

EASEMENT, RIGHT-OF-WAY, AND SURFACE DAMAGE AGREEMENT

This Easement, Right-of-Way and Surface Damage Agreement ("**Agreement**") is made and entered into this 26th Day of January, 2017, by and between the Frank Burnett ("**Owner**"), whose address is 55670 WCR 77, Grover, CO 80729 and Extraction Oil & Gas, LLC ("**Operator**"), with offices at 370 17th Street, Suite 5300, Denver, CO 80202 sometimes referred to each as a "**Party**," or collectively as the "**Parties**."

WITNESSETH:

For and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **OWNERSHIP.** Owner is the surface owner of certain lands located in Weld County, Colorado, more specifically described as follows ("**Lands**"):

Township 11 North, Range 62 West of the 6th P.M.
Section 12: NW/4

Operator, and/or its affiliates, owns a working or other interest in 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 (each a "**Lease**," collectively, the "**Leases**").

2. **OPERATOR'S OIL AND GAS OPERATIONS ON THE LANDS.** Operator desires to drill (or cause to be drilled), complete, operate and maintain oil and/or gas wells (the "**Wells**") on the Lands and/or the Leases covering the Lands the subsurface locations of which may be under lands other than the Lands. In order for Operator to explore, develop, drill, construct, complete, produce, maintain, rework, and operate the Wells and all facilities associated therewith including, but not limited to, access roads (including existing roads on the Lands) ("**Access Roads**"), pipelines, production facilities including emission control devices, vapor recovery towers, vapor recovery units, flowlines, gathering lines, temporary above ground water lines, temporary above ground completion fluid pipelines, separators, tank batteries, electrical lines and any other facilities or property necessary for Operator to conduct operations on the Wells (each a "**Facility**," collectively, the "**Facilities**"), it is necessary that Operator enter and utilize a portion of the Lands.

3. SURFACE EASEMENT AND RIGHT-OF-WAY; SUBSURFACE EASEMENT.

A. Owner grants Operator the right to drill, complete, operate and maintain Wells on the Lands that produce and drain oil, natural gas and associated hydrocarbons from lands other than the Lands and lands pooled with the Lands.

B. Owner further grants Operator a subsurface easement through the Lands for the purpose of drilling, completing, operating and maintaining oil and gas wells that may produce and drain oil, natural gas, and associated hydrocarbons from lands other than the Lands and lands pooled with the Lands.

C. Owner further grants Operator the right to gather to the Lands and transport from the Lands oil, natural gas 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.

4. **LOCATION.** The locations of Wells, the Access Roads to the Well sites and Facilities to be constructed on the Lands shall be discussed by and between Owner and Operator prior to commencement of operations. Material changes to the designated operating areas may be made by Operator with the consent of Owner, which shall not be unreasonably withheld, but will not unduly interfere with Owner's existing use of the Lands. It is also understood and agreed that additional Access Roads and Facilities located outside of the designated operating areas 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. 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 on the Lands or to exercise all rights consistent with its mineral ownership or lease rights.

5. **CONDUCT OF OPERATIONS.** Operator's operations on the Lands will be conducted pursuant to the terms of the Leases, this Agreement, the rules and regulations of the Colorado Oil & Gas Conservation Commission ("**COGCC**"), applicable Colorado statutes and case law, and any applicable

federal statutes and case law, provided that this Agreement does not create in Owner a private right to enforce the rules and regulations of the COGCC.

6. **COMPENSATION AMOUNT.** The Parties acknowledge that Operator will provide Owner with certain good and valuable consideration prior to the commencement of drilling operations for each Well drilled which consideration is agreed to be and constitutes full and final consideration for settlement and complete satisfaction for any and all detriment, depreciation, injury, or damage of any nature to the Lands or crops growing thereon that may occur as a result from Operator's operations pursuant to this Agreement and/or the Leases. Any subsequent major operations for said Wells (refrac, recompletion, deepening, redrilling, etc.), except in case of emergency, shall require 10 days prior notice to Owner. **Operator shall pay Owner actual damages caused by said subsequent operations, if any.**

7. **ADDITIONAL SURFACE USE PROVISIONS, ACCESS ROADS, FENCES AND FACILITIES.** With respect to its operations on the Lands, Operator will comply with the following provisions:

A. Access Roads:

Operator will maintain all Access Roads in good repair and condition.

B. Surface Restoration:

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 original contour as nearly as is reasonably practicable.

C. Other:

(i) Operator will install culverts on the Lands that may be necessary to maintain present drainage and irrigation otherwise affected by its operations on the Lands.

(ii) If by reason of the negligence of the Operator in the conduct of its operations pursuant to this Agreement and/or the Leases, there is damage to personal property of the Owner, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation systems, and for which Owner has not been previously compensated pursuant to Paragraph 6, 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 the Wells have been drilled and completed and Operator will repair or replace such items after consultation with the Owner within 15 days of occurrence, unless otherwise agreed to by the Owner and Operator.

