

When recorded, return to:

Extraction Oil & Gas, Inc.  
Attn: Sean Casper  
370 17<sup>th</sup> Street, Suite 5300  
Denver, CO 80202

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**EASEMENT, RIGHT-OF-WAY, AND SURFACE USE AGREEMENT**

This Easement, Right-of-Way and Surface Use Agreement ("**Agreement**") is entered into this May 12, 2017, by and between **Front Range Landfill, Inc.**, whose address is 1830 Weld County Road 5, PO Box 320, Erie, CO 80516, **Denver Regional Landfill, Inc.** whose address is 1441 County Road 6, PO Box 320, Erie, CO 80516 (jointly, "**Owner**"), and **Extraction Oil & Gas, Inc.** ("**Operator**"), with offices at 370 17<sup>th</sup> Street, Suite 5300, Denver, CO 80202, sometimes referred to each as a "**Party**," or collectively as the "**Parties**."

**RECITALS**

A. Owner is the surface owner of certain lands comprising substantial portions of Sections 28 and 29, T. 1 N., R. 68 W., 6<sup>th</sup> P.M., Weld County, Colorado (collectively, the "**Lands**"), as depicted on Exhibit A upon which it operates a sanitary landfill and waste disposal facility (the "**FRL Landfill**").

B. Operator, or its affiliates, owns a working interest, leasehold interest, or other interest under certain oil and gas leases covering all or portions of the Lands, or lands pooled or included in a spacing unit therewith, or lands adjacent thereto (the "**Lease**," or "**Leases**").

C. Operator owns and operates the following oil and gas wells located on the Lands (collectively, the "**Existing Wells**"):

<u>Well Name</u>	<u>API No.</u>
DUMP UU 28-2	05-123-25679
DUMP UU 28-3	05-123-25678
DUMP UU 28-5	05-123-25289
DUMP UU 28-06D	05-123-25277
DUMP UU 28-8	05-123-26336
DUMP UU 28-10	05-123-25288
DUMP UU 28-11D	05-123-25276
DUMP UU 28-12	05-123-25290
DUMP UU 28-16	05-123-25976
CARR 1	05-123-10017
MEIKLE 28-1	05-123-10665
MEIKLE 2	05-123-12185

D. Operator and Owner desire to enter into this Agreement to establish certain rights and obligations regarding Operator's operations, including surface access to, use of, and disturbance upon the Lands.

E. Operator desires to drill, complete, operate, produce and maintain oil or gas wells (the "Wells") on the Lands or the Leases, the subsurface locations of which may be under lands other than the Lands.

F. In order for Operator, its agents, consultants, successors or assigns to explore, permit, survey, obtain consents and waivers, develop, drill, construct, complete, recomple, produce, maintain, rework, equip, deepen, stimulate, re-stimulate, assess, evaluate, inspect, test, update, upgrade, operate, secure, and transport production from the Wells and all facilities associated therewith including, but not limited to, access roads (including existing roads on the Lands) depicted in Exhibit B ("Access Roads"), pipelines, infrastructure, equipment, surface appurtenances and production facilities including but not limited to emission control devices, vapor recovery towers, vapor recovery units, flowlines, gathering lines, transmission lines, temporary above ground water lines, temporary above ground completion fluid pipelines, gas lift lines, meters and housing, separators, tank batteries, Modular Large Volume Tanks, Lease Automatic Custody Transfer units, electrical lines, utility lines and any other facilities or property necessary for Operator to conduct operations on the Wells (each a "Facility," collectively, the "Facilities"), Owner recognizes it is necessary that Operator, its agents, consultants, successors or assigns enter and utilize a portion of the Lands in order to operate and maintain the Wells and Facilities.

G. Operator agrees to mitigate any surface damage to the Lands and to set forth its commitments with respect to future operations on the Lands, to accommodate operations and development of the surface by Owner, and to cooperate with the Owner in order to achieve mutual enjoyment of the Parties' respective rights in and to the Lands.

H. The "Effective Date" of this Agreement is the date upon which it is recorded in the real property records of Weld County, Colorado.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other good and valuable consideration set forth in the Compensation Agreement executed contemporaneously herewith, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **SURFACE EASEMENT AND RIGHT-OF-WAY; SUBSURFACE EASEMENT.**

A. **Grant of Rights, Privileges and Benefits.**

(i) **Oil and Gas Operations.** Owner grants, assigns, and conveys to Operator an exclusive easement and right-of-way (subject to 1.D below) on, over, across, and through the portion of the Lands located within the SE1/4 Section 28, T. 1 N., R. 68 W., 6<sup>th</sup> P.M., for the purpose of drilling, completing, operating, securing, producing, evaluating, deepening, reworking, equipping, maintaining, plugging and abandoning of Wells, constructing, using and maintaining Access Roads and locating, constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing the Facilities and all necessary appurtenant facilities, installing and operating groundwater monitoring wells, for the purposes specified in this Agreement including to access oil, natural gas, produced liquids, and associated hydrocarbons from its Leases ("Oil and Gas Operations Easement").

(ii) Gathering and Transporting. Owner grants Operator the right to gather to the Lands and transport from the Lands oil, natural gas, produced liquids and associated hydrocarbons produced from the Lands and lands other than the Lands and lands pooled with the Lands, and to transfer/assign such right to a third party gatherer ("Gathering and Transporting Easement").

