



STATE OF COLORADO
STATE BOARD OF LAND COMMISSIONERS

SURFACE USE AGREEMENT
OT 110937

Non-State and Pooled or Communitized Minerals

THIS SURFACE USE AGREEMENT ("Agreement"), dated this 2nd day of February, 2017, ("Effective Date") is made by and between the State of Colorado, acting by and through the Colorado State Board of Land Commissioners, whose address is 1127 Sherman Street, Suite 300, Denver, CO 80203, herein called the "State Land Board", and, , whose address is **ENERPLUS RESOURCES (USA) CORPORATION 950 17th Street Denver CO 80202**, herein called the "Operator".

WHEREAS, the State Land Board represents that it is the surface owner and in possession of the surface estate in all or part of the following lands located in County, Colorado (the "Property"):

Subdivision SESW, Section 36, Township 8N, Range 67W

WHEREAS, the State Land Board acknowledges that the Operator has certain rights to conduct oil and gas operations under the terms of oil and gas lease(s) underlying or adjacent to the Property;

WHEREAS, the State Land Board and the Operator, together also herein be called the "Parties", desire to facilitate development of the oil and gas resources based on reasonable access and use of the Property, and to reach an understanding and agreement regarding the Operator's surface access and use and to minimize disturbance associated with oil and gas operations.

NOW, THEREFORE, in consideration of the terms and conditions cited below, the State Land Board and the Operator agree as follows:

1. Surface Rights

The State Land Board agrees to allow the Operator reasonable use of a portion of the Property to build well pad(s), tank batteries, access road(s); construct pipelines, flowlines, gathering lines and powerlines; and to drill, complete, produce and operate vertical, directional or horizontal wells (the "Operations"). Operations on the Property shall be confined to a limited portion of the surface of the Property exclusively reserved for Operations (the "Operations Area"), together with an "Access Corridor," as necessary, for access roads and associated lines, containing 14.7 acres which is further identified on Exhibit A. The Operator shall have the exclusive right to utilize the Operations Area provided the State Land Board may use the balance of the Property and the Access Corridor for State Land Board purposes that do not materially interfere with Operations. Furthermore, the Operator shall have the right to access and use the Property in "Emergency Situations". Emergency Situations is defined as situations that require immediate attention in order to protect human life or prevent further degradation of the land.

2. Subsurface Easement

To the extent the State Land Board owns the sub-surface rights underlying the Property, the State Land Board hereby grants the Operator a sub-surface easement for passage of any portion of the directional or horizontal wellbore for a well located on the Operations Area through the State Land Board owned sub-surface. If a wellbore from a well located on the Operations Area leaves the sub-surface boundaries of one State Land Board oil and gas lease and enters lands covered under a separate oil and gas lease or leases, the State Land Board grants an easement to allow the wellbore

to travel and produce from all applicable leases, provided such easement does not conflict with the terms of any State Land Board lease now in effect.

3. Term

This Agreement shall have a primary term of three (3) years (the "Primary Term") and shall continue for so long thereafter as any well utilizing the Operations Area continues to produce oil or gas. If, after the expiration of the Primary Term of this Agreement, production from all wells utilizing the Operations Area should cease for any cause for a period of more than two (2) years, the State may terminate this Agreement, provided that the Operator may request annual one-year extensions to this Agreement by (i) providing evidence of compliance with COGCC Rule 326.B - Mechanical Integrity Testing for Shut-in Wells, which may be in the form of COGCC Form 21 - Mechanical Integrity Test and, (ii) paying the State Land Board, in addition to the Annual Payment, \$1,000 per acre of the Operations Area.

If the Operator fails to commence Operations on the Operations Area during the Primary Term by established production from wells located on the Operations Area or from off-site Wells utilizing facilities located on the Operations Area, this Agreement will terminate at the end of the Primary Term.

Upon termination of Operations, this Agreement shall remain in effect as to other terms and conditions until all wells are plugged and abandoned and the reclamation and clean-up requirements set out in the "Reclamation" section below have occurred consistent with the Colorado Oil and Gas Conservation Commission (the "COGCC") regulations then in effect, and to the reasonable satisfaction of the State Land Board.

Agreement extensions in the absence of oil or gas production or in the event that the Operator fails to comply with 3.i and 3.ii above may be granted at the sole discretion of the State Land Board.

4. Indemnification

The Operator shall indemnify and hold the State Land Board, including without limitation all State Land Board officers, agents, employees and Board members (collectively "Board Indemnitees") harmless from any and all liability, liens, demands, judgments, suits, and claims of any kind or character arising out of, in connection with, or relating to the Operator's Operations on the Operations Area and the Property including, but not limited to, environmental issues, erosion, sedimentation, surface and sub-surface damage, claims for injury to or death of any persons, or damage, loss or destruction of any property, real or personal, under any theory of tort, contract, strict liability, or statutory liability ("Claims"), except to the extent such Claims arise from the Board Indemnitees' gross negligence or willful misconduct. The Operator further covenants and agrees to defend any suits brought against the State Land Board on any Claims, and to pay any judgment against the State Land Board resulting from any suit or suits, together with all costs and expenses relating to any claims, including reasonable attorney's and expert fees, arising from the Operator's Operations on the Property, or other land owned by the State Land Board, except to the extent such Claims arise from the State Land Board's gross negligence or willful misconduct. The State Land Board, if it so elects, shall have the right to participate in its defense in any suit or suits in which it may be a party, inclusive of using separate counsel without relieving the Operator of the obligation to defend the State Land Board. The State Land Board shall have the right to employ separate counsel in any action, suit or proceeding if, in accord with applicable codes or rules of attorney conduct, there would be an unwaivable or unwaived conflict of interest between the Operator and the State Land Board so that they cannot be represented by the same counsel and, under such circumstances, the fees and expenses of such separate counsel shall be paid solely by the Operator.

5. Payments to the State Land Board

- A. Initial Damage Payment - On the Effective Date of the Agreement the Operator shall pay the State Land Board \$35,500.00, based on the surface use rates set forth on Exhibit B for surface damage, impact and use of the Operations Area.
- B. Well Payments - In addition to the Initial Damage Payment, the Operator shall pay the State Land Board a one-time payment for any and all wells located on the Operations Area based on the rates set forth on Exhibit B. Well Payments are due on the next annual anniversary date of the Effective Date following the well spud date, defined as when the drill bit contacts the ground to start the process to drill for and install surface casing.
- C. Annual Payment - The Operator shall pay the State Land Board annually, on or before each anniversary of the Effective Date for so long as this Agreement remains in effect, an Annual Payment of \$3,550.00, calculated based on the rates set forth on Exhibit B. The State Land Board may accept, in lieu of Annual Payments, a lump-sum one-time payment on the Effective Date of this Agreement, at the sole and absolute discretion of the State Land Board.
- D. Access Corridor Payment: The operator shall pay a one-time Access Corridor Payment to the State Land Board of \$38,000.00, based on the rates set forth on Exhibit B, for access roads, pipeline and powerline easements, and all other disturbances outside the Operations Area. Payment shall be made on the Effective Date of the Agreement and the Operator may be subject to either the SUA or a separate Right-of-Way ("ROW") agreement. Operator shall consult with and obtain approval from the State Land Board for Access Corridors and shall cooperate with the State Land Board regarding the location and construction timing for any pipeline burial in order to minimize surface disturbance, and shall pay the State Land Board based on the compensation schedule set forth on Exhibit B. For accuracy of measurement, Operator shall provide an As-Built Survey and the Access Corridor Payment may be adjusted accordingly.
- E. Production Facilities Payment - Upon written approval by the State Land Board, the Operator shall pay the State Land Board a one-time payment for each well located off the Operations Area ("Off-Site Wells") that uses facilities located on the Operations Area, including without limitation, tanks and compressors, and all associated oil and gas production and operational facilities (the "Production Facilities"), calculated based on Exhibit B ("Production Facilities Payment"). The State Land Board's written approval and the Production Facilities Payment are due prior to constructing pipelines or producing hydrocarbons from Off-Site Wells to the facilities located on the Operations Area and such use will be granted at the State Land Board's sole and absolute discretion.
- F. Rental Adjustment - On the tenth anniversary of this Agreement and every fifth anniversary date thereafter the Annual Payment shall be increased based on the change in Consumer Price Index - All Urban Consumers, "CPI-U" (CUUR0000SA4) (Base Period 1982-84=100) (the "Index"), as first published by the U. S. Department of Labor, Bureau of Labor Statistics, for the five year period preceding such anniversary date.

On the tenth anniversary of this agreement and annually thereafter the Annual Payment may be reduced based on a reduction in size of the Operations Area due to interim reclamation subject to written approval by the State Land Board's District Manager or their appointee.

6. Excess Damage

If the Operations cause damage to (i) the Property located outside of the Operations Area or (ii) any other State Land Board-owned surface, or (iii) personal property located on Property outside of the Operations Area and Access Corridor, or if Operator's surface use exceeds the use contemplated herein, causing damage, including without limitation damage or destruction of land, crops, livestock, structures, buildings, fences, culverts, concrete ditches, irrigation systems, and natural water ways, Operator shall repair or replace the damaged property, or shall pay reasonable compensation to the State Land Board or the owner of such personal property for the replacement or repair of the damaged property. Failure to timely repair, replace or pay for additional damages may result in termination of this Agreement subject to notice and cure rights contained in paragraph 20.

7. Consultation

- A. Surface Owner - Prior to execution of this Agreement, Operator shall meet with a State Land Board representative to define the Operations Area and Access Corridor as set forth on Exhibit A. Except for Emergency Situations, Operators shall be confined to the Operations Area and Access Corridor, and any change to Exhibit A requires prior consultation and written approval of the State Land Board. Except as indicated in paragraph 28, the State Land Board does not waive any COGCC surface owner consultation requirements, and the Operator shall not seek a variance to any required consultation without the advance written approval of the State Land Board.
- B. Colorado Parks and Wildlife - Prior to executing this Agreement, Operator shall consult with Colorado Parks and Wildlife (CPW) representatives as required by COGCC Rules, and as required by the State Land Board, to determine if the Property contains CPW mapped High Priority Habitat (HPH) and/or occurrences of Federally-listed Endangered, Threatened, or Candidate Wildlife. The Operator shall review the Colorado Natural Heritage Program (CNHP) data to identify animal and plant species of concern. Evidence of such consultation and review and the Operator's design measures and best management practices (BMPs) to be employed to avoid and minimize adverse impacts to biological resources, species, and habitats must be attached to this Agreement as Exhibit C. The Parties mutually agree that any violation or non-compliance with the Exhibit C design measures and BMPs, in whole or in part, arising directly or indirectly from the use, occupation or control of the Property and the Operations Area, by the Operator or the Operator's Contactors is a default of this Agreement and the State Land Board may terminate this Agreement, subject to notice and cure rights contained in paragraph 20. In addition, the Parties mutually agree that Operator will pay liquidated damages of \$1,000 per day for any such violation of or non-compliance with the Exhibit C design measures and BMPs.

8. As-Built Information

No later than 90 days after completion of construction of the well site, Production Facilities, access roads and pipelines, individually or together, or concurrently upon an Operator's submission of an As-Built Survey to the COGCC, whichever is earlier, the Operator shall provide the State Land Board with a certified plat showing the actual dimensions of the Operations Area and the Access Corridor and the total number of acres disturbed ("As-Built Survey"). Should the operator need to use lands to conduct additional operations outside of the area defined in the As-Built Survey, the

Operator must obtain written approval from the State Land Board and the State Land Board can require a new As-Built Survey to include the additional acreage being used.

9. Operational Standards

At all times the Operator and its Contractors shall enter and use the Property, including the Operations Area, and shall conduct all Operations thereon, in a good, careful, safe, and workmanlike manner, in compliance with applicable state rules and regulations including those of the COGCC, the Colorado Air Quality Control Commission and any other State or Federal agency with jurisdiction over Operations, the applicable oil and gas lease(s), and this Agreement. Operator shall strive to identify and use the best management practices then available for surface management of oil and gas operations. The term "Contractors" shall include any third party and its employees, agents and affiliates that are retained, engaged or employed by the Operator to conduct Operations on the Property.

- A. Limitation - The Operator shall use the Operations Area only for Operations as depicted and detailed on Exhibit A. No Operations, compressors, pipelines, powerlines, access roads, facilities, and equipment beyond those provided for on Exhibit A are allowed without the prior written consent of the State Land Board, except for Emergency Situations.
- B. Compliance - Operator shall inform all Contractors of the standards contained herein. Should any Contractor fail to comply with Operator's obligations set forth herein, Operator shall be responsible and liable to the State Land Board for resulting damages.
- C. Road standards - To the extent technically feasible, as agreed to by the Parties, Operator shall use existing roads to access the Operations Area and Access Corridor, except for Emergency Situations.
 - I. Access roads shall be limited to approximately thirty-feet, being fifteen feet on each side of the centerline, and shall be constructed along the boundary lines of the Property, or along the section lines of the Property, to the extent technically feasible, as agreed by the Parties.
 - II. Culverts shall be installed at ditch and drainage crossings, and shall be sized to prevent obstruction to the free flow of the volumes of water being carried, inclusive of flood stages. If existing culverts are damaged or destroyed Operator agrees to promptly repair or replace such culverts.
 - III. Upon the State Land Board's written request, the Operator shall construct cattle guards at all places where Operator requires access through the State Land Board's fences. Permanent gates shall be installed at each point where an access road intersects perimeter or cross fences. If the State Land Board or Operator elects to lock any gate on the access road, keys shall be provided to the other party.
 - IV. All access roads shall be kept and maintained free from ruts. Access roads shall be compacted and an adequate amount of crushed aggregate and lighter gravel shall be added on top of the surface of the access road to minimize rutting and damage to the surface.