(iii) Operator agrees that all trash, refuse pipe, equipment, liquids, chemicals, or other materials brought on the Lands that are not necessary for continued operations of the Wells will be removed and disposed away from the Lands no later than 30 days after the completion of the Wells. No such items will be burned or buried on the Lands.

(iv) During drilling operations the well sites and any pits shall be fenced if requested by Owner. After completion of the Wells and in the event of production, all production tanks shall be bermed. Additionally, the well sites shall be kept free and clear of all noxious weeds, unsightly growth and trash either during drilling operations or after completion and production.

(v) All guy line anchors for drilling and completion rigs shall be immediately removed after such work is completed.

(vi) Operator agrees to fence off the perimeter of the well sites with temporary fencing if reasonably requested by Owner. Operator will also install cattle guards and/or gates where reasonably necessary.

8. **DEFAULT AND RIGHT TO CURE.** In the event of alleged default by Operator in the payment of any of the sums hereinabove provided to be made, 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 60 days from receipt of the written notification in which to dispute or otherwise respond to the notification before Owner may allege default. If Operator remedies the alleged default within 60 days of Owner's notice, or if the alleged default is of a nature that cannot be remedied within 60 days, then if Operator commences the remedy of the alleged default within that 60 day period and diligently pursues such remedy, then no default shall be deemed to have occurred.

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.

It is agreed Owner's exclusive remedy for a breach or default by Operator of the terms of this Agreement is an action for compensatory damages and that Operator shall be liable to Owner for compensatory damages for any such breach or default. The compensatory damages shall in an amount that has been agreed by the Parties or as established by a final judgment (with no further appeal available) of a court with jurisdiction over any claimed breach or default. It is also agreed that Operator shall not be liable for or required to pay special, punitive, exemplary, incidental, indirect or consequential damages.

9. **INDEMNITY/RELEASE.** Owner hereby releases and agrees to hold harmless Operator from any and all liability and further payment, other than what has been provided in this Agreement, for damages on the Lands which arise from, out of or in connection with the Operator's operations on the Lands, but only as to those operations which are described in and permitted by this Agreement, and for those operations which the Amount has been paid and received by Owner pursuant to this Agreement.

Operator hereby releases and agrees to hold harmless Owner from any and all liability for the consequences of Owner's non-negligent operations on the Lands.

Operator agrees to indemnify and hold Owner harmless 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 or persons entering upon the Lands at the request of Operator; with the exception of any claims, damages, and causes of action that arise from Owner's gross negligence or willful and wonton misconduct.

Owner agrees to indemnify and hold Operator harmless from any and all claims, damages and causes of action arising out of and caused by Owner's operations on the Lands that may be asserted by any of Owner's agents, employees, subcontractors, contractors or persons entering upon the Lands at the request of Owner; with the exception of any claims, damages, and causes of action that arise from Operator's gross negligence or willful and wanton misconduct.

10. **WAIVER OF COGCC NOTICES AND OTHER REGULATORY MATTERS.** Owner hereby waives the following notices and consultations and 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:

- A. Rule 305.a.: Notice of Intent to Conduct Oil and Gas Operations;
- B. Rule 305.c.(1): Oil and Gas Location Assessment Notice;
- C. Rule 305.c.(2): Buffer Zone Notice;
- D. Rule 305.f.: Statutory Notice to Surface Owners;
- E. Rule 305.h.: Move-In, Rig-Up Notice;
- F. Rule 306.a.: Surface Owner Consultation and Meeting Procedures; and
- G. Any other notice or consultation requirements of the COGCC.

Notwithstanding the foregoing, Operator agrees it will provide an initial notice to Owner after it has submitted a request for an Application for Permit to Drill (Form 2) to the COGCC. Subject to this Agreement, Owner agrees to allow Operator to locate the Wells and Facilities anywhere on the surface of the property.

H. Operator will incorporate the applicable provisions of this Agreement into the applicable Form 2A.

I. Owner agrees not to object to the Form 2A, so long as it is consistent with this Agreement, and if consistent with this Agreement, Owner hereby waives any right granted by COGCC rule to comment on the Form 2A (other than to support it), 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 ("Application for Permit to Drill").

J. Owner shall not oppose Operator in any COGCC or other 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. Owner will provide Operator or its successors and assigns with any and all written support they may reasonably require to obtain permits from the COGCC, other state agency, or any local jurisdiction.

K. Owner grants consent to locate the Wells greater than 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). **So long as all wells are located within the designated twelve-acre wellsite(s) as described in Paragraph 21 and featured in the Exhibit of this Agreement.**

L. 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. In order to give full effect to the purposes of this Agreement, Owner hereby waives its right to object to the location of any Well, Access Roads and Facilities 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 of the rules and regulations of the COGCC relating to property lines and urban mitigation areas and/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.

M. 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. Owner also agrees that it will not object in any forum to the use by Operator of the Lands consistent with this Agreement and that it will also provide Operator with whatever written support it may reasonably require to obtain permits from the COGCC or any local jurisdiction.