B. Location. The locations of the Oil and Gas Operations Easement and Gathering and Transporting Easement, together with the permissible locations of Wells, the Access Roads to the Well sites and Facilities to be constructed on or underlying those easements (the "Oil and Gas Operations Area" or "OGOA"), are depicted in Exhibit B. The OGOA also includes the areas defined on Exhibit B as "Disturbance Limits," "Temporary Use Area," "Pad Limits," and "Access Road." Operator's use of the OGOA shall conform and be limited to these defined use areas. Changes to the OGOA may be made by Operator with the consent of Owner, which shall not be unreasonably withheld, provided that such changes will not impair Owner's existing and planned uses of the Lands; provided, however, that if Operator proposes to reduce the number of Wells or Facilities, or the areas of disturbance, within the OGOA, it may proceed with such changes without Owner's consent. Additional Access Roads and Facilities located outside of the OGOA may be necessary for Operator's activities, and in these circumstances, Owner and Operator agree to designate a mutually agreeable location for said Access Roads and Facilities, and to modify the OGOA accordingly, subject to the limitations that the location of such additional Access Roads and Facilities are subject to all terms and conditions of this Agreement and will not impair Owner's existing and planned uses of the Lands. In particular, no Access Roads or Facilities shall be located, now or in the future, along Weld County Road 5, or Weld County 7 to the north of the existing access road to the Town's water tanks or within portions of the Lands and joining those segments of said County roads (the "Exclusion Area"). Operator agrees not to use any more of the surface of the Lands than is reasonably necessary to conduct its operations. This Agreement does not in any way limit the rights of Operator to drill future additional Wells with associated Facilities and Access Roads, provided that such Wells, Facilities and Access Roads are located within the OGOA, or to exercise all rights consistent with its mineral ownership or lease rights.

C. Compliance with Applicable Law.

(i) Operator's operations within the OGOA will be conducted pursuant to the terms of the Leases, this Agreement, applicable federal, state and local laws, including but not limited to the rules and regulations of the Colorado Oil & Gas Conservation Commission ("COGCC"). COGCC rules and regulations shall establish the minimum operational requirements regulating Operator. In conjunction with or in addition to COGCC rules and regulations, Operator shall install berms and sound walls, control lighting and fugitive dust emissions, and otherwise take all commercially reasonable measures to ensure there are no noise, dust, or visual impacts offsite that unreasonably interfere with neighboring communities.

(ii) Operator acknowledges that Owner holds permits for the FRL Landfill, including but not limited to permits regulating the discharge of storm water and emissions of fugitive dust and Operator agrees that its operations on the OGOA will not cause or contribute to a violation of Owner's permits. Operator will be responsible for any fines, penalties and damages resulting from violations of Owner's permits caused or contributed to by Operator's activities.

D. Owner's Use of OGOA. Within the OGOA, Owner may install, access, maintain, repair and replace monitoring wells, probes and other improvements used in connection with its landfill, with approval of Operator, which shall not be unreasonably withheld, and so long as such improvements do not materially interfere with Operator's exercise of the Oil and Gas Operations Easement or Gathering and Transporting Easement.

E. Restriction upon Owner's Use and Assignment of the OGOA. Owner agrees that, to the extent possible, it shall not allow the OGOA to be included in any common ownership development or special district.

F. Controlled Access to the Lands. Owner shall provide Operator with continuous access to the OGOA during the term of this Agreement. Owner's access to the OGOA shall be limited to one secured access point off the existing road in the southeastern portion of the OGOA ("Operator's Access Point"), as shown on Exhibit B. Operator shall secure Operator's Access Point at all times with control gates to prevent uncontrolled access to the Lands. Owner shall have the right of access at said access point.

G. Operator Work. In all actions undertaken on the Lands by any of Operator's agents, employees, contractors or representatives, all work shall be completed in a workmanlike manner, free of all liens (including mechanic's liens) and encumbrances on the Lands.

H. Access to and on the Lands. Operator shall ensure that Operator's Access Point and all access roads on the Lands are maintained in good repair and condition and shall expand or improve such access points and roads as needed and in accordance with all applicable law, including but not limited to COGCC rules and regulations. To the extent Operator must create, expand or otherwise modify Operator's Access Point or the access roads on the Lands, Operator must perform all necessary surveys and inspections, obtain any necessary authorizations from third parties and undertake and assume liability for all such improvements.

I. Underground Structures/Indemnity. Owner represents that it has no actual knowledge of the existence of any underground tanks, wells or septic systems on or underlying the OGOA, except for wells and possible associated flow lines owned by Operator. As to any structures, facilities or improvements on or underlying the OGOA, Operator agrees that it will rely solely on its own knowledge and investigations as to the existence of such structures, facilities and improvements, and Operator will indemnify and hold harmless Owner from any and all claims or liabilities of any nature arising from damage caused to the Operator from, or caused by Operator to, any such structures, facilities, and improvements.

J. Limitation on Access Route. Operator shall not utilize Weld County Road 7 south of Weld County Road 4 for any vehicular access to or from the Lands.

K. Drainage and Irrigation. Operator will install culverts on the Lands that may be necessary to maintain drainage and irrigation in a manner equivalent to conditions upon the Lands immediately prior to operations as nearly as is reasonably practicable.

