

**MEMORANDUM OF  
SURFACE USE AGREEMENT**

This Memorandum of Surface Use Agreement ("Memorandum") is made and executed as of the 14 day of June, 2017 to evidence that:

The Surface Use Agreement ("Agreement") dated the 14 day of June, 2017 was entered into by and between **Tri-State Trucking, LLC** whose address is PO Box 748, Vernal, UT 84078 ("Surface Owner"), and **TEP Rocky Mountain LLC** whose address is 1058 County Road 215, Parachute, Colorado 81635 ("Operator"), with Surface Owner and Operator collectively known as the "Parties," which, among other provisions, provides as follows:

- 1) **Harry L. Naugle and Rhonda K. Naugle**, as Surface Owner, and **Williams Production RMT Company**, now known as **TEP Rocky Mountain LLC**, as Operator, are parties to a Surface Use Agreement dated May 9<sup>th</sup>, 2006, for the drilling, completions, and production of Seventeen (17) oil and gas wells from the existing Mahaffey1/Mahaffey1x well pad (now known as the PA 22-25 well pad) and having a Memorandum of Surface Use Agreement recorded at reception number 700061 in the official records of Garfield County, State of Colorado; and,
- 2) Surface Owner agrees that Operator may construct and use one (1) Oil and Gas Operations Area, as depicted on the attached Exhibit "B", for operations in connection with the drilling, completion, and production of oil and gas wells; and,
- 3) Surface Owner waives all notification requirements in COGCC Rule 305 and meeting requirements in COGCC Rule 306, or any successor policies, rules or amendments regarding Surface Owner or Building Unit Owner notifications and/or meetings. Surface Owner also waives all setback requirements in COGCC Rules 603 and 604, or any successor rule or amendment to the COGCC setback rules, and to any other State or Local setback requirements or other requirements or regulations that are or become inconsistent with this Agreement or that would prohibit or interfere with the rights of Operator or its successors and assigns, to explore for and produce the oil and gas in accordance with this Agreement; and,
- 4) Operator is authorized to represent Surface Owner in the submittal and processing of any required Garfield County permits on the Lands, including, but not limited to, Small Temporary Employee Housing and Onsite Wastewater Treatment Systems permits; and,
- 5) This Memorandum shall be construed as a covenant running with the Lands and shall be binding on any and all personal representatives, successors, and assigns of the Parties.

This Memorandum is being executed by the Parties for the primary purpose of recording and thus advising all interested parties of the existence and validity of such Agreement, the exact terms and conditions of which are more fully stated in the unrecorded instrument on file with the respective Parties. This Memorandum shall constitute notice to all parties of the existence of this Agreement as though it was described in total detail herein.

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date first above written.

Surface Owner:


**Tri-State Trucking, LLC**

By:   
Name: William D. Critton  
Title: Managing Member

By:   
Name: Monte Morris  
Title: Member

Operator:

**TEP Rocky Mountain LLC**

By:   
Name: Bryan S. Hotard  
Title: Attorney-in-Fact

ACKNOWLEDGEMENTS

STATE OF UTAH )  
 )  
COUNTY OF UNTAH )

On this 14 day of June, 2017, before me, the undersigned, a Notary Public in and for said County and State, personally appeared **William D. Critton** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same in the capacity of **Managing Member of Tri-State Trucking, LLC.**



Jennifer Johnson  
Notary Public

My Commission Expires: 05/12/2019

STATE OF UTAH )  
 )  
COUNTY OF UNTAH )

On this 14 day of June, 2017, before me, the undersigned, a Notary Public in and for said County and State, personally appeared **Monte Morris** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same in the capacity of **Member of Tri-State Trucking, LLC.**



Jennifer Johnson  
Notary Public

My Commission Expires: 05/12/2019

STATE OF COLORADO )  
 )  
COUNTY OF GARFIELD )

On this 20<sup>th</sup> day of June, 2017, before me, the undersigned, a Notary Public in and for said County and State, personally appeared **Bryan S. Hotard** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same in the capacity of **Attorney-in-Fact of TEP Rocky Mountain LLC.**



James T Ross  
Notary Public

My Commission Expires: 11/12/2018

EXHIBIT “A”

Attached to and made a part hereof that certain Memorandum of Surface Use Agreement dated this 14 day of June, 2017, by and between **Tri-State Trucking, LLC**, Surface Owner, and **TEP Rocky Mountain LLC**, Operator