11. **NOTICES.** Notice by either Party will be promptly given, orally if possible (with the exception of the default notice described in Paragraph 8), with subsequent written confirmation (optional) sent by United States mail, postage prepaid and addressed to either Party at the address as designated below; or to such other place as either Party may from time to time designate by notice to the other (Owner agrees to notify any surface tenant that may be affected by Operator's operations on the Lands and Owner may allocate the payments made hereunder with such surface tenant as they shall mutually determine between themselves and Operator shall have no liability therefore):

Owner
Frank Burnett
55670 WCR 77
Grover, CO 80729
Phone: (970) 895-2381
Attn: Frank Burnett

Operator
Extraction Oil & Gas, LLC
370 17th Street, Suite 5300
Denver, CO 80202
Phone: (720) 557-8300
Attn: Land Department

12. **BINDING EFFECT.** The covenants and conditions herein contained and all of the provisions of this Agreement will inure to the benefit of and will be binding upon the Parties hereto, their respective heirs, representatives, successors or assigns. Owner agrees to contact any and all tenants of Lands or any other third parties utilizing the surface of the Lands that may be affected by Operator's activities on the Lands. It will be Owner's sole responsibility to advise such third parties of the existence of this Agreement and Operator's right to utilize the surface of the Lands pursuant to this Agreement for the payment of any consideration, if any, due such third party from Owner.

13. **RECORDING.** The Parties agree Operator may record this Agreement in the real estate records of Weld County, Colorado.

14. **ENTIRE AGREEMENT.** Except for that certain letter agreement of even date between Owner and Operator and the Leases, this Agreement contains the entire agreement between the Parties and may not be modified orally or in any other manner other than by agreement in writing signed by all Parties or their respective successors or assigns.

15. **REASONABLE ACCOMMODATION.** Owner acknowledges the use of the Lands by Operator as herein described is in full satisfaction of the requirement that Operator conduct its oil and gas operations in a manner that accommodates Owner. Owner further acknowledges Operator's use of the Lands as provided herein constitutes "reasonable accommodation" by Operator, its successors, and assigns as provided in Colorado Revised Statute 34-60-127.

16. **TERMINATION.** This Agreement will terminate concurrently with the Leases as they relate to Operator's and/or its affiliates rights to explore, drill, and produce oil, natural gas, and associated hydrocarbons from the Lands or lands pooled or unitized therewith or as otherwise provided herein. To the extent a moratorium or a restrictive governmental law or regulation prevents a Party from performing operations, this Agreement shall be extended for such period of time that the moratorium or restrictive governmental law or regulation is in place. Notwithstanding the termination of this Agreement, Operator may access the Lands to plug and abandon the Wells and to reclaim the Lands as provided in this Agreement and the Leases and for such other purposes as necessary to comply with the rules and regulations to Operator's operations.

17. **COUNTERPARTS.** This Agreement may be executed by facsimile or electronic mail, in counterparts, each of which will be considered an original and enforceable against either Party.

18. **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 Weld County, Colorado.

19. **AUTHORITY OF SIGNATORIES.** The signatories below declare, warrant and represent that they have the authority to enter into this Agreement on behalf of their respective principals, if any.

20. **SUCCESSORS.** This Agreement constitutes an easement, right-of-way, and 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 successors, affiliates, administrators, trustees, executors and assigns.

21. **WELLSITE SIZE AND LOCATION.** Well site(s) shall not exceed twelve acres in size and will be located within 100 feet of the approximate location featured in the Exhibit hereto.

IN WITNESS WHEREOF, the Parties have set their hands, the day and year first written above.

Operator:

Extraction Oil & Gas, LLC

By: 

Name: ~~Jamison McIlvain~~

Title: ~~Agent~~ Steven K. Smith

Owner:

Frank Burnett

By: 

Name: Frank Burnett

Vice President of Land

Exhibit A
Section 12, Township 11 North, Range 62 West



ACKNOWLEDGMENTS

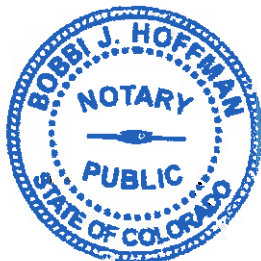
STATE OF Colorado)
)ss.
COUNTY OF Weld)

The foregoing instrument was acknowledged before me on this 27th day of January, 2017, by Frank Burnett.

Witness my hand and official seal.

My commission expires: February 27, 2017

(SEAL)



Bobbi J. Hoffman
Notary Public

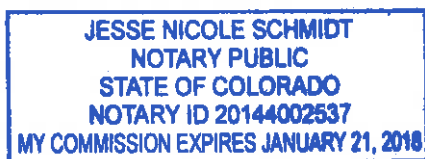
STATE OF COLORADO)
)ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me on this 9th day of August, 2017, by Jamison McIlvain on behalf of Extraction Oil and Gas, LLC.
Steven K. Smith

Witness my hand and official seal.

My commission expires: 1/21/2018

(SEAL)



Jesse Schmidt
Notary Public