- V. During dry months, Operator shall apply fresh water (or water to a standard suitable for irrigation purposes) to the surface of the access roads to reasonably limit dissemination of dust.
 - VI. The use and construction of any access roads shall not include a right of use by the general public. Operator shall be responsible for maintaining all access roads and any existing roads utilized by Operator, at Operator's sole cost and expense.
 - VII. Operator shall impose a reasonable speed limit, not to exceed twenty miles per hour on the access road, and Operator shall be responsible for all traffic on the access road occurring in connection with Operations, including without limitation any damage to livestock or growing crops.
- D. Water Protection - Operator shall protect all water sources and conveyance structures, and test water quality in accordance with COGCC rules and regulations. All water sampling and testing shall be completed at Operator's expense by a reputable testing consultant selected by the Operator.
- E. Fencing - To exclude livestock, upon the State Land Board's request, Operator shall fence any drill site, or if production is established, any well site, with a wildlife friendly four strand wire fence secured by posts at appropriate intervals. Pits must be separately fenced and netted according to the State Land Board's specifications to protect birds and wildlife. Final fencing materials shall be determined based on best management practices for the protection of wildlife agreed to by the Parties.
- F. Production Containment - Operator will install and maintain steel containment rings around production tanks and associated facilities, and install steel berms and an impervious synthetic liner within bermed areas and use best management practices to prevent any hydrocarbon substances from infiltrating soil or ground water.
- G. Buried Pipelines - Operator shall bury all pipelines to a minimum depth of 36 inches.
- H. Additional Surface Installations - At the State Land Board's request, Operator shall install additional screening, fencing, and landscaping around a wellsite to minimize noise and aesthetic impacts.
- I. Prohibited Activities - The Operator and its Contractors may not hunt, fish, or possess firearms, alcoholic beverages, or illegal drugs on the Property.
- J. Weed Control - The Operator shall keep the Operations Area and Access Corridor free of weeds as required by COGCC Rule 1003(f). Noxious weeds shall be sprayed within two (2) weeks of any request by the State Land Board for such spraying.
- K. Trash and Debris - Operator shall keep the Operations Area free from trash and debris and shall provide for periodic removal of all trash and debris from the Operations Area.

- L. Erosion Control - If the State Land Board identifies portions of the Property where Operations have caused erosion Operator agrees to take reasonable measures to control erosion, including without limitation installation of soil berms or diversions, mulching, seeding or soil binders.
- M. Storage Prohibited - The Operator shall not store any oil and gas equipment, machinery, vehicles, pipe or other item on the Operations Area that is not required in connection with Operations, without the prior written consent of the State Land Board.

10. Reclamation

Prior to initiating reclamation activities, Operator agrees to consult with the State Land Board. The Operator shall reclaim the Operations Area and the Access Corridor(s) and other associated impacted State Land Board-owned land for damages resulting from the Operator's Operations, at its sole expense as nearly as practicable to its original condition. Interim and final reclamation shall be to the satisfaction of the State Land Board and shall, at a minimum, comply with all appropriate reclamation regulations, including COGCC Reclamation Regulation Series 1000 and Series 1100, and any more stringent reclamation regulations adopted by the COGCC while this Agreement is in effect. Additional interim and final reclamation requirements and standards, if any, are attached hereto as Exhibit D.

The existence of this Agreement shall not relieve the Operator of its obligation to fully comply with all of the COGCC Rules.

11. Other Lessees

Subject to Section 1 of this Agreement, Operator acknowledges that the State Land Board may have granted rights of surface use to additional third-parties. The State Land Board will provide Operator, upon request from the Operator, with the necessary information regarding any rights granted to additional third-parties. The Operator must use reasonable efforts to minimize the impact of its Operations on the other surface lessees and their surface use(s).

12. ASSIGNMENT

This Agreement is assignable, in whole or in part, by either party, subject to the following:

- A. The Operator may assign this Agreement in whole or in part with written consent of the State Land Board. Such consent will not be unreasonably withheld. The Operator may assign its rights in the Agreement only following written disclosure to the assignee of the existence of this Agreement, and such assignment must be expressly subject to the assignee's assumption of all terms, conditions and obligations of this Agreement.
- B. The State Land Board may assign or convey its interest in the Property or any portion thereof only following written disclosure to the assignee of the existence of this Agreement, and such assignment or conveyance must be expressly subject to all terms and conditions of this Agreement, and the assumption by such assignee or grantee of all obligations of the State Land Board under this Agreement.

13. Successors and Assigns

When the word Operator is used in this Agreement, it shall also mean the successors and assigns of the Operator, including but not limited to its employees and officers, agents, affiliates, Contractors, subcontractors and/or purchasers. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the Parties.

14. Confidentiality

The existence and terms of this Agreement may be a public record and subject to the Colorado Open Records Act ("CORA"), C.R.S. § 24-72-200.1, et. seq. Data, maps, surveys, and other information prepared by or furnished to the State Land Board pursuant to this Agreement are subject to the confidentiality provisions of C.R.S. § 36-1-138(2). The Operator may record a memorandum or redacted form evidencing the existence of this Agreement.

15. Governing Law/Venue

This Agreement shall be interpreted according to the laws of the State of Colorado. Venue for any dispute shall be the City and County of Denver.

16. Written Modifications

This Agreement, including its Exhibits, may only be amended in writing signed by both Parties. All notices to either party shall be in writing addressed to the Parties at the address first set forth below.

17. Notices

Any notice or other communication given by either party to the other relating to this Agreement shall be in writing, delivered by U.S. mail or sent by reputable overnight courier, to such other party at the respective addresses set forth in this Agreement (or at such other address as may be designated from time to time by written notice given in the manner provided in this Agreement). If sent by certified mail, return receipt requested, such notice shall be deemed effective on receipt.

If to the State Land Board:
Colorado State Board of Land Commissioners
Attention: Oil and Gas Leasing Manager
1127 Sherman St., #300
Denver, CO 80203

IF TO OPERATOR:
ENERPLUS RESOURCES (USA) CORPORATION
950 17TH STREET
DENVER, CO 80202

18. Insurance

The Operator shall, at its sole cost and expense, prior to any surface disturbance and continuing during the entire term of the Agreement through final reclamation, procure, pay for and keep in full force and affect the following types of insurance:

A. Liability Insurance

- I. A comprehensive policy of liability insurance covering the Property insuring the Operator in the amount and types of insurance required by the COGCC, but not less than one million dollars (\$1,000,000) per occurrence.

B. General Provisions of Insurance Policies

- I. All liability policies of insurance carried by the Operator shall name the Operator as insured and shall include the State Land Board as additional insured on the policy.
- II. The Operator shall not cancel the policy until thirty (30) days prior written notice is given to the State Land Board. If the policy is cancelled by the insurance company, the

Operator shall notify the State Land Board within ten (10) days of the Operator receiving notification of such cancellation.

III. The Operator shall furnish to the State Land Board a certificate of insurance or Letter of Self-insurance at the request of the State Land Board.

C. The State Land Board may, in its sole discretion, allow the Operator to self-insure for these insurance requirements.

19. Bond

Without impacting the requirements of the COGCC, prior to accessing the Property and commencing construction and Operations, the State Land Board will require Operator to file a good and sufficient bond in the initial minimum amount of \$25,000 securing the state against loss of rents or other loss or waste, or occupation of the land for more than thirty days after the cancellation or expiration of the lease by Operator, on up to five acres of the Property. The Bond amount will increase at a rate of \$5,000 per acre or fraction thereof for surface disturbance and damage in excess of five acres. The Lessee may satisfy this individual lease bond obligation by maintaining a blanket bond with Lessor in an amount determined by Lessor. The State Land Board may accept cash, a surety bond, or a bank irrevocable letter of credit and will require that such bond be held in full force and effect after the termination or expiration of this Agreement until such time that the State Land Board has approved final reclamation of the Operations Area. The State Land Board agrees to take into account any additional bonding requirements imposed for the protection of the surface estate, provided there is no obligation that the State Land Board will reduce the bond amount.

20. Default and Remedies

- A. In addition to any defaults specified in other sections of this Agreement, the failure of Operator to comply with or to perform any of its obligations under this Agreement in whole or in part or in a timely or satisfactory manner may constitute a default.
- B. The State Land Board may also determine the Operator is in default any time the COGCC issues to the Operator a Notice of Alleged Violation relating to the Operator's Operations on or connected to the Property.
- C. The State Land Board shall promptly notify the Operator in writing of any default under this Agreement. Operator shall immediately commence and diligently pursue action calculated to cure the claimed default and prosecute such action as necessary to fully remedy and cure such default to the reasonable satisfaction of the State Land Board within 60 days after service of written default notice. Operator will contact the State Land Board within 10 days after service of written notice to the Operator by the State Land Board if the cure will reasonably require more than 60 days to complete or if concurrent corrective actions required by the COGCC may require an extension to the 60 day cure period.
- D. If Operator fails to cure the default as provided in this Paragraph 20.C., the State Land Board may:
 - I. Declare this Agreement terminated and the Operator shall surrender and peaceably deliver to the State Land Board the Property and the Operations Area, in accordance with and subject to the terms of this Agreement, and such Property shall be in good condition.

- II. Require the Operator to pay \$1,000.00 per day of the Default as Liquidated Damages commencing on the date that the Default occurs and ending on date that the Operator has fully remedied and cured the default to the reasonable satisfaction of the State Land Board or when the Parties have otherwise reached an agreement to settle the default. Whenever Liquidated Damages are available in this Agreement, the Parties have agreed that the State Land Board's actual damages, in the event of the Operator's Default, would be extremely difficult or impracticable to determine. After negotiation, the Parties have agreed that, considering all the circumstances existing on the date of this Agreement, this amount is a reasonable estimate of the damages that the State Land Board would incur in such event. Each party specifically confirms the accuracy of the statements made above and each party has had the opportunity to be represented by counsel to explain, at the time this Agreement was made, the consequences of this Liquidated Damages provision. The Parties represent that they have either retained legal counsel, or have declined to do so.
 - III. Enforce the terms of this Agreement through specific performance.
 - IV. Seek damages for the failure to comply with the terms of this Agreement.
 - V. Require payment from the bond required in Paragraph 19.
 - VI. Seek all other available remedies in law and equity.
- E. The State Land Board's rights and remedies, including those not specifically described, available in law or equity shall be cumulative, and the State Land Board may pursue any or all of such rights and remedies at the same time or separately. Nothing in this Paragraph 20 relieves the Operator of any responsibility for the final reclamation of the Property and the Operations Area and the Access Corridors, or the requirement to comply with all COGCC rules and regulations.

21. Title and Condition

The Operator enters into this Agreement with the Property in its "as is" condition with all faults, including the environmental condition of the Property. The State Land Board makes, and the Operator affirms that the State Land Board has made no representations or warranties, express or implied, of any kind whatsoever with regard to the title or condition of the Property or its fitness or suitability for any particular use. The Operator acknowledges that it is solely responsible for performing its own due diligence and for becoming fully familiar with the title, encumbrances and condition of the Property and any applicable restrictions, uses, or other conditions that might affect the Operator's development or use for a particular purpose.

22. Force Majeure

If performance of this Agreement or of any obligation hereunder is prevented or substantially restricted or interfered with by reason of an event of "Force Majeure" (defined below), the affected party, upon giving notice to and receiving approval from the other party, shall be excused from such performance to the extent of and for the duration of such prevention, restriction or interference for a period not to exceed ten (10) years, provided Force Majeure shall not excuse the obligation to timely pay the Annual Payment that shall continue to be due as set forth herein. The affected party shall use its reasonable efforts and due diligence to avoid or remove such causes of nonperformance, and shall continue performance hereunder whenever such causes are removed.

"Force Majeure" means flood, drought, earthquake, storm, fire, tornado, lightning, windstorm,

unusually inclement weather or other natural catastrophe; acts of God, casualty or accident; war, sabotage, vandalism, civil strife or other violence; strikes or labor disputes; or any law, order, proclamation, regulation, ordinance, action, demand or requirement of any government agency or utility. Such determination of Force Majeure shall be at the State Land Board's reasonable sole discretion.

23. No Partnership or Joint Venture

This Agreement does not create any agent-principal or principal-agent relationship, joint venture, partnership, or other similar relationship between the State Land Board and the Operator, and neither party shall have the power to bind the other except as expressly set forth in this Agreement.

24. Partial Invalidity

If any term, covenant, condition or provision of this Agreement or the application thereof to any person or circumstance shall at any time or to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected and each term, covenant, condition and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

25. Severability and Survival of Terms

No waiver of any right under this Agreement shall be effective for any purpose unless in writing signed by the party possessing the right, and no such waiver shall be construed to be a waiver of any subsequent provision, right, or term of this Agreement. Failure of the State Land Board or the Operator to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver of any of its rights under this Agreement. No waiver by the State Land Board or the Operator at any time, express or implied, of any breach of any provision of this Agreement shall be deemed a waiver of a breach of any other provisions of this Agreement or a consent to any subsequent breach of the same or any other provision.

26. Entire Agreement

This Agreement and all addenda, exhibits, and schedules attached hereto, contains the entire agreement with respect to the subject matter. No oral statement or prior written matter shall have any force or effect, with an exception being for a separate Right of Way ("ROW") agreement. The Operator agrees that it is not relying on any representations or agreements other than those contained in this Agreement.

27. Counterpart signatures.

This Agreement may be executed in duplicate counterparts, each of which shall be considered an original, but both of which shall constitute one and the same instrument. This agreement shall be binding on all signers whether or not signed by the other party.

28. Rules and Laws


The terms and conditions of this Agreement shall be performed and exercised subject to all applicable federal, state, and local laws, rules, regulations, orders, local ordinances or resolutions applicable to and binding upon the administration of lands owned by the State of Colorado, and to laws, rules and regulations governing oil and gas operations in Colorado, including, but not limited to, the rules and


regulations of the COGCC. The Operator must immediately forward any notice of noncompliance of violation related to Operations on the Property to the State Land Board. Should the Operator have a good faith dispute with any local government or authority, other than the State Land Board, regarding the application of a rule, regulation, ordinance, order or ruling, the State Land Board shall not consider the good faith contest or appeal of such rule, regulation, ordinance, order or ruling a violation of this Agreement while any appeal or other recognized legal or administrative process is pending to resolve the dispute.

The State Land Board shall approve all COGCC required waivers that are consistent with the terms of this Agreement and the Exhibit A Operations on the Operations Area. Waivers for operations outside of or in conflict with this Agreement may be approved at the State Land Board's absolute and sole discretion.

AGREED TO AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE.