L. Water Storage. Operator may store fresh water for well completions only in the Temporary Use Areas, as shown in Exhibit B.

**M. Prohibition on Injection Wells and Pits.** No Class II injection well or waste or flowback storage pit is allowed on the Lands, regardless of whether it has been authorized by the COGCC.

**N. Repair or Replacement of Damaged Property.** If Operator, in the conduct of its operations pursuant to this Agreement or the Leases, damages any personal property of the Owner, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, 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 any of the Wells have been drilled and completed and Operator will repair or replace such items within thirty (30) days of notice, unless otherwise agreed to by the Owner and Operator.

**O. General Upkeep of Well Sites.** Operator shall exercise commercially reasonable efforts to keep the Well sites free and clear of all unsightly growth and trash both during drilling operations and after completion and production, consistent with COGCC regulations. All trash, refuse pipe, equipment, liquids, chemicals, or other materials on the OGOA that are not necessary for continued operations of the Wells will be removed and disposed away from the OGOA on an ongoing basis. No such items will be burned or buried on the OGOA.

**P. Landfill Trash.** Owner shall be responsible for collecting trash that blows from the FRL Landfill onto the OGOA. Upon prior notice to Operator so that any necessary safety precautions can be taken, Operator shall allow Owner's employees to enter and remove such trash from the OGOA unless such activities unreasonably interfere with Operator's operations on the OGOA. If Operator determines that Owner's trash removal activities on the OGOA unreasonably interferes with Operator's oil and gas operations, Operator shall provide Owner with written notice describing the reasons justifying that determination and Operator may thereafter collect and dispose of Owner's trash and, if Owner concurs with Operator's determination, charge Owner for the reasonable cost thereof.

**Q. Fencing of Well Sites.** Operator shall install fencing to prevent Operator and any third parties from accessing the Owner's sanitary landfill and waste disposal facility, consistent with Owner's obligations to maintain a secure facility. During drilling operations, the Well sites and any pits shall be fenced if requested by Owner.

**R. Abandonment of Existing Wells.** Within three (3) years from the Effective Date, Operator, at its sole expense, will plug and abandon Existing Wells DUMP UU 28-5, DUMP UU 28-06D, DUMP UU28-11D, DUMP UU 28-12 and CARR 1, and will reclaim, revegetate and restore those well sites and associated access roads and other land disturbance in compliance with COGCC rules and regulations and local government requirements. Within five (5) years from the Effective Date, Operator, at its sole expense, will plug and abandon all other Existing Wells located in Section 28, Township 1 North, Range 68 West, 6<sup>th</sup> P.M., and will reclaim, revegetate and restore those well sites and associated access roads and other land disturbance in compliance with COGCC rules and regulations and local government requirements; provided, however, that with respect to the two Existing Wells located within the OGOA, MEIKLE 28-1 (API #05-123-10665) and MEIKLE 2 (API #05-123-12185), Operator need not reclaim those sites after plugging and abandoning them, and Owner will sign upon request a COGCC form Final Reclamation Waiver for those Existing Wells.

**S. Noxious Weeds.** The OGOA shall be kept free and clear of all noxious weeds, and unsightly growth both during drilling operations and after completion and during production, consistent with COGCC regulations.

T. Plugging, Abandonment, Restoration and Reclamation. 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 condition immediately prior to operations as nearly as is reasonably practicable. All restoration and reclamation shall comply with applicable federal, state and local laws, including but not limited to COGCC rules and regulations.

U. Disclosure of Oil and Gas Facilities on the Lands. Within thirty (30) days from the Effective Date, Operator shall provide Owner with a depiction of all Operator's existing oil and gas improvements on or underlying the Lands, including the Existing Wells and all flow lines, gathering lines and any other associated improvements. Owner shall disclose the existence of the Existing Wells and their related flowlines and facilities which have been disclosed by Operator to Owner, to Owner's successors, assigns, tenants, and licensees of and upon the Lands.

## 2. PIPELINE RIGHT-OF-WAY AND EASEMENT.

A. Grant of Rights, Privileges and Benefits. Owner grants Operator a nonexclusive right-of-way and easement (the "Pipeline Easement") to lay, construct, maintain, inspect, operate, repair, alter, replace, modify, resize, reconstruct, mark, monitor, abandon or remove, at Operator's election, one or more pipelines, flowlines, electrical lines, fiber optic lines and equipment, and all appurtenances (together, the "Lines"), below or above ground necessary for the transportation or transmission of oil, gas, petroleum products, water, hydrocarbons and any other substances, whether fluid, solid or gaseous, and any products, derivatives, combinations or mixtures of any of the foregoing ("Products"), in, on, over, under, or through the Lands.

B. Location. The location, route and course of the Pipeline Easement conveyed hereby are described and depicted in Exhibit C. The width of the Pipeline Easement is one-hundred feet (100') during preparation and construction. Subsequent to preparation and construction, during any temporary repair, replacement or maintenance the width of the Right-of-Way Lands will be forty feet (40').

