable expense of fire suppression incurred by Owner as a result of Operator's actions and shall immediately reimburse Owner for any charges assessed to Owner by a local, county, state, federal, or similar fire control agency for responses to fires caused by Operator, its employees, contractors, representatives, and agents,

**2.13 Behavior of Operator's Employees, Agents and Contractors.**

a. Operator shall prohibit its employees, contractors, representatives or agents from (i) bringing any dog, firearm, explosive device, weapon, alcoholic beverage, or illegal drug onto Owner's Lands and (ii) hunting, prospecting, collecting fossils or antiquities, or carrying on any other recreational or illegal activity on Owner's Lands. In the event Owner or Operator discovers any employee, contractor, representative or agent of Operator failing to abide by the terms of this paragraph, Operator shall take appropriate action regarding such violation.

b. Use of 4-wheelers on Owner's Lands shall be restricted to occasions when surface conditions require their use and only within the Brighton Lakes II Location unless the Owner's grants prior written approval otherwise. Recreational use of 4-wheelers is forbidden. Operator will notify all its employees, contractors, representatives and agents of this restriction.

**2.14 Insurance.** All vehicles traveling upon Owner's Lands and owned or operated by Operator, its employees, contractors, representatives or agents, shall be covered by automobile liability insurance covering owned, non-owned, and hired automobiles with limits of at least [REDACTED] for injury to or death of any one person for any one occurrence, and [REDACTED] property damage per occurrence. In addition, Operator shall carry comprehensive general liability insurance with

minimum coverage limits of [REDACTED] for injury or death for any one occurrence, and [REDACTED] for property damage per occurrence. Operator and its employees, contractors, representatives and agents using Owner's Lands shall provide Owner with certificates evidencing such insurance at the time of initial construction and any time afterward at Owner's request.

**2.15 Equipment Storage and Maintenance: Employee Housing.** Operator's equipment not being used for operations on Owner's Lands shall not be stored or maintained on Owner's Lands nor shall employees be housed on any of Owner's Lands without the prior written consent of Owner. However, equipment that has been used or will soon be used on Owner's Lands may be stored if weather or mechanical reasons reasonably prevent use or removal.

**2.16 Seismic Operations.** Seismic operations shall be conducted only in compliance with Rule 333 of the Colorado Oil and Gas Conservation Commission. Operator shall use reasonable efforts to conduct its seismic operations so as to cause the least damage reasonably possible to the surface.

**2.17 Water Quality and Quantity.** Water quality and quantity tests shall be conducted in accordance with regulations of the Colorado Oil and Gas Conservation Commission, including but not limited to Rule 318A.e. Operator shall provide test results to Owner. Owner shall be entitled to conduct its own tests at its cost. Owner shall provide test results to Operator.

### **SECTION 3 - PAYMENTS TO OWNER**

As consideration for the rights granted herein by Owner to Operator, Operator shall pay Owner the amounts specified in this SUA.

**3.1 Surface Use Payments.** For each well drilled on the Brighton Lakes II Location, Operator shall pay Owner the sum of [REDACTED] prior to spudding of such well.

**3.2 Payment Limitation.** The payments herein provided are acknowledged as full and final settlement and satisfaction for any and all ordinary damage to or depreciation of Owner's Lands or growing crops thereon that may occur as a result of Operator's reasonable and customary operations, including but not limited to activities for the production or transportation of oil, gas, or other associated products including but not limited to, surface use, access, wellhead equipment, separators, tank batteries, flowlines, other pipelines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities, but not including damage to livestock, buildings or improvements or injuries to persons or to damage or destruction to Owner's water wells or water supply.

### **SECTION 4 - RECLAMATION**

**4.1 Reclamation and Restoration.** Unless Owner otherwise agrees in writing, upon termination of any of Operator's, its successors or assigns, operations on Owner's Lands, Operator shall return Owner's Land's to preexisting conditions or to the conditions desired by Owner as best as reasonably practical. Operator shall use appropriate measures to prevent erosion and point source and non-point source water pollution. Any surface disturbed by Operator's activities shall be reseeded with native grasses and noxious weeds eliminated. Reseeding shall continue until vegetation is established to at least eighty percent (80%) of pre-disturbance levels. Any surface facilities no longer in use shall be removed and the surface restored within two years after the date upon which Operator, its successors or assigns, ceases to use such

surface facility. Reclamation upon drilling or completion of any wells shall happen as soon as reasonably practicable, but no later than the first favorable season after said drilling or completion activities.