The State Land Board: Colorado State Board of Land Commissioners

By: 
Printed Name: Christel Koranda
Title: Minerals Director

Operator: Enerplus Resources (USA) Corporation
By: 
Printed Name: Carla Konopka
Title: Land Manager
TC

SURFACE USE AGREEMENT
OT 110937

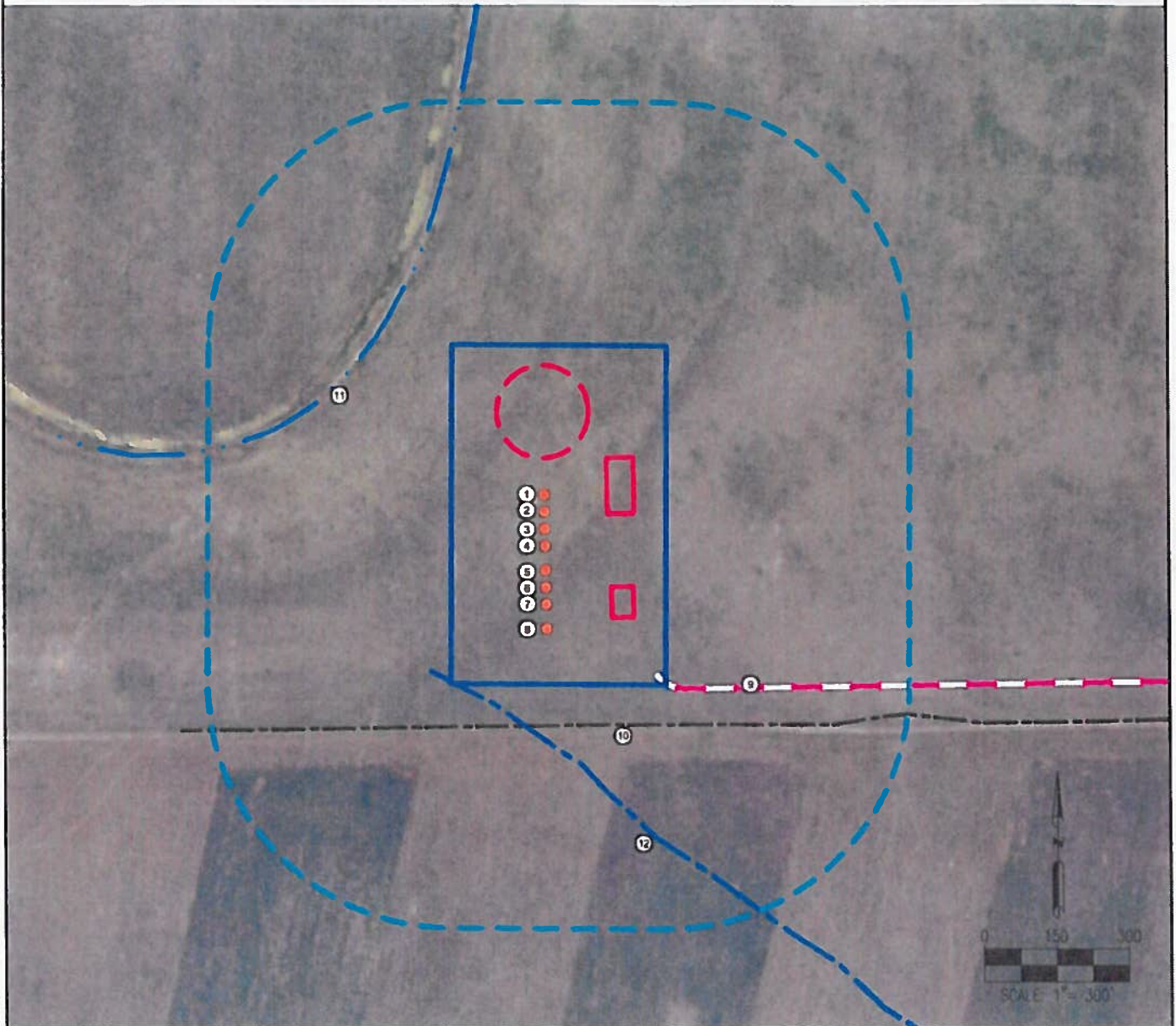
EXHIBIT A
OPERATIONS, OPERATIONS AREA AND ACCESS CORRIDOR(S)

EXHIBIT B
PAYMENTS

EXHIBIT C
CONSULTATION
DESIGN MEASURES AND BMPs

Exhibit A Doc

COLORADO CRAFT PAD LOCATION DRAWING



- | | |
|-----------------------------|---|
| 1. AMING FLUID 8-67-36-25N | 9. PROPOSED ACCESS ROAD |
| 2. AMBER NECTAR 8-67-36-25C | 10. PRIVATE ROAD IS ±369' S |
| 3. BARLEY POP 8-67-36-25C | 11. UNDERGROUND DITCH IS ±538' NW |
| 4. BREW 8-67-36-25C | 12. INTERMITTENT STREAM IS ±337' SW (NOT PRESENT, FIELD VERIFIED) |
| 5. BREWSKI 8-67-36-25N | |
| 6. FROSTIE 8-67-36-25C | |
| 7. LIQUID BREAD 8-67-36-25C | |
| 8. SUDS 8-67-36-25C | |

LEGEND:

- | | | |
|-------------------|----------------------------|------------------------------|
| ● = PROPOSED WELL | --- = PROPOSED ACCESS ROAD | [] = DISTURBANCE AREA |
| --- | --- = EXISTING ROAD | [] = 500' RADIUS |
| --- | --- = UNDERGROUND DITCH | [] = PROPOSED FACILITY BERM |
| --- | --- | [] = PROPOSED MLVT |
| --- | --- | |

MEASURED FROM NEAREST WELL OR FACILITY:

BUILDING	±3493' SW
BUILDING UNIT	±3597' SW
PUBLIC ROAD (COUNTY ROAD 25)	±3199' E
PROPERTY LINE (DRAKE DENNIS E)	±206' S
UTILITY (POWERLINE)	±1935' E
RAILROAD	±5280' E

MEASURED FROM NEAREST EDGE OF DISTURBANCE:

SURFACE WATER (COALBANK CREEK)	±3476' E
--------------------------------	----------

REFERENCE LOCATION

****BREW 8-67-36-25C****

LAT 43.611515°
LONG -104.843952°
ELEVATION 5181'
376' FSL & 1904' FWL
POOP 1.3
GPS OPERATOR AARON RIVERA

DISCLAIMER
THIS PLAN DOES NOT REPRESENT A MONUMENTED LAND SURVEY AND SHOULD NOT BE RELIED UPON TO DETERMINE BOUNDARY LINES, PROPERTY OWNERSHIP OR OTHER PROPERTY INTERESTS. PARCEL LINES IF DISPUTED HAVE NOT BEEN FIELD VERIFIED AND MAY BE BASED UPON PUBLICLY AVAILABLE DATA THAT ALSO HAS NOT BEEN INDEPENDENTLY VERIFIED.

DATA SOURCE
AERIAL IMAGERY: NAIP 2015
WATER WELLS: COLORADO DWR
HMD USGS
PUBLICLY AVAILABLE DATA SOURCES HAVE NOT BEEN INDEPENDENTLY VERIFIED BY PFS

MEASURED FROM NEAREST WELL:

WATER WELL	±2731' SW	SWL = 0'
PERMIT 38338-MH		RECEIPT 0038338
WATER WELL	±2961' SW	SWL = 185'
PERMIT 258314		RECEIPT 0526274

DISTURBANCE ACREAGE:
7.07 ACRES DRILLING OPERATIONS
3.54 ACRES INTERIM RECLAIM
CURRENT SURFACE USE: IMPROVED PASTURE
FUTURE SURFACE USE: IMPROVED PASTURE

PREPARED BY:



FIELD DATE
12-29-16

DRAWING DATE
01-13-17

BY
KAD

CHECKED BY
MDC

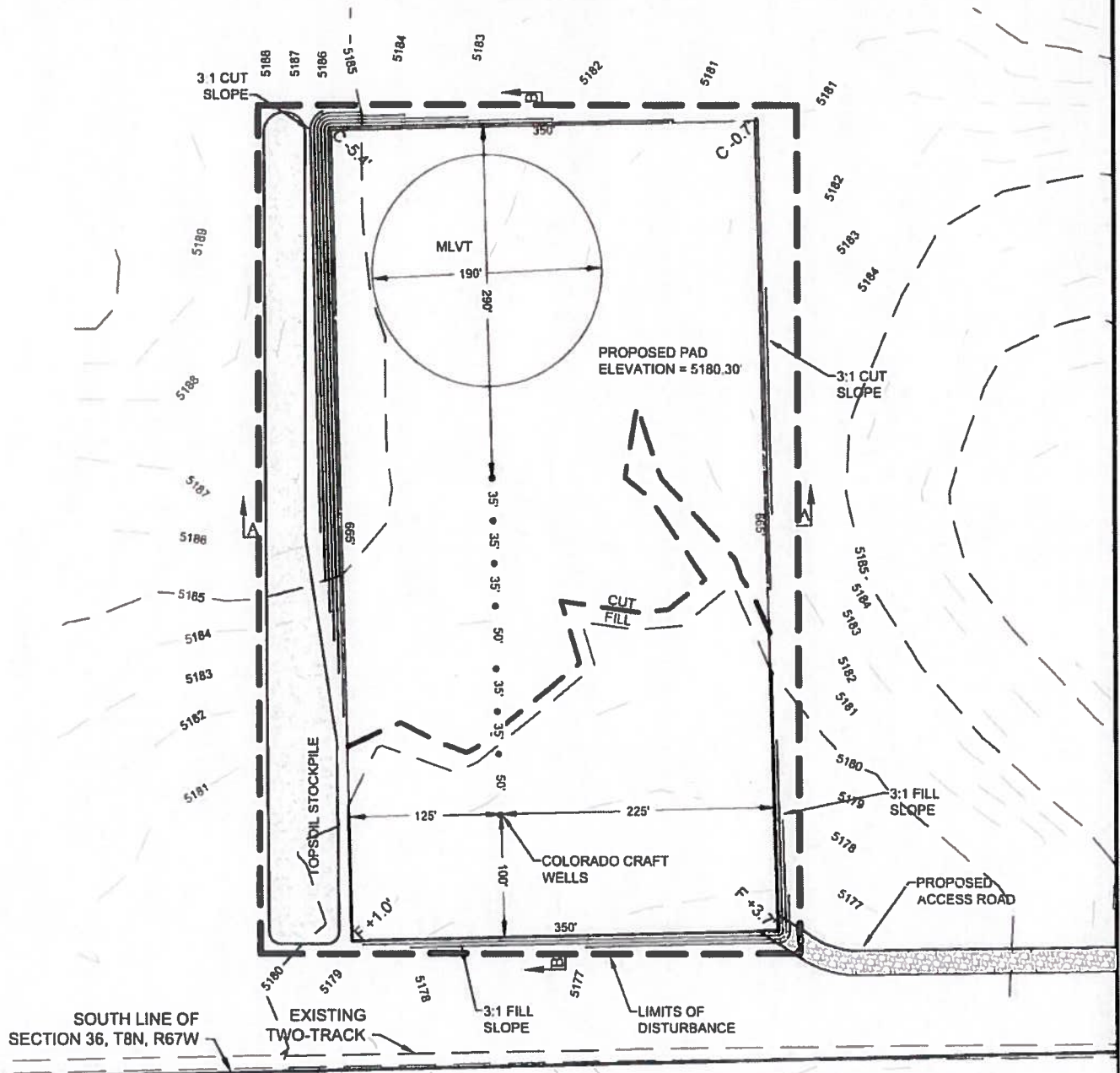
SITE NAME
COLORADO CRAFT PAD
SURFACE LOCATION
SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR

enerPLUS

Exhibit A Doc

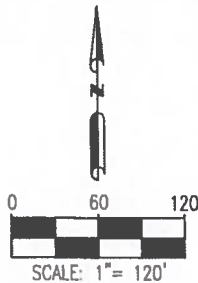
COLORADO CRAFT PAD PAD LAYOUT



NOTES:

1. A COMPLETE UTILITIES LOCATION IS RECOMMENDED BEFORE CONSTRUCTION.
2. GEOGRAPHIC POSITIONS/COORDINATES SHOWN HEREON ARE IN NAD83 DATUM.
3. EARTHWORK QUANTITIES ARE APPROXIMATE & FOR INFORMATION ONLY. 6" OF TOPSOIL HAS BEEN SUBTRACTED FROM EXISTING SURFACE PRIOR TO PERFORMING EARTHWORK CALCULATIONS.
4. STOCKPILES ARE ASSUMED TO BE 10' IN HEIGHT WITH 2:1 SIDE SLOPES.

DISCLAIMER
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SITE QUANTITIES

FINISHED GRADE ELEVATION	5180.30'
TOTAL CUT FOR WELL PAD	7,810 CY
FILL FOR WELL PAD	7,100 CY
10% FILL FACTOR	710 CY
TOTAL FILL	7,810 CY
NET EXCESS MATERIAL	0 CY
TOPSOIL FROM GRADED AREA	4,620 CY
TOTAL DISTURBANCE AREA	7.1 ACRES

PREPARED BY:



FIELD DATE:

12-29-16

DRAWING DATE:

01-10-17

BY:

MDC

CHECKED BY:

KAD

SITE NAME:

COLORADO CRAFT PAD

SURFACE LOCATION:

SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M.

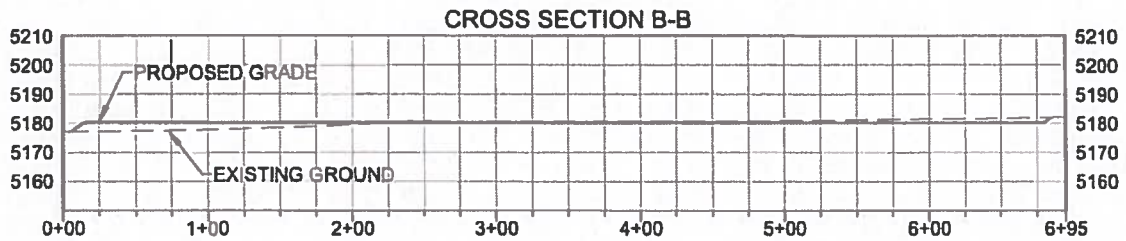
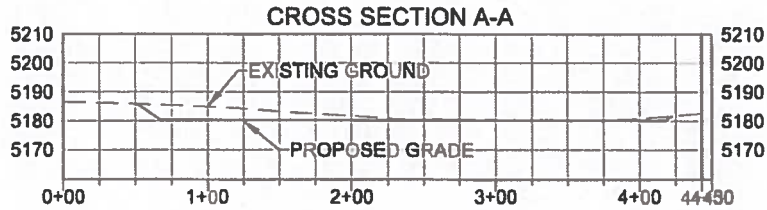
WELD COUNTY, COLORADO

PREPARED FOR:

enerPLUS

Exhibit A Doc



**COLORADO CRAFT PAD
CROSS SECTIONS**



0 60 120
SCALE: 1"= 120'
VERT SCALE: 1"=60'

DISCLAIMER
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INDEPENDENTLY VERIFIED.