C. Depth, Reclamation, and Fencing. Operator shall lay all Lines, pipe, or appurtenances underground at a depth of not less than forty-eight inches (48") inches. Owner agrees not to increase or decrease the surface elevation of the Pipeline Easement without Operator's prior written permission, which shall not be unreasonably withheld, provided that nothing herein shall prevent Owner from complying with all applicable laws and permits. Operator agrees to level and restore any lands that may have excessive settling and sufficiently compact the soil within a reasonable period of time after completion of construction. Operator agrees to restore the surface of the described lands to the condition immediately prior to operations conducted pursuant to this grant upon completion of the operations granted herein. Operator shall repair or restore any fence on or adjacent to the Pipeline Easement to its condition immediately prior to removal or severance by Operator in the course of the operations provided for in this grant.

D. Owner's Improvements. Owner reserves the right to lay, construct and maintain roadways, sidewalks, landscaping, grading, signs, and fences, over and across the Pipeline Easement, including the right to cross the Lines with utilities, as well as to install, or allow installation of, utilities or other pipelines parallel to the Lines within Pipeline Easement, provided that Owner shall not use the Pipeline Easement so as to materially impair Operator's right to use the same for the purposes stated herein. All below-ground crossings of the pipeline will be made with a minimum of twenty-four inches (24") of separation, and said crossings will be made as near as possible to ninety degrees (90°) to the Lines. All pipeline markers and test leads that need to be installed shall be located at fence lines, roadways, section lines or property lines wherever possible. Owner has the right to approve the pipeline

marker locations, to the extent that the markers are placed in locations that meet the pipeline safety industry standards or applicable pipeline safety codes.

E. Future Crossing of the Pipeline Easement. In the event Owner or any other party to which Owner has conveyed an interest in the Pipeline Easement desires to cross Operator's pipeline, either above or below or on the surface, it shall submit the proposed crossing to Operator for Operator's review and approval. Within sixty (60) days of the submission, Operator shall respond with either its approval or, if denied, a detailed description of those modifications necessary to facilitate the approval of the crossing.

F. Limitations on Owner's use of the Pipeline Easement. Owner may continue to use the surface of the Pipeline Easement for all purposes, provided that Owner shall not plant trees within the permanent 40-foot Pipeline Easement area or construct or permit to be constructed any house, structure or other obstruction or excavation on, over or within the Pipeline Easement and will not change the grade over any pipeline construed hereunder. If Operator, in its reasonable discretion, determines that any facility laid, permitted, or constructed by Owner pursuant to the rights, privileges and benefits reserved to Owner materially interferes with or impairs the ability of Operator to safely operate the Lines, then Operator shall be allowed to remove such facility or installation.

G. Pre-Existing Rights. To the extent the Pipeline Easement crosses pre-existing rights, including but not limited to crossing underground utilities, the Town of Erie's right-of-way and the Farmers Reservoir and Irrigation Company ("FRICO") ditch, Operator must perform all necessary surveys and inspections, obtain any necessary authorizations from third parties, including but not limited to FRICO and the Town of Erie, and undertake and assume liability for all such improvements.

H. Abandonment of Pipeline Easement Grant. This Pipeline Easement shall last as long as Operator is using the Lines for the purposes stated herein. If the Pipeline Easement is no longer used by Operator for the purposes stated herein, as determined by Operator in its sole discretion, Operator may, upon request, execute and record a reconveyance and release of this grant of Pipeline Easement, and will remove all pipes and restore, revegetate and reclaim the Pipeline Easement areas.

I. Taxes, Mortgages and Liens. Owner agrees that at Operator's option, Operator may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the Lands burdened by this grant of Pipeline Easement. If Operator exercises such option, Operator shall be subrogated to the rights of the party to whom payment is made, and in addition to its other rights, may reimburse itself out of any amounts otherwise payable to Owner from Operator.

### 3. NOTICE OF ADDITIONAL OPERATIONS

Prior to expiration of the Term, subsequent operations related to the Wells, including but not limited to refracs, recompletions, deepening, or redrilling, except in case of emergency, shall require advance notice to Owner in conformance with COGCC rules and regulations.

### 4. OWNER'S LEGAL OBLIGATIONS

The rights, privileges and benefits Owner grants to Operator under this Agreement are subject to Owner's preexisting and future legal obligations established by applicable federal law or its permits. Nothing herein shall prevent Owner from maintaining its operations on the Lands or performing activities required by regulation or its permits, including without limitation establishing and operating water quality monitoring wells, constructing drainage features, performing grading, and establishing and maintaining

landscaping. The Parties shall take all reasonable measures to prevent conflict between Owner's legal obligations under applicable law or its permits and Operator's operations. If such a conflict arises, the Parties shall confer and use all reasonable efforts to resolve the issue, and if such conflict is irreconcilable, Operator shall accommodate Owner.

#### **5. TERM AND RECLAMATION UPON TERMINATION.**

Operator's rights under this Agreement shall terminate upon the termination of the Leases (the "Term"), provided that the termination of this Agreement will not relieve the Parties from their respective obligations or liabilities arising herein prior to such termination. No act or failure to act on the part of the Operator during the Term shall be deemed to constitute an abandonment or surrender of this Agreement or of any part of it, except upon recordation by Operator of an instrument specifically terminating this Agreement. Promptly upon the termination of this Agreement, Operator shall access the Lands and complete the plugging and abandonment of the Wells and removal of Facilities and reclamation of the Lands as provided in this Agreement or required under federal, state and local law. Operator may access the Lands for such other purposes as necessary to comply with any law, rule, or regulation governing Operator's operations. It is understood and agreed that any release, discharge or indemnity from and against liability shall survive the expiration of this Agreement in perpetuity.