## **SECTION 5 - ENFORCEMENT AND RESOLUTION OF DISPUTES**

**5.1 Default.** In the event that Owner or Operator hereunder shall fail to comply with any of its material duties or obligations hereunder, the other party shall so notify the defaulting party in writing by certified mail, and if said default is not corrected within thirty (30) days after receipt of said notice, or activity is not initiated to cure such default in those instances where said default could not be cured within said thirty (30) day period, the non-defaulting party shall have the right to terminate this SUA or to enforce the provisions of this SUA in law or in equity, and have such other rights and remedies as may be provided to it under the laws of the State of Colorado. The defaulting party agrees that it shall be responsible for all costs and expenses, including reasonable attorney's fees, incurred by the non-defaulting party as a result of said default as may be determined by a court of law or equity.

## **SECTION 6 -- MISCELLANEOUS**

**6.1 No Warranty.** By entering into this SUA, Owner makes no representation or warranty as to any matter of title, condition, suitability for Operator's purposes, or regulatory status of Owner's Lands.

**6.2 Indemnification.** Operator shall defend, indemnify and hold Owner harmless from any damage, injury, claim, judgment or other liability arising, either directly or indirectly, from any damage or injury to any person or property caused by Operator's use of Owner's Lands, including use by Operator's employees, contractors, representatives and agents.

**6.3 Liability for Damage Resulting from Produced Water.** Operator shall comply with all rules and regulations applicable to removal or disposal of waters produced by its operations as established by the State of Colorado and other relevant authorities, and Operator agrees to indemnify, defend and hold Owner harmless from any claims, demands, judgments or liabilities arising as a result of damages to persons or property caused by or in connection with Operator's removal or utilization of said water. Nothing in this paragraph shall be interpreted to allow Operator to discharge produced water onto the surface of Owner's Lands.

**6.4 Compliance with Law.** Operator shall conduct all of its operations and activities in accordance with all applicable local, state and federal laws, rules and regulations.

**6.5 Brighton Memorandum of Understanding.** Operator herein agrees it will, in good faith, attempt to enter into a Memorandum of Understanding with the City of Brighton, prior to entering onto Owner's Lands and/or the Development Lands pursuant to this Agreement, and, if necessary, to negotiate in good faith to obtain a Conditional Use Permit from the City of Brighton.

**6.6 Duty of Good Faith and Further Assurances.** Owner and Operator agree to cooperate in good faith in the reasonable and expeditious development of Owner's residential development on Owner's Lands, as wells as other surrounding lands owned by Owner, and of Operator's leasehold on Owner's Lands. Operator and Owner further agree to execute, acknowledge and deliver all instruments and take all other action necessary or advisable to fulfill the intent and purpose of this SUA.

**6.7 Notice.** All notices hereunder shall be deemed delivered when actually delivered by (i)



registered or certified United States mail, postage prepaid, (ii) overnight courier or delivery service, charges prepaid, (iii) personal delivery, (iv) facsimile, or (v) electronic mail (E-mail) at the following addresses:

**OWNER:**  
Brighton Lakes, LLC

Attention: Michael Richardson  
200 W. Hampden Avenue, Suite 201  
Englewood, CO 80111  
Facsimile:  
E-mail: Mick Richardson [mick@vhlco.com](mailto:mick@vhlco.com)

**OPERATOR:**  
Ward Petroleum Corporation

Attention: Kent Craig  
215 W. Oak Street, Suite 1000  
Fort Collins, CO 80521  
Phone: 970-449-4632  
Email: [kcraig@wardpetroleum.com](mailto:kcraig@wardpetroleum.com)

Any party may, by written notice so delivered to the other party, change the address or number to which delivery shall thereafter be made.