NOTE:
1. A COMPLETE UTILITIES LOCATION IS RECOMMENDED BEFORE CONSTRUCTION

PREPARED BY  <small>7535 HiCo Circle Denver CO 80221</small>	FIELD DATE 12-29-16	SITE NAME COLORADO CRAFT PAD	PREPARED FOR 
	DRAWING DATE 01-10-17	SURFACE LOCATION SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M. WELD COUNTY, COLORADO	
	BY MDC	CHECKED BY KAD	

LOCATION PHOTOS



Looking North



Looking East



Looking South



Looking West

Well Pad Name: COLORADO CRAFT PAD

Operator: ENERPLUS RESOURCES (USA) CORP.

Location: T8N R67W S36 SESW

Date Taken: 12-29-2016

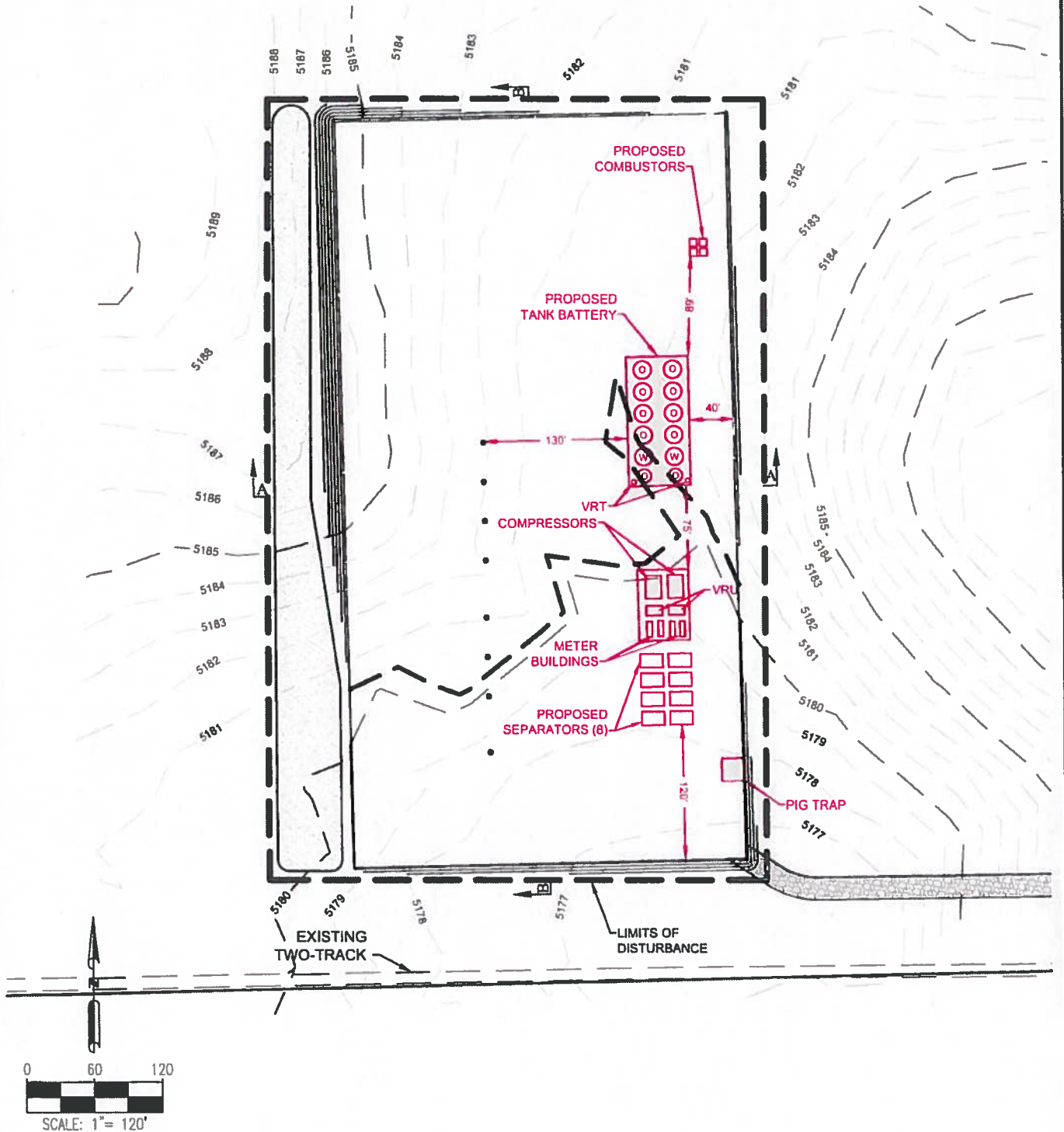
enerPLUS

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Denver, CO 80221
(303) 928-7128
www.ascentgeomatics.com





Exhibit A Doc

COLORADO CRAFT PAD PRODUCTION LAYOUT

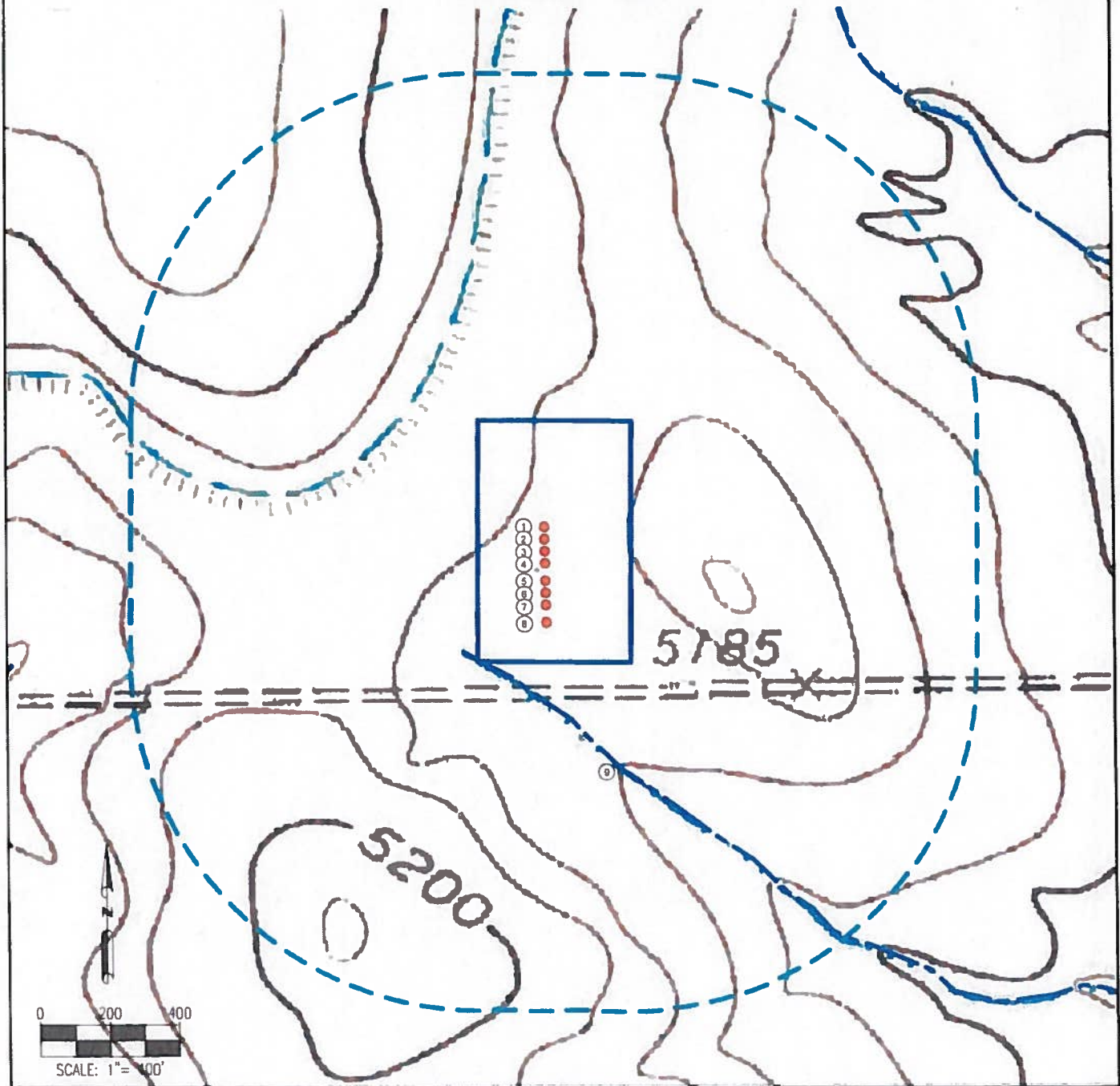


DISCLAIMER
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NOTE:
1. A COMPLETE UTILITIES LOCATION IS RECOMMENDED BEFORE CONSTRUCTION

PREPARED BY  7535 Hilkey Circle Denver CO 80221	FIELD DATE 12-29-16 DRAWING DATE 01-10-17 BY MDC CHECKED BY KAD	SITE NAME COLORADO CRAFT PAD SURFACE LOCATION SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M. WELD COUNTY, COLORADO	PREPARED FOR 
---	--	--	---

COLORADO CRAFT PAD HYDROLOGY MAP



MEASUREMENTS ARE MADE FROM THE NEAREST EDGE OF THE DISTURBANCE AREA

- | | |
|-----------------------------|--|
| 1. AMING FLUID 8-67-36-25N | 7. LIQUID BREAD 8-67-36-25C |
| 2. AMBER NECTAR 8-67-36-25C | 8. SUDS 8-67-36-25C |
| 3. BARLEY POP 8-67-36-25C | 9. INTERMITTENT STREAM IS 10' SW (NOT PRESENT, FIELD VERIFIED) |
| 4. BREW 8-67-36-25C | |
| 5. BREWSKI 8-67-36-25N | |
| 6. FROSTIE 8-67-36-25C | |

LEGEND:

- = PROPOSED WELL
 --- = INTERMITTENT STREAM

- [Blue Box] = DISTURBANCE AREA
 [Dashed Blue Circle] = 1000' RADIUS

DISCLAIMER
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INDEPENDENTLY VERIFIED.

DATA SOURCE
TO PO MAP USGS
AND USGS
PUBLICLY AVAILABLE DATA SOURCES HAVE NOT BEEN
INDEPENDENTLY VERIFIED BY PFS

PREPARED BY



FIELD DATE

12-29-16

DRAWING DATE

01-13-17

BY

KAD

CHECKED BY

MDC

SITE NAME

COLORADO CRAFT PAD

SURFACE LOCATION

SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M.