#### **6. DEFAULT AND RIGHT TO CURE.**

In the event of alleged default by Operator in the payment, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Owner will notify Operator, by certified mail, return receipt requested, of the alleged default. Operator will have sixty (60) days from receipt of the written notification in which to dispute or otherwise respond to the notification before Owner may pursue other remedies of the alleged default. If Operator cures the alleged default within sixty (60) days of Owner's notice, or if the alleged default is of a nature that cannot be cured within sixty (60) days but Operator commences curing the alleged default within that sixty (60) day period and diligently pursues such cure, then no default shall be deemed to have occurred, provided that no such extension shall exceed one hundred and twenty (120) days.

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.

#### **7. REPRESENTATIONS AND WARRANTIES.**

##### **A. Owner's represents and warrants the following:**

- (i) Owner has the right, power, and authority to enter into this Agreement.
- (ii) Owner shall pay timely all amounts Owner (or any person acting on behalf of, by, or through Owner) owes for or in connection with any of the following: assessments, taxes or governmental charges of any kind that may at any time be lawfully assessed or levied against the Lands; encumbrances; leases; mortgages; deeds of trust; other security interests; services; utilities; or other interests related to the Lands and/or that may create an interest in the Lands. Owner shall satisfy all non-monetary obligations of Owner associated with such matters, failing which Operator may (but shall have no obligation to) pay such amounts and/or perform such obligations.



(iii) Owner has no actual knowledge of any material latent condition or defect on the Lands that would subject Operator to an Environmental Claim, as defined in Section 8 herein.

B. Operator represents and warrants the following:

(i) Operator has the right, power, and authority to enter into this Agreement.

#### **8. INDEMNITIES/RELEASES.**

A. The indemnity provisions in this Section 8 govern the Parties' respective liabilities related to Operator's exercise of its easement rights under this Agreement, including its oil and gas operations within the OGOA. The indemnity provisions of Section 6 of the Parties' Master Services Agreement ("MSA") govern the Parties' respective liabilities related to Owner's waste hauling and disposal services, including the Exclusive Waste Services, under the MSA and the Parties' Compensation Agreement executed contemporaneously with this Agreement.

B. With the exception of Owner's disclosures required by preceding Section 1.I, and Owner's representations in preceding Section 7.A, Operator accepts the grant of the Oil and Gas Operations Easement, Gathering and Transporting Easement and Pipeline Easement on, through and under the Lands in their "AS-IS" condition WITH ALL FAULTS AND AT OPERATOR'S OWN RISK, without any warranty, express or implied, as to the condition of the Lands. Operator assumes all risks related to the entry and use of the Lands under the foregoing easements. Owner shall have no liability to Operator for, and Owner is hereby irrevocably and forever released from, and Operator, on behalf of itself and its contractors, agents, employees, licensees, successors and assigns, hereby indemnifies, releases and holds harmless Owner from, any and all claims, damages, losses, liens, costs, liabilities, fines and expenses (including reasonable attorneys' fees and court costs), damage to or destruction of property, and death of or injury to any person related to or arising from entry onto the Lands in the exercise of the Oil and Gas Operations Easement, Gathering and Transporting Easement or Pipeline Easement, except for those resulting from Owner's negligence or willful or wanton misconduct.

C. Operator indemnifies, releases and holds harmless Owner, its agents, successors and assigns from any and all claims, damages and causes of action arising out of and caused by Operator's operations on the Lands that may be asserted by any of Operator's agents, employees, subcontractors, contractors, and persons entering upon the Lands at the request of Operator.

D. Operator shall fully protect, defend, indemnify and hold harmless Owner, its agents, successors and assigns, from any Environmental Claims, as defined below, that arise out of Operator's use of the Lands, including Operator's exercise of its rights under the easements granted herein, provided that Operator will not protect, indemnify and hold harmless Owner, its agents, successors and assigns from any Environmental Claim arising out of a pre-existing condition which existed on the Lands at the time Operator executed this Agreement.

(i) "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 Lands or ownership of the oil and gas leasehold interest, whichever is applicable, and all cleanup and remediation costs, fines and penalties associated therewith, including, but not limited to, any claims arising from any

Environmental Law, as defined below. 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.

(ii) "Environmental Law" means the Clean Air Act of 1970, as amended, 42 U.S.C. §§ 7401 *et seq.*; the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 *et seq.*; Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. §§ 136 *et seq.* ("FIFRA"); the National Environmental Policy Act of 1970, as amended, 42 U.S.C. §§ 4321 *et seq.*; the Noise Control Act of 1972, 42 U.S.C. §§ 4901 *et seq.*; the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984 or as otherwise amended, 42 U.S.C. §§ 6901 *et seq.*; the Safe Drinking Water Act, as amended, 42 U.S.C. §§ 300f *et seq.*; the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 or as otherwise amended, 42 U.S.C. §§ 9601 *et seq.* ("CERCLA"); the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §§ 6901 *et seq.* ("RCRA"); the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 *et seq.* ("TSCA"); the Atomic Energy Act of 1954, as amended, 42 U.S.C. §§ 2011 *et seq.* ("AEA"); the Nuclear Waste Policy Act of 1983, as amended, 42 U.S.C. §§ 10101 *et seq.* ("NWPA"); and all as may be amended, with implementing regulations and guidelines. Environmental Laws shall also include all federal, state, regional, county, municipal, and other local laws, regulations, and ordinances insofar as they are equivalent or similar to the federal laws above or purport to regulate (now or in the future) Hazardous Materials, as defined below.