**6.8 Memorandum of Agreement.** This SUA shall not be recorded, but either party may record in Adams County a memorandum substantially the same as the Memorandum of Surface Use Agreement attached hereto as Exhibit "C" and incorporated by this reference.

**6.9 Taxes.** Operator shall pay all additional taxes assessed against Owner's Lands and attributable to any improvements placed thereon by Operator.

**6.10 Construction of SUA.** This SUA shall be construed under the laws of the State of Colorado.

**6.11 Successors and Assigns.** The terms and provisions of this SUA shall run with the land and shall be binding upon and inure to the benefit of Owner, Operator and their successors and assigns.

**6.12 Force Majeure.** Anything in this SUA to the contrary notwithstanding, Operator's obligations under this SUA shall be subject to all applicable laws, rules, regulations and orders of any government authority having jurisdiction, including restrictions on the drilling and production of wells. If permits, approvals, or operations, all of which being timely filed within the term of any related oil and gas lease executed by the Owner, are prevented or delayed, through no fault of Operator, by such laws, rules, regulations or orders, or by fire, storm, flood, lightning, adverse weather conditions or other act of nature, war, sabotage, explosion, insurrection, riot, strike, government action, government delay, restraint or inaction, or similar occurrences not reasonably within control of Operator ("Force Majeure"), Operator shall not be liable in damages for failure to comply with this SUA which was directly caused by Force Majeure and the term and any period for performance of Operator's rights or obligations hereunder shall be extended by an amount of time equal to the period of Force Majeure. Upon occurrence of an event of force majeure, Operator shall promptly notify Owner in writing of such event and shall exercise diligence in attempting to end the delay caused by the Force Majeure. Upon termination of the Force Majeure, Operator shall promptly notify Owner of such termination..

**6.13 Survival.** Operator's obligations hereunder regarding environmental and reclamation matters shall survive the term of this SUA.

**6.14 Signatures.** By signing below, the parties signing acknowledge and represent that each of them has the authority to sign this SUA and the power to bind the party for which it is signing. This SUA may

be executed in counterparts.

**6.15 Owner's Rights Regarding Approval of Surface Use by Operator.** (a) Unless the obligations of Operator with regard to any aspect of drilling, operations and production on the Location are expressly defined in the rules and regulations of the COGCC, Operator shall, at all times during the term of this SUA, implement and utilize visual mitigation, noise abatement procedures and odor and emission controls on the Brighton Lakes II Location substantially similar to those measures that a prudent oil and gas operator active in and around Brighton, Colorado, conducting oil and gas drilling and production activities on lands being used in the same manner as the lands surrounding the Location, either now or in the future, would use. Such prudent operator is hereinafter referred to as "the Prudent Operator".

(b) Operator hereby acknowledges that it is the intent of the Owner to develop some of the lands it currently owns surrounding the Location for residential purposes, and that the agreement among the parties as to the map and supporting documents that are to be attached as Exhibit A to this SUA, and all other provisions of this SUA, are made and accepted by the parties in partial consideration for, and in respect of, Owner's future intended use of lands surrounding the Location.

(c) On or before three (3) business days prior to the end of the Due Diligence Period described in the Letter Agreement, Operator shall deliver a map drawn to scale, and any other supporting documents necessary to disclose, in detail, but only to the extent Operator can reasonably predict future use: (i) the area within the Location that will be used for the drilling of the four obligation test wells and any other wells that will be drilled on the Location; (ii) the location and extent of the drillsites of the four obligation test wells and the resulting wellheads; (iii) the area to be used for, and the nature, location and extent of, surface facilities, tanks, pipelines, flowlines, power lines, treaters, compressors, separators, dehydrators, and any other property or equipment the Operator requires to produce, store, treat, transport and sell hydrocarbons from the four obligation test wells and any other wells drilled on the Location (hereinafter referred to collectively as the "Equipment"), (iv) the location of all other roads and Equipment that will be installed on the Location to support oil and gas operations, including post-production operations; and (v) the berms, landscaping, fences, barriers, "faux" structures and other devices that Operator will utilize to ensure that the visual mitigation, noise abatement and dust and odor control measures employed by Operator during periods of drilling, reworking and/or production operations, are substantially the same as those that the Prudent Operator would employ. The map and supporting documents are hereinafter referred to as the "Proposed Exhibit A". The Proposed Exhibit A must provide for continual irrigation and maintenance of any proposed landscaping. All proposals contained in the Proposed Exhibit A shall comply with the express requirements contained in Sections 4 and 6 of this SUA.