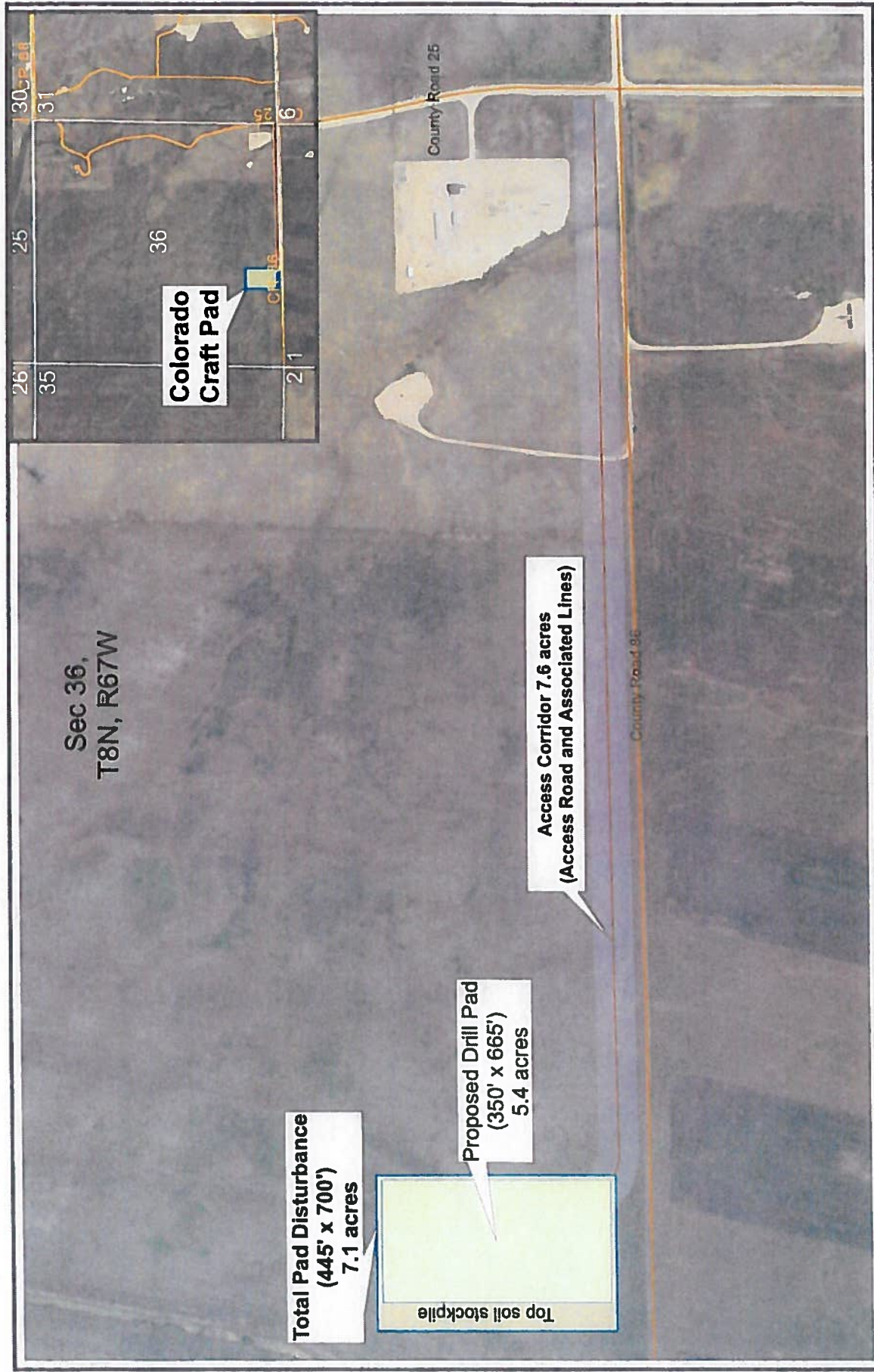
WELD COUNTY, COLORADO

PREPARED FOR

enerPLUS



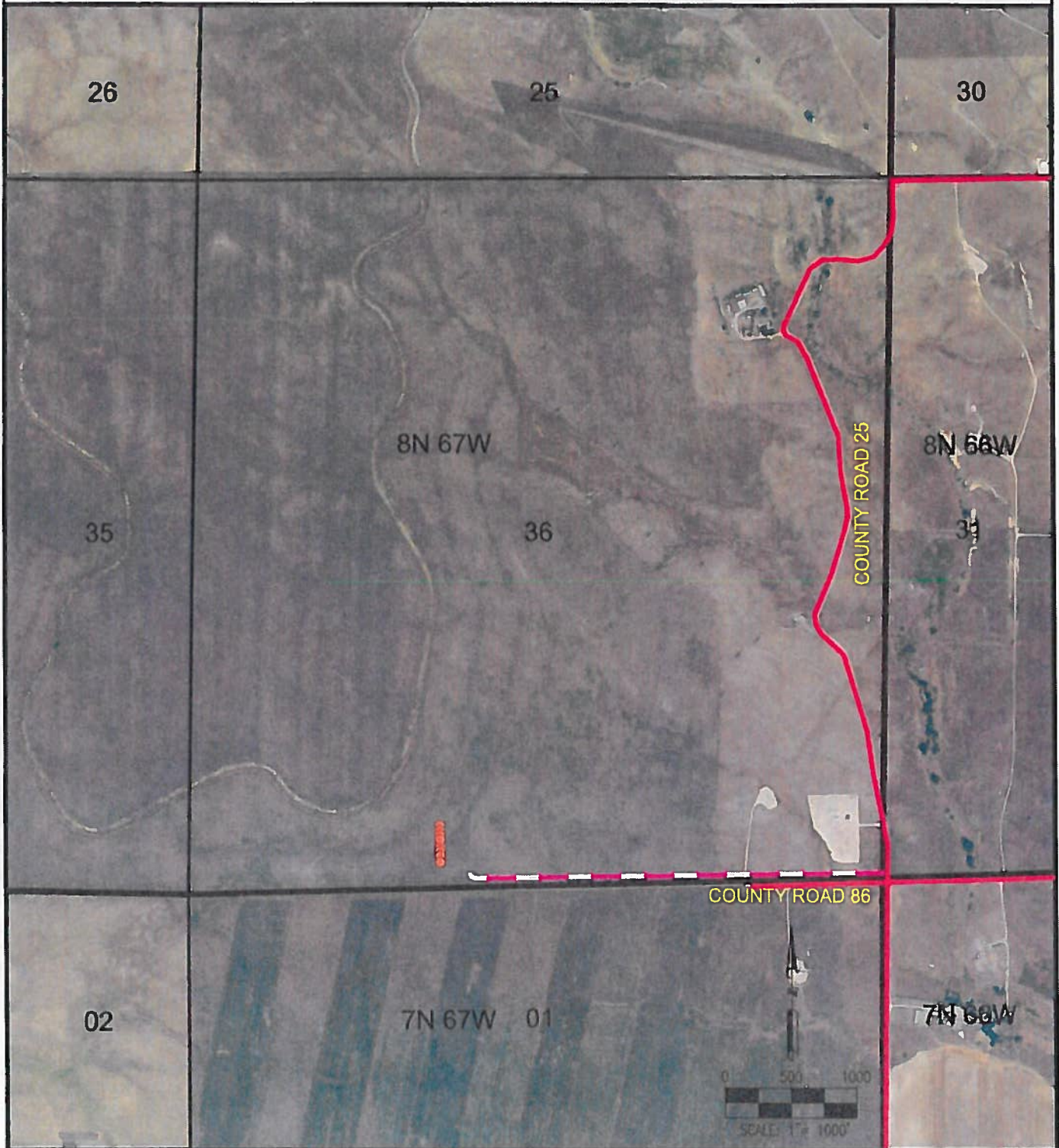
Exhibit A Doc
Colorado Craft Initial Operations Area
Exhibit A



SE/4 SW/4, Sec. 36, T8N, R67W, 6th P.M.
Weld County, Colorado

Exhibit A Doc

**COLORADO CRAFT PAD
ACCESS ROAD MAP**



LEGEND:

- PROPOSED WELL
- EXISTING ROAD

- SECTION LINE
- - - PROPOSED ACCESS ROAD

DISCLAIMER
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INDEPENDENTLY VERIFIED.

DATA SOURCE
AERIAL IMAGERY MAP 2015
PLSS BLN
PUBLICLY AVAILABLE DATA SOURCES HAVE NOT BEEN
INDEPENDENTLY VERIFIED BY PFS

PREPARED BY



FIELD DATE

12-29-16

DRAWING DATE

01-13-17

BY

KAD

CHECKED BY

MDC

SITE NAME

COLORADO CRAFT PAD

SURFACE LOCATION

SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR

enerPLUS

ACCESS ROAD PHOTOS



Looking from the roadway into the access location



Looking down the roadway to the left of the access



Looking from the access to the roadway



Looking down the roadway to the right of the access

Well Pad Name: COLORADO CRAFT PAD

Operator: ENERPLUS RESOURCES (USA) CORP.

Access Location: T8N R67W S36 SESW

Date Taken: 12-14-2016

LAT: 40.610821 LONG: -104.831765

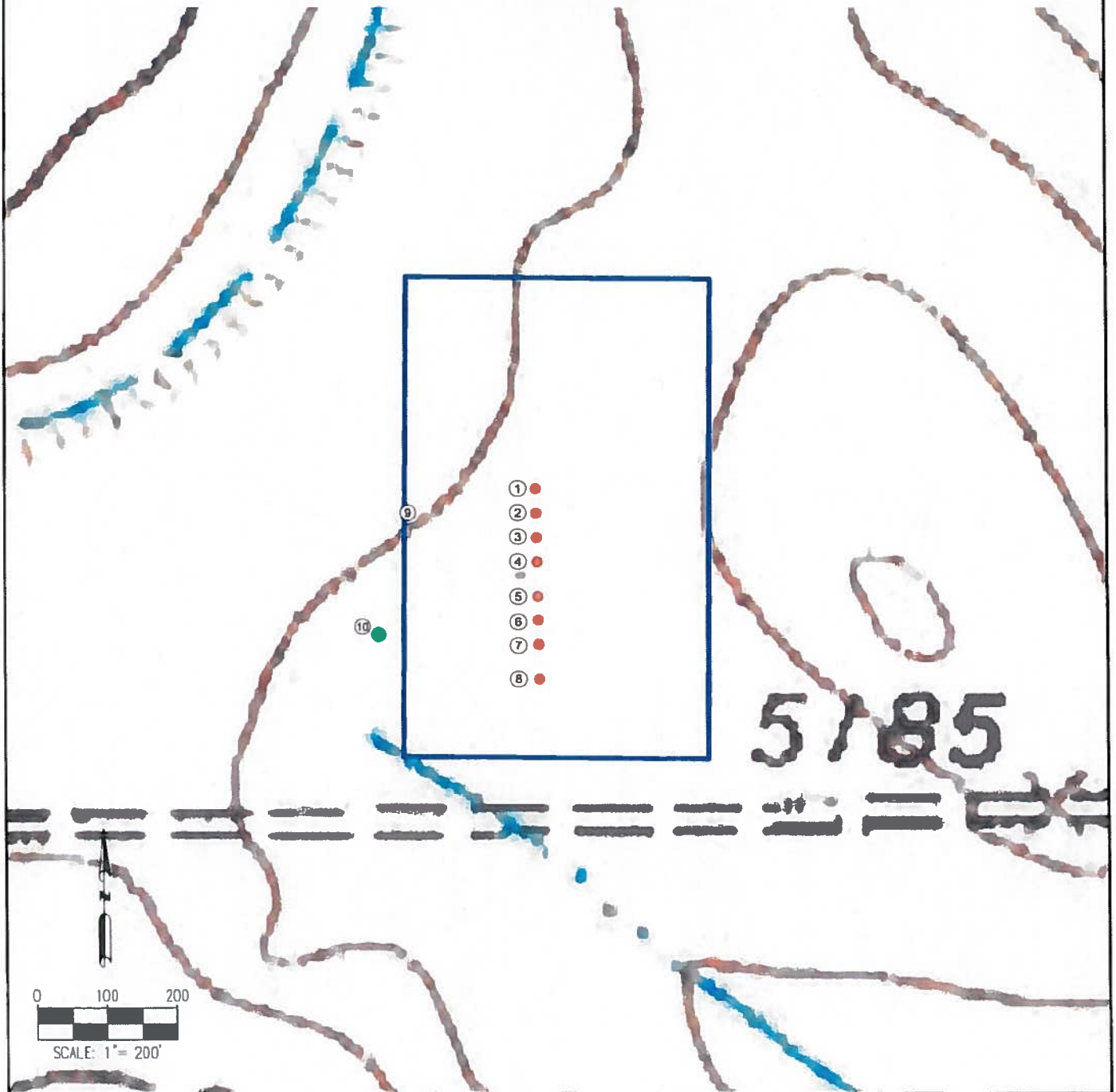
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Denver, CO 80221
(303) 928-7128
www.ascentgeomatics.com

ASCENT
GEOMATICS SOLUTIONS

Exhibit A Doc

COLORADO CRAFT PAD REFERENCE AREA MAP



- 1 AIMING FLUID 8-67-36-25N
- 2 AMBER NECTAR 8-67-36-25C
- 3 BARLEY POP 8-67-36-25C
- 4 BREW 8-67-36-25C
- 5 BREWSKI 8-67-36-25H

- 6 FROSTIE 8-67-36-25C
- 7 LIQUID BREAD 8-67-36-25C
- 8 SUDS 8-67-36-25C
- 9 DISTURBANCE AREA BOUNDARY
- 10 REFERENCE PHOTO POINT

REFERENCE LOCATION

REFERENCE PHOTO POINT

LAT 40 611226"
LONG -104 844785"
ELEVATION 5181'

DISCLAIMER
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PROPERTY INTERESTS. PARCEL LINES IF DEPICTED HAVE NOT BEEN FIELD VERIFIED AND
MAY BE BASED UPON PUBLICLY AVAILABLE DATA THAT ALSO HAS NOT BEEN
INDEPENDENTLY VERIFIED.

DATA SOURCE
TOPIC MAP, USGS
PUBLICLY AVAILABLE DATA SOURCES HAVE NOT BEEN
INDEPENDENTLY VERIFIED BY PFS

LEGEND:

- PROPOSED WELL
- REFERENCE PHOTO POINT

▭ DISTURBANCE AREA

PREPARED BY



FIELD DATE

12-29-16

DRAWING DATE

01-13-17

BY
KAD

CHECKED BY
MDC

SITE NAME

COLORADO CRAFT PAD

SURFACE LOCATION

SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR

enerPLUS

REFERENCE PHOTOS



Looking North



Looking East



Looking South



Looking West

Well Pad Name: COLORADO CRAFT PAD

Operator: ENERPLUS RESOURCES (USA) CORP.

Location: T8N R67W S36 SESW

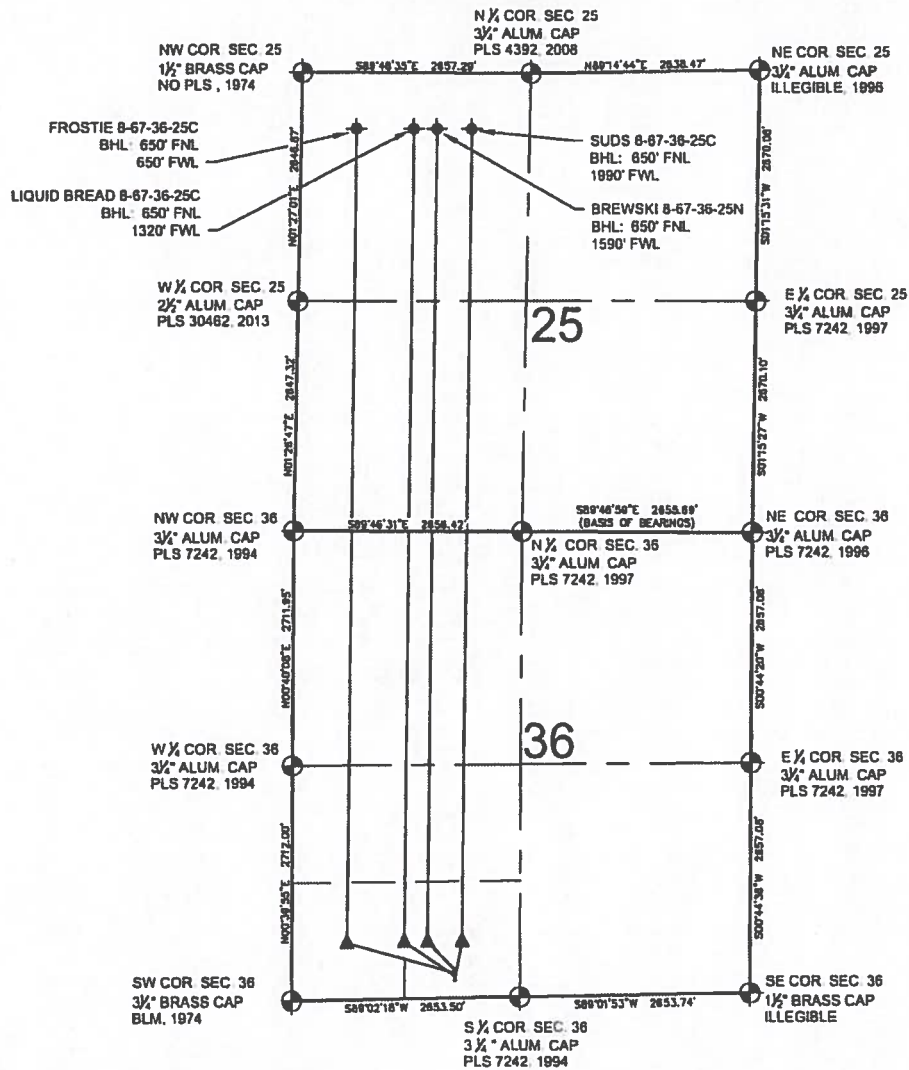
Date Taken: 12-29-2016

enerPLUS

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Denver, CO 80221
(303) 928-7128
www.ascentgeomatics.com



COLORADO CRAFT PAD MULTI-WELL PLAN



LEGEND

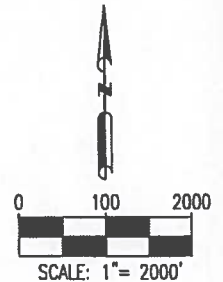
- ⊕ = EXISTING MONUMENT ⊕ = BOTTOM HOLE
 ○ = CALCULATED POSITION ▲ = LANDING POINT
 ● = PROPOSED WELL LP = LANDING POINT
 ◆ = EXISTING WELL BHL = BOTTOM HOLE LOCATION

NOTES:

- THIS FIELD SURVEY CONFORMS TO THE MINIMUM STANDARDS SET BY THE C.O.G.C.C., RULE NO. 215
- BEARINGS ARE BASED ON THE ASSUMPTION THAT THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 36, BEARS S89°46'59"E BETWEEN THE MONUMENTS SHOWN HEREON.
- ALL DISTANCES AND BEARINGS SHOWN HEREON ARE GROUND VALUES AS GPS MEASURED IN THE FIELD. WITH TIES TO WELLS MEASURED PERPENDICULAR TO SECTION LINES. THIS LOW DISTORTION PROJECTION (LDP) IS BASED ON THE NORTH AMERICAN DATUM OF 1983. U.S. SURVEY FOOT WITH A LATITUDE ORIGIN OF 40.654362° AND A LONGITUDE OF -104.887025° AND A SCALE FACTOR ON THE CENTRAL MERIDIAN OF 1.000253(EXACT). THE LDP BASIS OF BEARINGS IS GEODETIC NORTH.
- FIELD VERIFICATION OF MONUMENTS COMPLETED WITHIN 1 YEAR OF SIGNATURE DATE.