(iii) "Hazardous Materials" means any substance, material, waste, gas or particulate matter, hazardous substance, pollutant or contamination, giving those terms the broadest meaning as accorded by statutes, regulations and/or court decisions in the jurisdiction in which the Lands are located. Without limiting the generality of the foregoing, the definition of those terms shall include: substances which are regulated under CERCLA; oil and petroleum products and by-products and natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel, urea formaldehyde foam insulation, and chlorofluorocarbons; pesticides regulated under FIFRA; asbestos, polychlorinated biphenyl, and other substances regulated under TSCA; chemicals subject to the Occupational Safety and Health Standards, Hazard Communication, as amended, 29 C.F.R. § 1910.1200; source material, special nuclear by-product materials, and any other radioactive materials or radioactive wastes, however produced, regulated under the AEA; or the NWPA; industrial process and pollution control wastes whether or not hazardous within the meaning of RCRA; and any other hazardous substance, pollutant or contaminant that is regulated or becomes regulated under any other Environmental Laws.

## 9. OPERATOR'S INSURANCE.

Operator shall obtain, keep in force and maintain and cause each of its contractors to obtain, keep in force and maintain, at no cost to Owner, commercial general liability, combined single limit, bodily injury and property damage and liability insurance (which insurance shall be primary and non-contributing) insuring Operator and Owner, to the extent of Operator's liability, against all liability arising out of this Agreement (including Operator's contractual indemnity obligation hereunder) in an amount of

sta. In addition, Operator shall maintain and cause its contractors to maintain workers' compensation insurance in conformity with applicable state law and contain a waiver of subrogation provision in favor of Owner. The foregoing policies shall all be written by insurance companies authorized to do business in the State of Colorado and having AM BEST ratings of at least "A" and a financial rating of at least "V" or greater in the most current Best's Insurance reports available on the date that the party obtains or renews the insurance policy (or, if such report is no longer published, comparable financial quality of insurance company). Operator and its contractors shall provide Owner, before the expiration of any certificates of coverage, up-to-date certificates of such coverage and subsequent renewals or replacement thereof evidencing the above described insurance. Any insurance to be provided hereunder may be effected by a policy or policies of blanket insurance covering additional items or locations or insureds.

**10. REASONABLE ACCOMMODATION.**

The Parties acknowledge that Operator's uses and operations upon the Lands under this Agreement are in full satisfaction of the requirement that Operator conduct its oil and gas operations in a manner that accommodates Owner, and such uses and operations upon the Lands as provided herein constitute "Reasonable Accommodation" by Operator, its agents, consultants, successors and assigns as provided for under Colorado Revised Statute Section 34-60-127.

**11. WAIVER OF COGCC NOTICES AND OTHER REGULATORY MATTERS.**

A. Owner hereby waives the following notices and consultations:

- (i) Rule 305.a.: Notice of Intent to Conduct Oil and Gas Operations;
- (ii) Rule 305.c.(1): Oil and Gas Location Assessment Notice;
- (iii) Rule 305.c.(2): Buffer Zone Notice;
- (iv) Rule 305.f.: Statutory Notice to Surface Owners;
- (v) Rule 305.h.: Move-In, Rig-Up Notice; and
- (vi) Rule 306.a.: Surface Owner Consultation and Meeting Procedures.

B. Owner shall not object or protest any Application for Permit to Drill (Form 2) and Oil and Gas Location Assessment (Form 2A) filed by Operator with the COGCC.

C. 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, and to appeal the approval and issuance of the Form 2A, and any related Form 2.

D. Owner shall not oppose Operator, its agents, consultants, attorneys, successors and assigns in any COGCC or other administrative or governmental proceedings 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 Agreement and do not impair Owner's operations. Owner will provide Operator, its agents, consultants, attorneys, successors and assigns with any and all written support they may reasonably

require to obtain permits from the COGCC or other applicable governmental body, and Operator shall compensate Owner for any reasonable costs incurred therefor.

E. Owner understands and acknowledges that the COGCC has rules and regulations that apply to the distance between a wellhead and public roads, production facilities, building units, occupied buildings, and surface property lines, among other things. Owner hereby waives its right to object to the location of any Well, Access Roads and Facilities solely on the basis of setback requirements in the rules and regulations of the COGCC, including, but not limited to, the 150-foot setback from surface property lines and other requirements of Rules 603.a.(2) and 604.a, except that the Parties intend to rely upon one or more exceptions of rule 604.b relating to property lines and urban mitigation areas or designated outside activity areas, as those terms may change or be defined and amended from time to time. For the operations contemplated by this Agreement, Owner hereby waives the Exception Zone, Buffer Zone, Urban Mitigation Area, and High Occupancy Building setback distances, as required by COGCC rules and regulations.

F. Owner grants consent to locate the Wells greater than fifty (50) feet from an existing well pursuant to COGCC Rule 318A.c. Owner grants consent to locate Wells outside of the GWA windows as defined in COGCC Rule 318A.a.