(d) The parties shall have the right to negotiate with regard to the Proposed Exhibit A, but must mutually agree to an Exhibit A to the SUA, containing the information described in (c)(i) – (v) above, no later than the end of the Due Diligence Period. If the parties fail to agree to an Exhibit A in the time period specified, this SUA, and the Oil and Gas Lease and Letter Agreement executed in conjunction with this SUA, shall immediately terminate, unless extended by mutual written agreement of the parties.

(e) Upon mutual agreement, within the time period specified above, as to the contents of Exhibit A, and the fulfillment of the other conditions for Closing as specified in the Letter Agreement, this SUA, and the related Oil and Gas Lease and Letter Agreement, shall continue in full force and effect. Thereafter, Operator is authorized to construct and develop the Brighton Lakes II Location as shown on Exhibit A, which will be incorporated by reference into this SUA, and Operator shall not be required to notify, consult with or obtain

the consent of the Owner as long as its construction of, and drilling operations on, the Location are conducted in accordance with Exhibit A.

(f) Operator agrees that the only storage tanks that the Operator will locate on the Brighton Lakes II Location will be "low profile" storage tanks, unless the parties may mutually agree otherwise.

(g) Prior to the construction of roads, installation of Equipment or any other use of the Location that is not shown or anticipated in Exhibit A (hereinafter referred to as a "new proposal"), and prior to any alteration or amendment of Exhibit A (hereinafter referred to as an "amendment"), Operator shall provide the Owner with a notice and plat describing the nature, location and extent of the new proposal or amendment, and a description of the visual and noise mitigation measures that Operator will utilize for purposes of the new proposal or amendment. The proposal must comply with the express requirements in Sections 2 and 6 of this SUA. Operator may not conduct any new proposal or amendment without the consent of Owner, which shall not be unreasonably withheld.

(h) The Owner may only withhold his consent to any proposal described in (e) or (g) above if the Owner believes, in good faith, that Operator's proposal would unnecessarily and adversely impact the Owner's ability to use the lands surrounding the Location for residential development.

(i) Operator further acknowledges that as the Owner develops the lands surrounding the Brighton Lakes II Location for residential purposes during the term of this SUA, certain visual mitigation and noise abatement measures that the parties to which the parties may have earlier agreed may no longer meet the standard of visual mitigation, noise abatement or odor and dust control that would now be required of the Prudent Operator. Operator agrees to alter, or add to, previously acceptable visual and noise mitigation measures, as the need arises, to ensure that the visual and noise mitigation measures utilized by Operator at any time during the term of this Agreement are those that would be required of the Prudent Operator.

(j) Operator shall be responsible for the maintaining any landscaping utilized by Operator of the Location during the term of this SUA, including the continued irrigation of trees and plants.

**6.16** This SUA may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument. The Parties further agree that facsimile or .pdf signatures to this instrument are binding.

**6.17** It is the intent of Owner and Operator that the provisions contained in this SUA shall be severable. Should any provision, in whole or in part, be held invalid as a matter of law, such holding shall not affect the other portions of this SUA, and such portions that are not invalid shall be given effect without the invalid portion.

**6.18 Waivers, Consents, and other permitting documents.** (a) The parties acknowledge that in order to conduct its operations on Owner's Lands, Operator must comply with the rules and regulations of and obtain permits from the Colorado Oil and Gas Conservation Commission ("COGCC"), and other governmental units, and as appropriate, obtain from Owner waivers, consents, and/or releases from Owner. This SUA constitutes written consent of Owner for Operator to conduct the oil and gas operations contemplated by this SUA on Owner's Lands, as it deems necessary or convenient to the development of the oil and gas wells located within the Brighton Lakes II Location, as contemplated by this SUA, pursuant to the terms and conditions contained herein. This Agreement also constitutes Owner's written acknowledgment

that Ward Petroleum has provided an appropriate Notice of Drilling in accordance with Rules 305.b (1) and 305.c of the COGCC and has properly engaged in Drilling Consultation with Surface Owner in accordance with COGCC Rule 306.a (1), the Greater Wattenberg Area Drilling Windows and Unit Designation, and the Twinning Rule of the COGCC.