NOTES:

- BOTTOM HOLE AT 650' FNL & 1990' FEL, SEC. 25.
 BREWSKI 8-67-36-25N TO BE AT 326' FSL & 1906' FWL
 BOTTOM HOLE AT 650' FNL & 1590' FWL, SEC. 25.
 FROSTIE 8-67-36-25C TO BE AT 291' FSL & 1907' FWL
 BOTTOM HOLE AT 650' FNL & 650' FWL, SEC. 25.
 LIQUID BREAD 8-67-36-25C TO BE AT 256' FSL & 1908' FWL
 BOTTOM HOLE AT 650' FNL & 1320' FWL, SEC. 25.
 SUDS 8-67-36-25C TO BE AT 206' FSL & 1909' FWL.
 BOTTOM HOLE AT 650' FNL & 1990' FWL, SEC. 25.



PREPARED BY



FIELD DATE

12-29-16

DRAWING DATE

01-30-17

BY

MDC

CHECKED BY

KAD

SITE NAME

COLORADO CRAFT PAD

SURFACE LOCATION

 SE 1/4 SW 1/4 SEC. 36 T8N, R67W, 6TH P.M.
 WELD COUNTY, COLORADO

PREPARED FOR

Exhibit A Doc

BREWSKI 8-67-36-25N WELL LOCATION CERTIFICATE

NW COR. SEC. 36
3 1/4" ALUM. CAP
PLS 7242, 1994

BHL: 650' FNL
1590' FWL } SEC. 25
S89°46'31"E 2656.42'

N 1/4 COR. SEC. 36
3 1/4" ALUM. CAP
PLS 7242, 1997

S89°46'59"E 2655.69'
(BASIS OF BEARINGS (SEE NOTE 2))

NE COR. SEC. 36
3 1/4" ALUM. CAP
PLS 7242, 1996

SURFACE LOCATION:
GROUND ELEVATION=5180'
NAD83
LATITUDE:40.611377°
LONGITUDE:104.843949°

LANDING POINT LOCATION:
NAD83
LATITUDE:40.612267°
LONGITUDE:104.845072°

BOTTOM HOLE LOCATION:
NAD83
LATITUDE:40.638003°
LONGITUDE:104.844433°

W 1/4 COR. SEC. 36
3 1/4" ALUM. CAP
PLS 7242, 1994

E 1/4 COR. SEC. 36
3 1/4" ALUM. CAP
PLS 7242, 1997

36

NOTES:
BH LOCATION PROVIDED BY CLIENT.
LAND SURFACE USE - IMPROVED PASTURE

SEE LOCATION DRAWING FOR ADDITIONAL
IMPROVEMENTS WITHIN 500'

PDOP=1.3
GPS OPERATOR: AARON RIVERA

BREWSKI 8-67-36-25N

S 1/4 COR. SEC. 36
3 1/4" ALUM. CAP
PLS 7242, 1994

SE COR. SEC. 36
1 1/2" BRASS CAP
ILLEGIBLE

SW COR. SEC. 36
3 1/2" BRASS CAP
BLM, 1974

LEGEND

- ⊕ = EXISTING MONUMENT
- = CALCULATED POSITION
- = PROPOSED WELL
- ◆ = EXISTING WELL
- ⬮ = BOTTOM HOLE
- ▲ = LANDING POINT
- LP = LANDING POINT
- BHL = BOTTOM HOLE LOCATION

NOTES

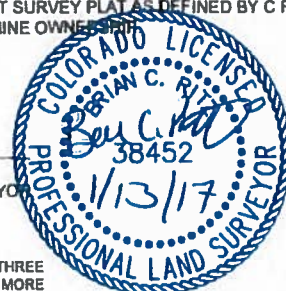
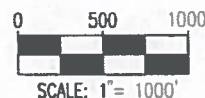
- THIS FIELD SURVEY CONFORMS TO THE MINIMUM STANDARDS SET BY THE C O G C C , RULE NO. 215
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- ALL DISTANCES AND BEARINGS SHOWN HEREON ARE GROUND VALUES AS GPS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED PERPENDICULAR TO SECTION LINES. THIS LOW DISTORTION PROJECTION (LDP) IS BASED ON THE NORTH AMERICAN DATUM OF 1983, U S SURVEY FOOT WITH A LATITUDE ORIGIN OF 40.698542° AND A LONGITUDE OF -104.867308° AND A SCALE FACTOR ON THE CENTRAL MERIDIAN OF 1.000222(EXACT) THE LDP BASIS OF BEARINGS IS GEODETIC NORTH 4 ELEVATIONS SHOWN ARE NAVD 88, AS DERIVED BY GPS OBSERVATIONS
- FIELD VERIFICATION OF MONUMENTS COMPLETED WITHIN 1 YEAR OF SIGNATURE DATE.

NOTICE ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THIS SAID DATE OF THIS CERTIFICATION SHOWN HEREON

WELL BREWSKI 8-67-36-25N TO BE LOCATED 326' FSL & 1906' FWL

I, BRIAN C. RITZ, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO ENERPLUS RESOURCES (USA) CORPORATION, THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WERE DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL. THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

BRIAN C. RITZ, PLS 38452
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P F S , LLC



SHEET 1 OF 2

PREPARED BY



7533 Highway C-90
Durango, CO 81301

FIELD DATE
12-14-16

DRAWING DATE
01-09-17

BY
MDC

CHECKED BY
KAD

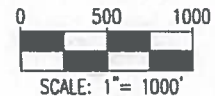
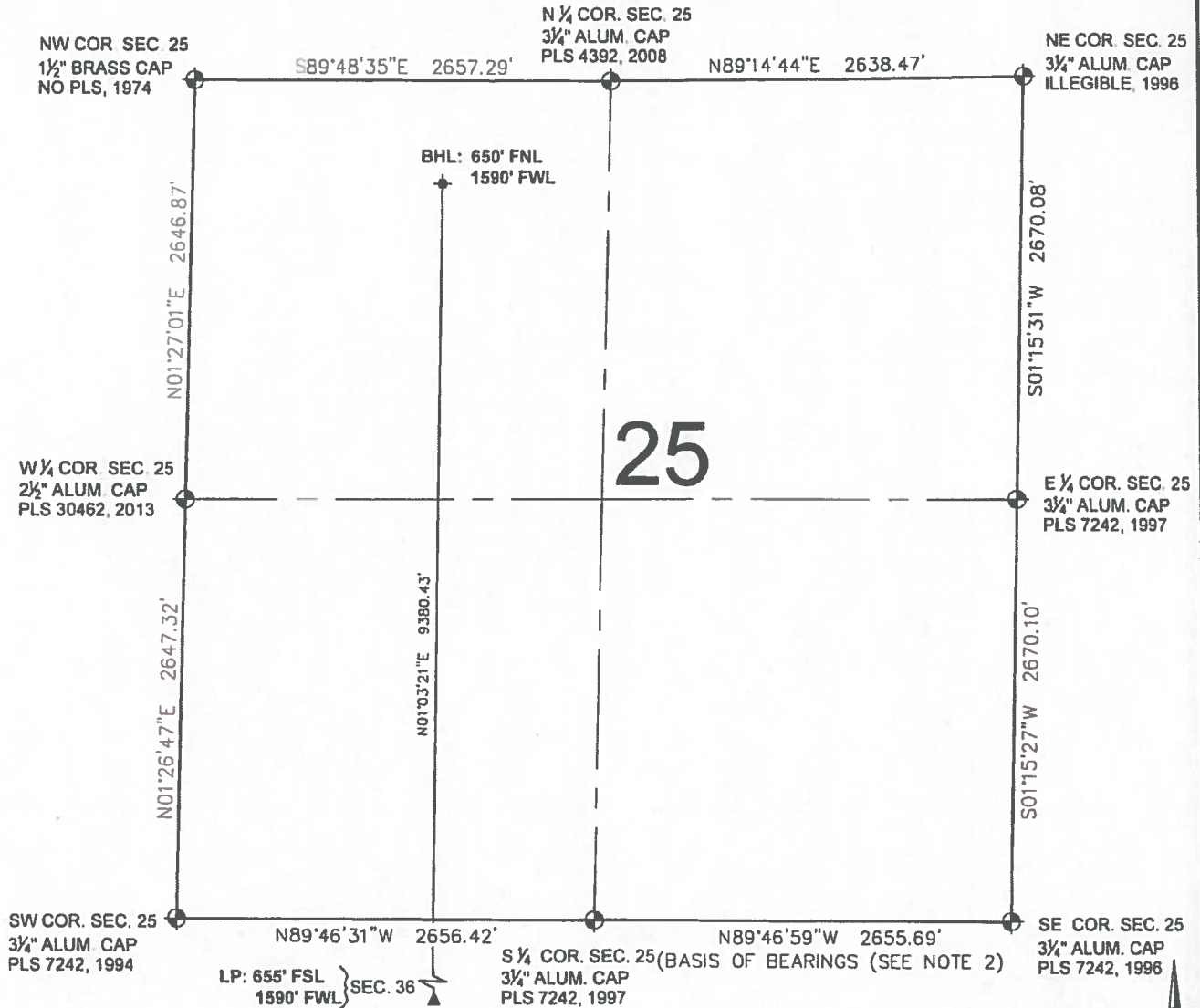
WELL NAME
BREWSKI 8-67-36-25N

SURFACE LOCATION
SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR

enerPLUS

BREWSKI 8-67-36-25N **WELL LOCATION CERTIFICATE**



LEGEND

- ⊕ = EXISTING MONUMENT
- = CALCULATED POSITION
- = PROPOSED WELL
- ◆ = EXISTING WELL
- ⊕ = BOTTOM HOLE
- ▲ = LANDING POINT
- LP = LANDING POINT
- BHL = BOTTOM HOLE LOCATION

BRIAN C. RITZ, PLS 38452
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P F S, LLC



SHEET 2 OF 2

PREPARED BY 7535 Hilleg Circle Denver, CO 80221	FIELD DATE 12-14-16	WELL NAME BREWSKI 8-67-36-25N	PREPARED FOR
	DRAWING DATE 01-09-17	SURFACE LOCATION SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M. WELD COUNTY, COLORADO	
BY MDC	CHECKED BY KAD		

FROSTIE 8-67-36-25C **WELL LOCATION CERTIFICATE**

NW COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1994

BHL: 650' FNL
650' FWL

SEC 25 N 1/4 COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1997

S89°46'59"E 2655.69'
(BASIS OF BEARINGS (SEE NOTE 2))

NE COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1996

SURFACE LOCATION:
GROUND ELEVATION=5181'
NAD83
LATITUDE 40.611281°
LONGITUDE 104.843947°

LANDING POINT LOCATION
NAD83
LATITUDE 40.612219°
LONGITUDE 104.848457°

BOTTOM HOLE LOCATION:
NAD83
LATITUDE 40.638013°
LONGITUDE 104.847820°

W 1/4 COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1994

E 1/4 COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1997

36

NOTES:
BH LOCATION PROVIDED BY CLIENT.
LAND SURFACE USE - IMPROVED PASTURE
SEE LOCATION DRAWING FOR ADDITIONAL
IMPROVEMENTS WITHIN 500'

FROSTIE 8-67-36-25C

PDOP=1.3
GPS OPERATOR: AARON RIVERA

LP: 653' FSL
650' FWL

SW COR. SEC. 36
3/4" BRASS CAP
BLM, 1974

S 1/4 COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1994

SE COR. SEC. 36
1 1/2" BRASS CAP
ILLEGIBLE

LEGEND

- ⊕ = EXISTING MONUMENT
- = CALCULATED POSITION
- = PROPOSED WELL
- ⬆ = BOTTOM HOLE
- ▲ = LANDING POINT
- LP = LANDING POINT

- NOTES:
- THIS FIELD SURVEY CONFORMS TO THE MINIMUM STANDARDS SET BY THE C O G C C, RULE NO. 215
 - BEARINGS ARE BASED ON THE ASSUMPTION THAT THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 36, BEARS S89°46'59"E BETWEEN THE MONUMENTS SHOWN HEREON.
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 - FIELD VERIFICATION OF MONUMENTS COMPLETED WITHIN 1 YEAR OF SIGNATURE DATE.

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WELL FROSTIE 8-67-36-25C **TO BE LOCATED 291' FSL & 1907' FWL**

I, BRIAN C. RITZ, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO ENERPLUS RESOURCES (USA) CORPORATION, THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WERE DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL. THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

BRIAN C. RITZ, PLS 38452
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P F S, LLC



SHEET 1 OF 2

PREPARED BY



7535 Hesperia Circle
Denver, CO 80221

FIELD DATE

12-29-16

DRAWING DATE

01-09-17

BY
MDC

CHECKED BY
KAD

WELL NAME

FROSTIE 8-67-36-25C

SURFACE LOCATION

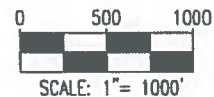
SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M.