G. Owner understands that Operator may provide a copy of this Agreement to the COGCC in order to obtain a waiver, exception location or variance from the COGCC rules or from a local jurisdiction.

## **12. WAIVER AND CONSENT REGARDING LANDFILL MATTERS.**

Operator hereby waives the right to any notice of Owner's applications before the Town of Erie, Weld County or the Colorado Department of Public Health and Environment to modify or expand the FRL Landfill, and Operator hereby consents to, and agrees not to oppose, any such applications, provided that the expansion or modification of the FRL Landfill proposed in the applications do not include all or a portion of, or preclude access to, the OGOA or the Pipeline Easement.

## **13. NOTICES.**

Subject to the terms, conditions, and covenants of this Agreement written Notice by either Party will be promptly served to the other Party by United States mail, postage prepaid and addressed to either Party, or to such other place as either Party may from time to time designate by notice to the other, at the following addresses:

**Owner**  
Front Range Landfill, Inc.  
1830 Weld County Road 5  
PO Box 320  
Erie, CO 80516  
Phone: (303) 828-9400

**Operator**  
Extraction Oil & Gas, Inc.  
370 17<sup>th</sup> Street, Suite 5300  
Denver, CO 80202  
Attn: Surface Land Department  
Phone: (720) 557-8300

## **14. RECORDING.**

Operator shall record this Agreement in the real estate records of the county in which the Lands are located.

**15. SUCCESSORS.**

This Agreement constitutes a grant of easement and right-of-way, is 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 agents, successors, or assigns.

**16. ENTIRE AGREEMENT.**

In addition to that certain Compensation Agreement of even date herewith between Owner and Operator, this Agreement contains the entire agreement between the Parties and supersedes all prior and contemporaneous agreements, understandings, negotiations, representations, statements and discussions between the Parties, whether oral or written. This Agreement may be modified or amended only by a writing signed by each of the Parties.

**17. PARTIAL INVALIDITY.**

If at any time subsequent to the date of this Agreement, any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

**18. NO THIRD-PARTY BENEFIT.**

Owner acknowledges that this Agreement does not confer to Owner any third-party rights or benefits in any other agreement or understanding concerning the Lands, lease, or asset, and expressly agrees it will not claim or assert any right or benefit to any agreement concerning the Lands, lease, or asset to which it is not a party.

**19. COUNTERPARTS.**

This Agreement may be executed by facsimile or electronic mail, in counterparts, each of which will be considered one and the same agreement enforceable against the Parties.

**20. GOVERNING LAW AND VENUE.**

This Agreement will be governed by, construed and enforced in accordance with the laws of Colorado. Venue shall be deemed to be in the county where the Lands are located.

**21. INTERPRETATION.**

Each use of the terms "Owner" and "Operator" in this Agreement shall be deemed to mean such Party and its agents, employees, assigns, directors, managers or successors in interest. In construing this Agreement, no consideration shall be given to the fact or presumption that one Party has had a greater or lesser hand in drafting this Agreement than any other Party.

**22. DAMAGES.**

Any damages awarded to either party under this Agreement shall be limited to only the actual damages incurred by such party, and neither party shall be liable for consequential, incidental, punitive, exemplary or indirect damages in tort or in contract, or under any legal theory, and all such damages are hereby excluded and waived by the Parties and the exercise of the rights of any party hereunder.

**23. ATTORNEYS' FEES.**

If any action or proceeding is instituted by either party for enforcement or interpretation of any term or provision of this Agreement, the prevailing party pursuant to a final judgment of a court of competent jurisdiction shall be entitled to recover from the other party all reasonable costs and expenses incurred by the prevailing party in said action and any appeal therefrom, including court costs, reasonable attorneys' fees and costs of suit as determined by the court.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the Effective Date.

*(The remainder of this page is intentionally left blank).*

**OWNER:****Front Range Landfill Inc.**

By: *Phil Edward*  
 Name: *Phil Edward*  
 Title: *Region V.P.*

**Denver Regional Landfill, Inc.**

By: *Phil Edward*  
 Name: *Phil Edward*  
 Title: *Region V.P.*

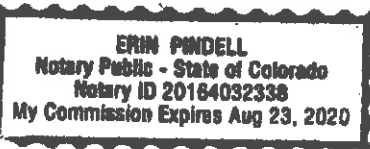
STATE OF Colorado )  
 ) ss.  
 COUNTY OF Arapahoe )

The foregoing instrument was acknowledged before me on this 12<sup>th</sup> day of May, 2017, by Phil Edward as Region VP of Front Range Landfill, Inc.

Witness my hand and official seal.

My commission expires: 8/23/20

(SEAL)



*Erin Pindehl*  
 Notary Public

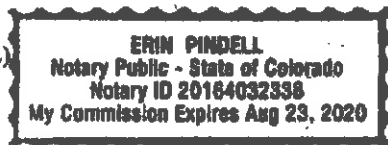
STATE OF Colorado )  
 ) ss.  
 COUNTY OF Arapahoe )

The foregoing instrument was acknowledged before me on this 12<sup>th</sup> day of May, 2017, by Phil Edward as Region VP of Denver Regional Landfill, Inc.

Witness my hand and official seal.