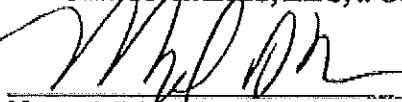
(b) This Agreement also constitutes Owner's acknowledgment that Ward Petroleum has complied with the well location requirements of COGCC Rule 318 A or that Owner has waived any provisions of such rule that is inconsistent with or conflicts with the well locations selected by Ward Petroleum pursuant to this Agreement. Owner further agrees to cooperate with Operator in providing any other waivers, consents or other documents reasonably needed by Operator in the conduct of its operations in accordance with the terms of this SUA. Owner further expressly waives the application of any setbacks required by the Colorado Oil and Gas Conservation Commission ("COGCC") that may be inconsistent with this Agreement.

(c) Operator agrees to provide Owner with the COGCC Form 2A ("Oil and Gas Location Assessment") for the Owner's Lands when Submitted to the COGCC and to ensure that said Form 2A accurately reflects the provisions of this SUA. Owner agrees not to object to the Form 2A, so long as it is consistent with this SUA, and if consistent with this SUA, Owner hereby waives any right granted by COGCC rule to comment on the Form 2A, to request an extension of the comment period, to request an onsite inspection pursuant to COGCC policy, or to appeal the approval and issuance of the Form 2A, and any related Form 2 ("Application for Permit to Drill"). Owner also agrees not to oppose Operator in any COGCC or other governmental proceeding related to Operator's Operations, including, but not limited to, permitting, formation of drilling units, well spacing, well density, pooling, drilling, completion, stimulation, re-stimulation, workovers, deepening and recompleting, provided that Operator's position and contemplated undertakings in such proceedings are consistent with this SUA.

6.19. **Conflicts.** In the event of a conflict between this SUA and the Oil and Gas Lease or Letter Agreement executed in conjunction with this SUA, the terms of this SUA shall apply.

**IN WITNESS WHEREOF**, this instrument is executed on the date of specified above, but is effective for all purposes as of the Effective Date specified in the Letter Agreement executed in conjunction with this SUA.

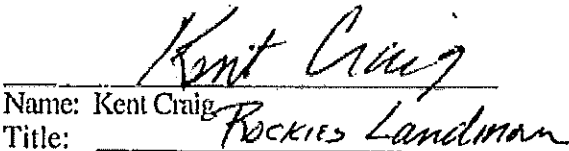
**BRIGHTON LAKES, LLC**, a Colorado limited liability company



Name: Michael A. Richardson

Title: Manager of MGR, LLC, the  
Manager of Brighton Lakes, LLC

**WARD PETROLEUM CORPORATION**



Name: Kent Craig

Title: Rockies Landman

State of \_\_\_\_\_ }  
County of \_\_\_\_\_ } SS

On this 9<sup>th</sup> day of December, 2016, before me personally appeared Michael Richardson, Manager of MGR, LLC, being the Manager of Brighton Lakes, LLC, known to me to be the person who is described in and who executed the within instrument, and acknowledged to me that he executed the same on behalf of Brighton Lakes, LLC.

Witness my hand and official seal.

My Commission Expires \_\_\_\_\_

Notary Public

State of \_\_\_\_\_ }  
County of \_\_\_\_\_ } SS

On this 9<sup>th</sup> day of December, 2016, before me personally appeared Kent Craig, acting in his capacity as \_\_\_\_\_ of Ward Petroleum Corporation, known to me to be the person who is described herein and who executed the within instrument, and acknowledged to me that (s)he executed the same on behalf of Ward Petroleum Corporation.

Witness my hand and official seal.

My Commission Expires \_\_\_\_\_

Notary Public