WELD COUNTY, COLORADO

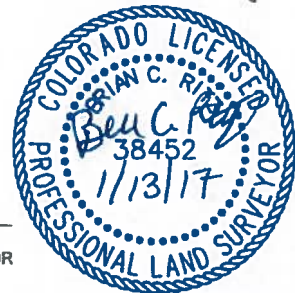
PREPARED FOR



enerPLUS

FROSTIE 8-67-36-25C
WELL LOCATION CERTIFICATE

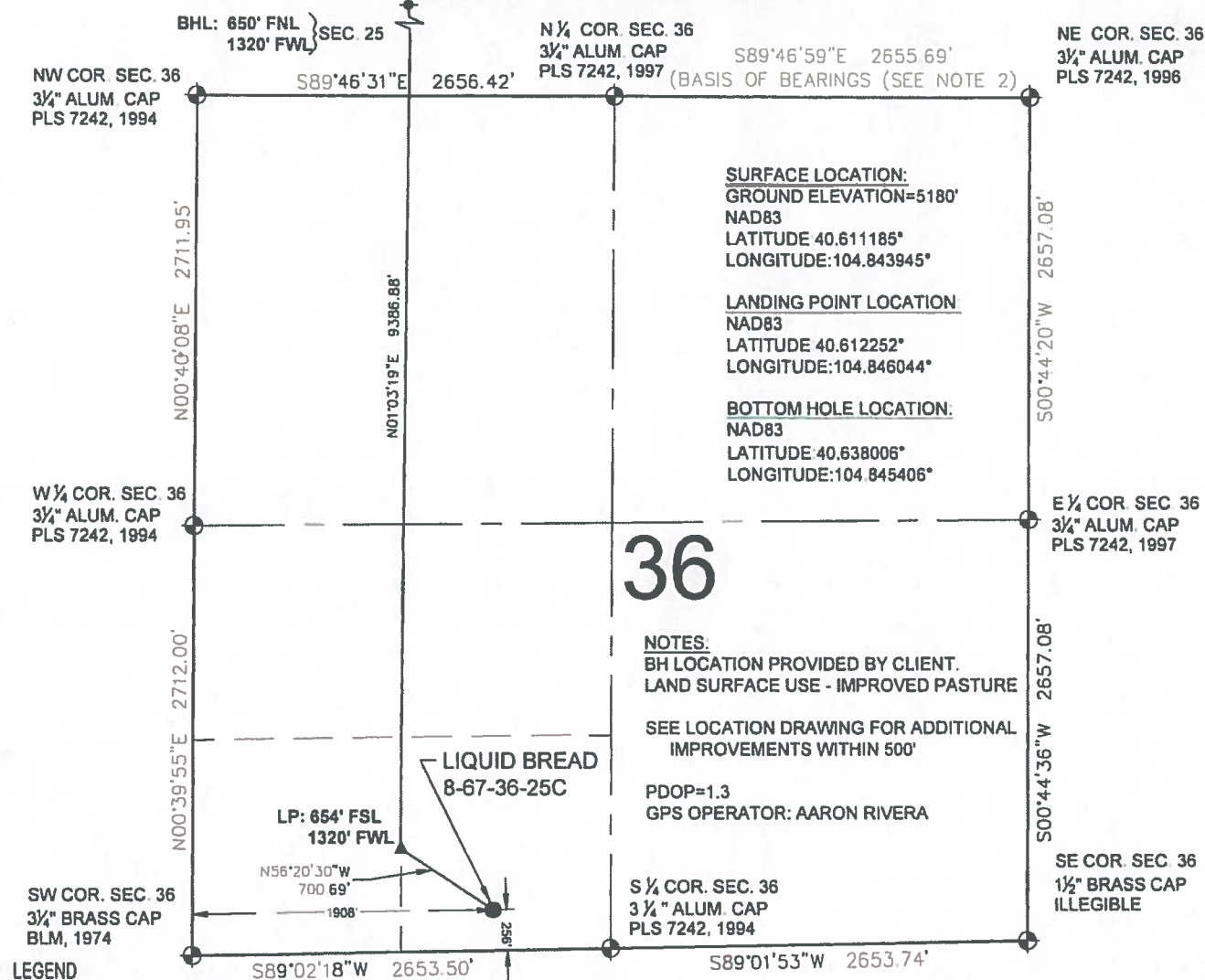


BRIAN C. RITZ, PLS 38452
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P.F.S., LLC



PREPARED BY  ASCENT GEOMATICS SOLUTIONS <small>7538 Hilleg Circle Denver, CO 80231</small>	FIELD DATE 12-29-16	WELL NAME FROSTIE 8-67-36-25C	PREPARED FOR 
	DRAWING DATE 01-09-17	SURFACE LOCATION SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M. WELD COUNTY, COLORADO	
BY MDC	CHECKED BY KAD		

LIQUID BREAD 8-67-36-25C WELL LOCATION CERTIFICATE



LEGEND

- = EXISTING MONUMENT
- = CALCULATED POSITION
- = PROPOSED WELL
- ◆ = EXISTING WELL
- ⬆ = BOTTOM HOLE
- ▲ = LANDING POINT
- LP = LANDING POINT
- BHL = BOTTOM HOLE LOCATION

WELL LIQUID BREAD 8-67-36-25C TO BE LOCATED 256' FSL & 1908' FWL



NOTES

- THIS FIELD SURVEY CONFORMS TO THE MINIMUM STANDARDS SET BY THE C O G C C RULE NO 215
- BEARINGS ARE BASED ON THE ASSUMPTION THAT THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 36 BEARS S89°48'59\"E BETWEEN THE MONUMENTS SHOWN HEREON
- ALL DISTANCES AND BEARINGS SHOWN HEREON ARE GROUND VALUES AS GPS MEASURED IN THE FIELD WITH TIES TO WELLS MEASURED PERPENDICULAR TO SECTION LINES THIS LOW DISTORTION PROJECTION (LDP) IS BASED ON THE NORTH AMERICAN DATUM OF 1983, U.S. SURVEY FOOT WITH A LATITUDE ORIGIN OF 40.698542° AND A LONGITUDE OF -104.887308° AND A SCALE FACTOR ON THE CENTRAL MERIDIAN OF 1.000222(EXACT) THE LDP BASIS OF BEARINGS IS GEODETIC NORTH 4 ELEVATIONS SHOWN ARE NAVD 88, AS DERIVED BY GPS OBSERVATIONS
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BRIAN C RITZ, PLS 38452
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P.F.S. LLC



SHEET 1 OF 2

PREPARED BY

7535 Highway C, Suite
Denver, CO 80221

FIELD DATE

12-29-16

DRAWING DATE

01-09-17

BY
MDCCHECKED BY
KAD

WELL NAME

LIQUID BREAD 8-67-36-25C

SURFACE LOCATION

SE 1/4 SW 1/4 SEC 36, T8N, R67W, 6TH P.M.

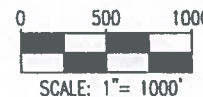
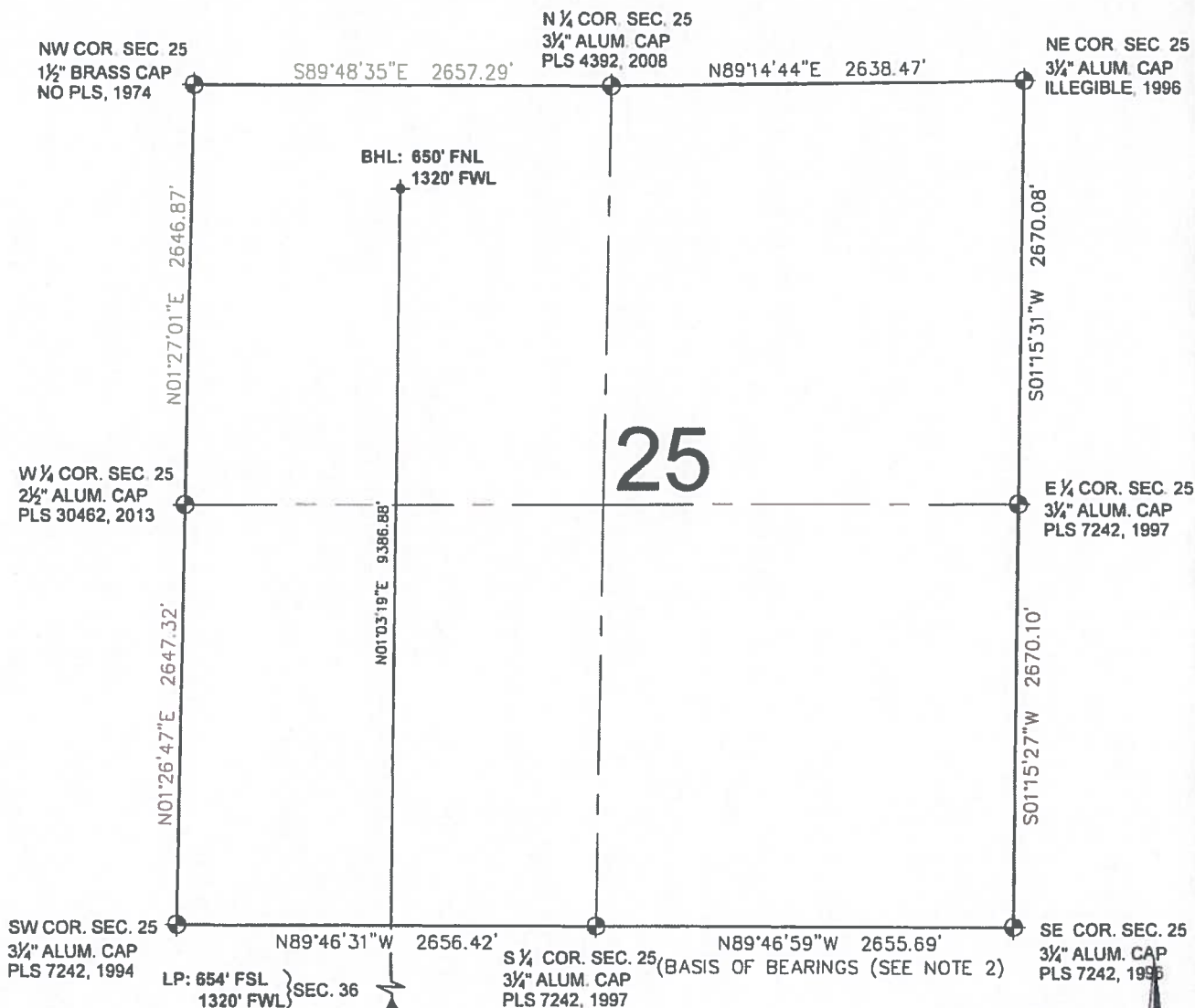
WELD COUNTY, COLORADO

PREPARED FOR

enerPLUS

Exhibit A Doc

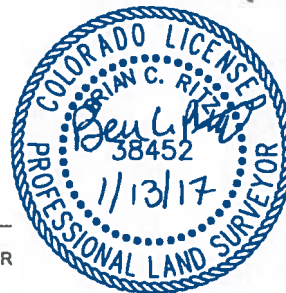
LIQUID BREAD 8-67-36-25C
WELL LOCATION CERTIFICATE



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- ◆ = EXISTING WELL
- ⬆ = BOTTOM HOLE
- ▲ = LANDING POINT
- LP = LANDING POINT
- BHL = BOTTOM HOLE LOCATION

BRIAN C. RITZ, PLS 38452
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P F S, LLC



SHEET 2 OF 2

PREPARED BY	FIELD DATE	WELL NAME	PREPARED FOR
 <small>7515 Highway C, Suite 100 Denver, CO 80221</small>	12-29-16	LIQUID BREAD 8-67-36-25C	
	DRAWING DATE	SURFACE LOCATION	
	01-09-17	SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M.	
BY	CHECKED BY	WELD COUNTY, COLORADO	
MDC	KAD		

SUDS 8-67-36-25C WELL LOCATION CERTIFICATE

NW COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1994

BHL: 650' FNL } SEC. 25
1990' FWL }
S89°46'31"E 2656.42'

N 1/4 COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1997
S89°46'59"E 2655.69'
(BASIS OF BEARINGS (SEE NOTE 2))

NE COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1996

SURFACE LOCATION:
GROUND ELEVATION=5179'
NAD83
LATITUDE:40.611048°
LONGITUDE:104.843942°

LANDING POINT LOCATION:
NAD83
LATITUDE:40.612285°
LONGITUDE:104.843631°

BOTTOM HOLE LOCATION:
NAD83
LATITUDE:40.637999°
LONGITUDE:104.842992°

W 1/4 COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1994

E 1/4 COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1997

36

NOTES:
BH LOCATION PROVIDED BY CLIENT.
LAND SURFACE USE - IMPROVED PASTURE

SEE LOCATION DRAWING FOR ADDITIONAL
IMPROVEMENTS WITHIN 500'

PDOP=1.3
GPS OPERATOR: AARON RIVERA

N10°49'12"E
458.79'

LP: 655' FSL
1990' FWL

SUDS 8-67-36-25C

SW COR. SEC. 36
3/4" BRASS CAP
BLM, 1974

S 1/4 COR. SEC. 36
3/4" ALUM. CAP
PLS 7242, 1994

SE COR. SEC. 36
1 1/2" BRASS CAP
ILLEGIBLE

LEGEND

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NOTES

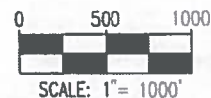
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WELL SUDS 8-67-36-25C TO BE LOCATED 206' FSL & 1909' FWL

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BRIAN C. RITZ, PLS 38452
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P F S, LLC



SHEET 1 OF 2

PREPARED BY



7538 1/2 Hwy Cade
Gunn, CO 80221

FIELD DATE

12-29-16

DRAWING DATE

01-09-17

BY

MDC

CHECKED BY

KAD

WELL NAME

SUDS 8-67-36-25C

SURFACE LOCATION

SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M.