My commission expires: 8/23/20

(SEAL)



*Erin Pindehl*  
 Notary Public

**OPERATOR:**

Extraction Oil & Gas, Inc.

By: 

Name: Matt Owens

Title: President

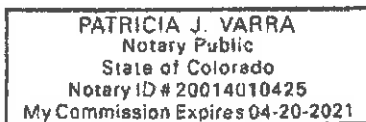
STATE OF Colorado )  
 )ss.  
COUNTY OF Denver )

The foregoing instrument was acknowledged before me on this 12 day of May, 2017, by Matt Owens as President of Extraction Oil & Gas, Inc.

Witness my hand and official seal.

My commission expires: 4-20-2021

(SEAL)



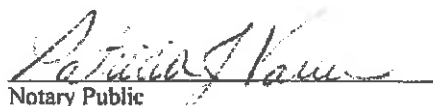
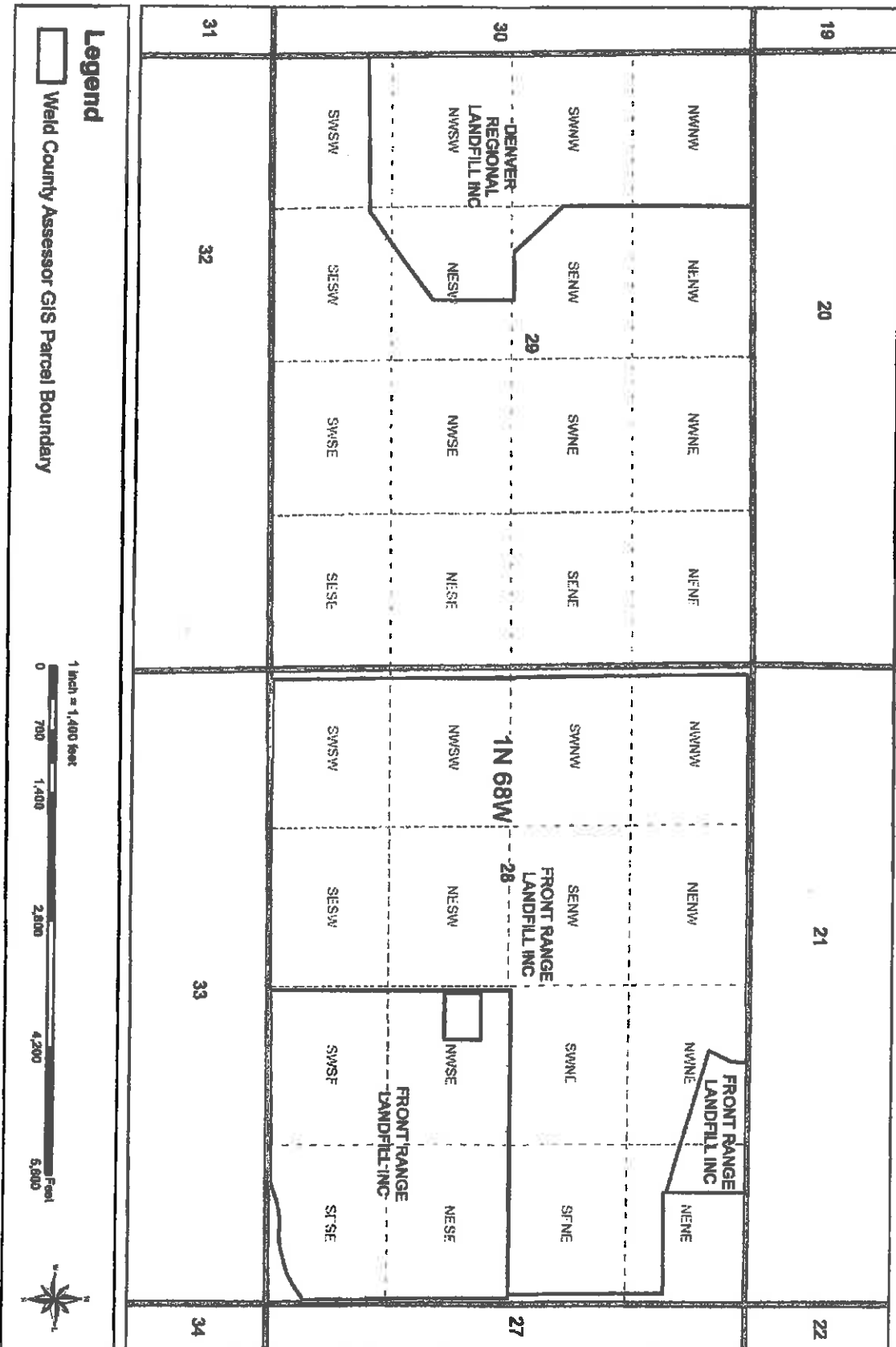
  
Notary Public



EXHIBIT A  
the "Lands"

T1N R68W, 6th P.M.  
Section 28  
Section 29  
Weld County, CO.



SECTION 28, TOWNSHIP 1 NORTH, RANGE 68 WEST, 6TH P.M.  
WELD COUNTY, COLORADO



EXHIBIT C

T1N R68W, 6th PM.  
Section 28: S/2S/2, NESE/4, SE/4NE/4, Portion of NE/4NE/4  
Section 29: W/2NW/4, Portion of W/2SW/4  
Weld County, CO.