Township 6 South, Range 95 West  
Section 25: SE¼NW¼, NE¼SW¼, SW¼NE¼, Lot 2 (NW¼SE¼)  
Garfield County, Colorado

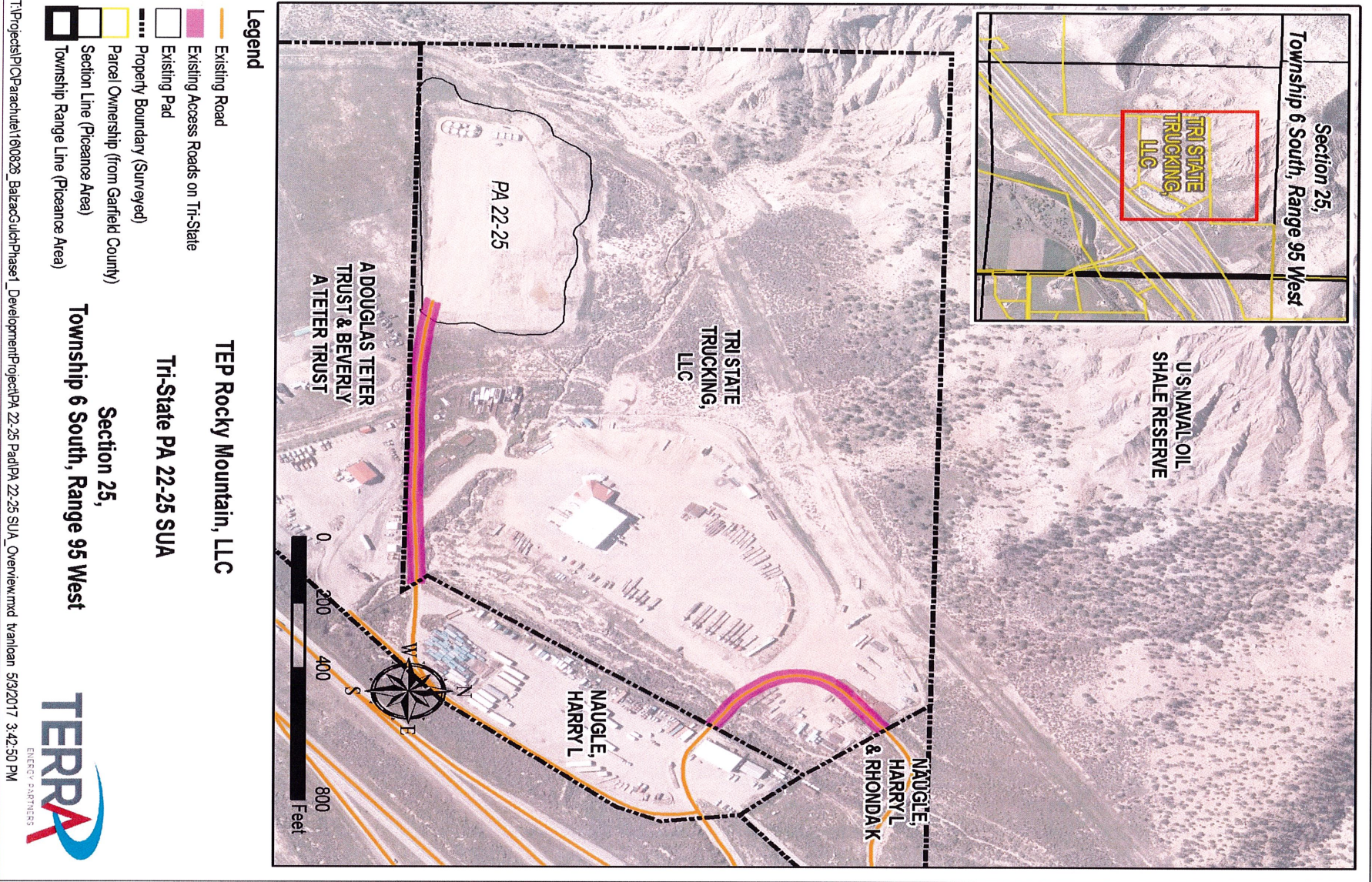


EXHIBIT “B”

Attached to and made a part hereof that certain Memorandum of Surface Use Agreement dated this 14 day of June, 2017, by and between **Tri-State Trucking, LLC**, Surface Owner, and **TEP Rocky Mountain LLC**, Operator

Township 6 South, Range 95 West  
Section 25: SE¼NW¼, NE¼SW¼, SW¼NE¼, Lot 2 (NW¼SE¼)  
Garfield County, Colorado