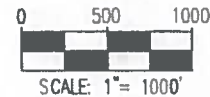
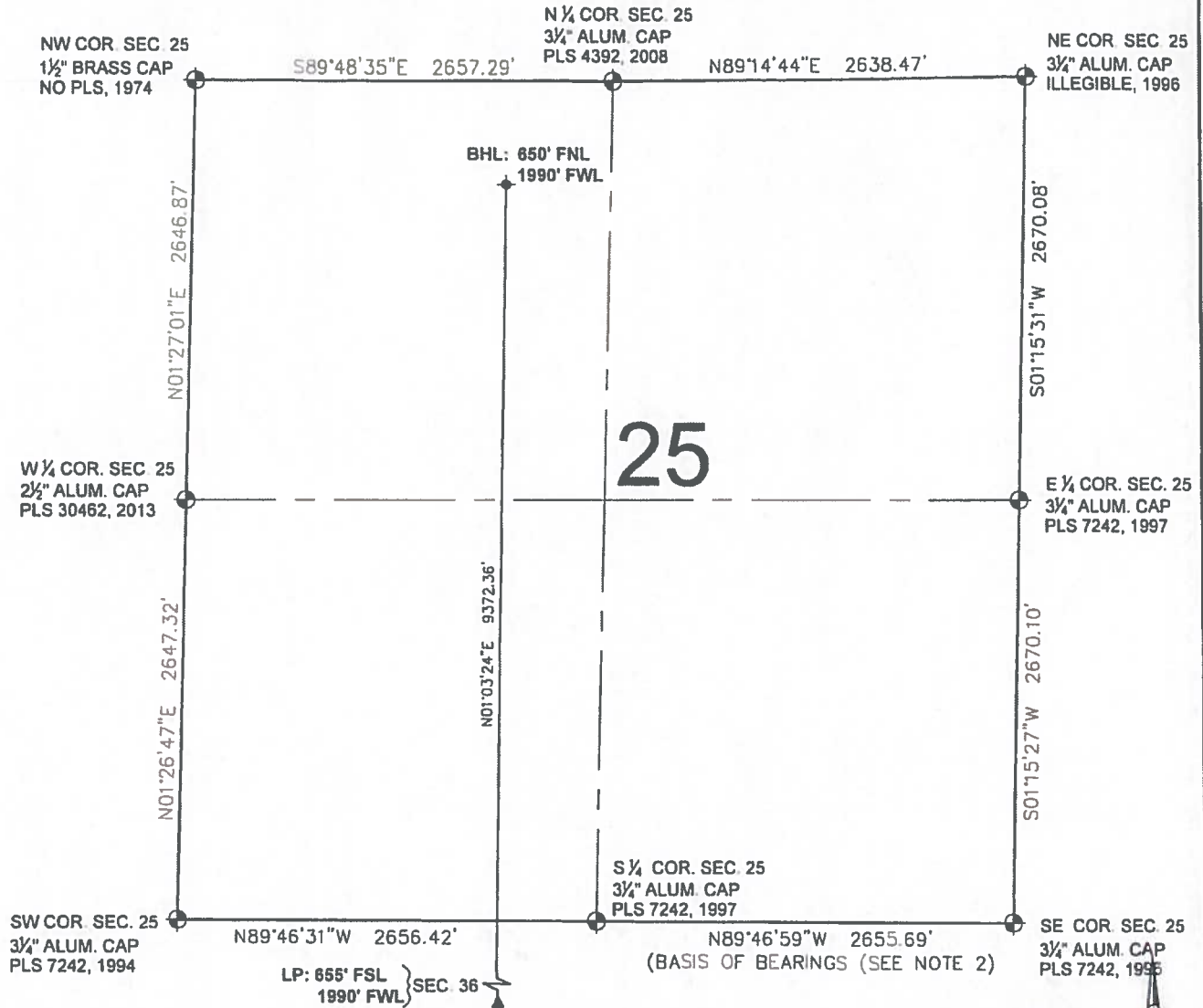
WELD COUNTY, COLORADO

PREPARED FOR

enerPLUS

Exhibit A Doc

SUDS 8-67-36-25C
WELL LOCATION CERTIFICATE



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BRIAN C. RITZ, PLS 38452
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P.F.S., LLC



SHEET 2 OF 2

PREPARED BY 7535 Hopp Circle Denver, CO 80221	FIELD DATE 12-29-16	WELL NAME SUDS 8-67-36-25C	PREPARED FOR
	DRAWING DATE 01-09-17	SURFACE LOCATION SE 1/4 SW 1/4 SEC. 36, T8N, R67W, 6TH P.M. WELD COUNTY, COLORADO	
BY MDC	CHECKED BY KAD		

**EXHIBIT B - 1
to
SURFACE USE AGREEMENT**

PAYMENT TABLE

Fee Category	Tier 1	Tier 2	Tier 3
	State has a mineral interest of greater than or equal to 50% but less than 100% ⁵	State has a mineral interest of greater than 10% but less than 50%	State has a mineral interest of less than or equal to 10% ⁴
Initial Damage Payment: Initial well pad or facility payment per acre	\$5,000	\$7,500	TBD
Well Payments: Well payment per well ¹	\$5,000 one-time	\$7,500 one-time	TBD ⁶
Annual Payment: Rental due per year	10% of initial well pad or facility payment	10% of initial well pad or facility payment	TBD
Access Corridor Payment: Access roads, pipeline and powerline easements, and other off-pad disturbances	\$5,000 per acre or ROW pricing ² , one-time payment	\$5,000 per acre or ROW pricing ² , one-time payment	TBD
Production Facilities Payment: Off-property wells producing through an onsite Production Facility ³	\$5,000 per well, one-time payment	\$7,500 per well, one-time payment	TBD

- (1) Payment is due on or before the next annual anniversary date after the spud of a well.
- (2) \$5,000 per acre or the Standard State ROW rates, whichever is greater; may be subject to either the SUA or a separate ROW agreement.
- (3) Requires prior written approval by the State Land Board and payment before any construction may begin. Please refer to the COGCC Rules and Regulations for the definition of Production Facility.
- (4) All applications that fall into the Tier 3 category require that the proposed fee structure be submitted to the Board for approval.
- (5) SUAs are not required when the state has 100% mineral ownership or when wellbores are contained entirely within state minerals.
- (6) Well Payments will be \$10,000 when the Initial Damage Payment falls into Tier 1 or Tier 2.

Exhibit B

Acreage and Annual Payment Calculator

Instructions: Please fill out all of the sections that are highlighted in yellow. In the well column input the well name and the percentage of the wellbore or spacing unit that will be committed to the Colorado State Land Board. If there are more spaces then wells please leave them blank and do not enter "0". Please enter all numbers to the maximum known decimal interest to insure accuracy. The total initial payment and the annual rental payment will then be automatically calculated. Please note that if the total State percentage is 10% or less then board approval will be required and this chart should not be used.

Input each well's State Mineral Percentage that runs into this facility. Please only enter one well per row. Example 0%=0, 49%=49, 100%=100, Leave unused rows blank.		Fee Schedule	
Well Name	%	Percentage of State Minerals	Charge per Acre
Brewski 8-67-36-25C	50	10% to 0% State Minerals	Board Approval
Frostie 8-67-36-25N	50	Greater than 10% but less than 50% State Minerals	\$7,500.00
Liquid Bread 8-67-36-25C	50	50% or greater but less than 100% State Minerals	\$5,000.00
Suds 8-67-36-25C	50	100% State Minerals	\$0.00
		Input the proposed total disturbance to the maximum known decimal point below.	
		Input the total acreage of the wellpad	7.1
		Input the total acreage of all pipeline easements, access roads, and other disturbances NOT on the well pad	7.6
		Calculated Total State Percentage from previous column	50
		Well pad cost per acre based to State Percentage	\$5,000.00
		Off well pad cost per acre for off well pad disturbances	\$5,000.00
		Initial payment due for well pad disturbance	\$35,500.00
		One time payment due for off well pad disturbance	\$38,000.00
		Final Calculated Payments	
		Total initial payment due for all planned construction	\$73,500.00
		Annual Rental Payment due on anniversary date	\$3,550.00
		The Calculated State Percentage will automatically be carried over and input.	

January 30, 2017

State Board of Land Commissioners
Main Office
Attn: Steve Freese
1127 Sherman Street, Suite 300
Denver, Colorado 80203

RE: Site Consult Request – Colorado Craft Pad, SE/4SW/4 Section 36-T8N-R67W, Weld
County, Colorado – State Oil and Gas Lease No. 2897.14

Dear Mr. Freese,

Enerplus Resources (USA) Corporation (Enerplus) would like to request a site consult for the
above referenced well pad at your earliest convenience.

Enerplus intends to eventually drill four (4) horizontal wells on the Colorado Craft pad in
SE/4SW/4 Section 36-8N-67W. The wells Enerplus intends to drill are shown on the included
survey plat package that is being submitted herewith. The proposed wells will be drilled in
accordance with the lease rights granted by the State of Colorado.

Upon review of oil and gas lease number OG 2897.14, Enerplus has determined that there are
additional stipulations as listed in section 5 of the lease and attached as Exhibit A. Enerplus
intends to accommodate any timing or locations issues that may affect its drilling operations.

Enclosed please find the applicable survey documents for the Colorado Craft pad. Please let us
know if you would like to set up a consult to view the pad site. Should you find the location
satisfactory and approve the location and wells to be drilled, please sign and return the attached
acknowledgement.

Should you have any questions, please do not hesitate to contact me at my phone number given
below.

Sincerely,



Tommy Carpenter
AFE Coordinator
Enerplus Resources (USA) Corporation
(720) 279-5520 – Direct
t.carpenter@enerplus.com

**ENERPLUS RESOURCES
(USA) CORPORATION**

115 Bank Tower, Suite 2200
950 - 17th Street
Denver, Colorado 80202-2805

T. 720 279 5500 F. 720 279-5550
www.enerplus.com

Exhibit A
2897.14

DESCRIPTION OF LAND:

W2 8N 67W 36 6th PM

Containing 320.00 acres, more or less

SPECIAL STIPULATION(S):

As of the effective date of the Lease, there are no known Colorado Parks & Wildlife (CPW) mapped High Priority Habitat (HPH) and/or occurrences of Federally-listed Endangered, Threatened, or Candidate wildlife or plant species as mapped by Colorado Natural Heritage Program (CNHP), on the leased land. Prior to surface access for operations and in connection with any Location Assessment for oil and gas operations, or the submittal of an Application for Permit to Drill (APD) with the Colorado Oil and Gas Conservation Commission (OGCC), Lessee shall consult with and obtain approval of the Lessor's District Manager, or his designee, for operations, including without limitation, exploration activities, well siting and access, and facilities locations. In connection therewith, Lessee shall consult with CPW and CNHP representatives regarding appropriate design measures and best management practices (BMPs) to avoid and minimize adverse impacts to biological resources, species and habitats. Lessor's conservation mandate may require Lessee's compliance with site specific measures to address CPW and CNHP concerns relating to the siting of facilities and the implementation of BMPs to avoid, minimize and mitigate adverse impacts. Site specific requirements may include, but are not limited to: 1) restricted or prohibited surface occupancy, 2) noise limitations or mitigation measures, 3) seasonal operations restrictions, 4) biological resource mapping, 5) ground or surface water testing, 6) air quality testing and 7) adoption of a comprehensive soil management plan. Lessor does not waive any OGCC consultation requirements with the surface owner, and Lessee shall not seek a variance to any required consultation without the advance written approval of the Lessor. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose penalties, subject to the applicable Lease notice and cure rights, including Lease cancellation and fines of up to \$10,000 per day, for any violation of this special stipulation or the resulting BMPs, in whole or in part, arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease. If Lessor determines any oil and gas operations pose a risk of immediate damage to public health, safety or welfare Lessor may order the immediate suspension of operations to investigate and remedy the issues.

**STATE OF
COLORADO**

Freese - DNR, Steve <steve.freese@state.co.us>

Re: Request for CPW review 36 8N 67W

1 message

Marette - DNR, Brandon <brandon.marette@state.co.us>
To: "Freese - DNR, Steve" <steve.freese@state.co.us>

Tue, Dec 13, 2016 at 4:53 PM

Hi Steve,

Thank you for proactively reaching out to CPW.

While nothing showed up on our HB1298, raptor nest, or prairie dog maps, in talking with the local DWM, CPW has three concerns:

1) There is a prairie dog town on the east 1/2 of Section 36. If initial site disturbance is planned within any portion of this prairie dog town and begins during the burrowing owl nesting season (March 15 to October 31), CPW recommends a survey to determine if burrowing owls are actively nesting. If burrowing owls are actively nesting, then CPW recommends a 300 foot buffer during the nesting season.

2) The riparian area of Coalbank Creek has the potential for nesting raptors. If initial site disturbance is planned within 1/2-mile of the riparian area during raptor nesting season (Feb. 15 to July 15), then CPW recommends a raptor nest survey. If any raptors are actively nesting, then CPW recommends the species-specific buffer and timing stipulation as stated here: <https://cpw.state.co.us/Documents/WildlifeSpecies/LivingWithWildlife/RaptorBufferGuidelines2008.pdf>

3) CPW recommends no surface disturbance within an appropriate distance of Coalbank Creek.

Should you have any comments about these recommendations, please feel free to contact me.

Best regards,

Brandon B. Marette
Northeast Region Energy Liaison**COLORADO**
Parks and Wildlife
Department of Natural Resources

Direct (303) 291-7327

6060 Broadway, Denver, CO 80216

brandon.marette@state.co.us | cpw.state.co.us**THINK SAFETY FIRST!**On Mon, Dec 5, 2016 at 10:46 AM, Freese - DNR, Steve <steve.freese@state.co.us> wrote:
Brandon,

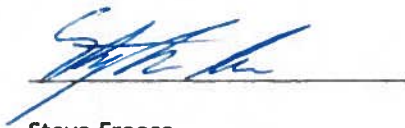
I have an operator looking to construct a well pad in the above section. Could you please review this location and provide a list of recommendations. This section was leased in 2014 and CPW did not have any concerns at that time.

Thank you,

Steve Freese
Minerals Field Technician
Colorado State Board of Land CommissionersP [303.866.3454x3343](tel:303.866.3454x3343) | F [303.866.3152](tel:303.866.3152) | C [303.905.2808](tel:303.905.2808)
1127 Sherman Street, Suite 300, Denver, CO 80203
Steve.Freese@state.co.us | www.colorado.gov/statelandboard

Exhibit C

A desktop review was performed using the CNHP database that was last updated in March of 2016. Upon completion of the review it was determined that there are no issues of concern for Sect. 36 Twp 8N Rng 67W.

A handwritten signature in blue ink, appearing to read 'Steve Freese', is written over a horizontal line.

Steve Freese
Mineral Field Technician
Colorado State Land Board

Date 2/2/17