



**EASEMENT, RIGHT-OF-WAY
and SURFACE DAMAGES AGREEMENT**

This Easement, Right-of-Way and Surface Damages Agreement (this "Agreement") is made and entered into this 14th day of February 2018, by and between Edge Energy II LLC, a Colorado limited liability company ("Operator"), whose address is 621 17th Street, Suite 1401, Denver, Colorado 80293 and DePorter Ranch, Inc., whose address is 14503 WCR 108, Nunn, Colorado 80648 ("Surface Owner") Operator and Surface Owner may be referred to herein individually as a ("Party"), or collectively as the ("Parties")

Recitals

A Surface Owner owns the surface estate of those certain tracts of land, that being Tracts A, B, and C, depicted on Exhibit A, attached hereto and made a part hereof (hereinafter referred to as the "Properties"), and

B Operator wishes to develop its oil and gas leasehold estate by drilling, completing, developing, exploring for and producing oil and gas from vertical and horizontal oil and gas wells, exploratory oil and gas wells and pilot holes both on and off the Properties and explore, produce and develop its mineral estate on, under, through and off the Properties, and

C Surface Owner intends to grant Operator perpetual easement and the right to use and occupy the Properties within a defined area more accurately defined herein and depicted on Exhibit B, for purposes of oil and gas exploration, development, operation and uses incident thereto, and

D Surface Owner and Operator agree to Reclamation and Re-vegetation Standards as set forth in Exhibit C, and

E This Agreement sets forth the Parties' rights and obligations regarding the relationship between the development of the Properties by Surface Owner and Operator's operation and development of its oil and gas leasehold estate on the Properties, such rights and obligations runs with the land and to be binding upon the Parties' and their successors and assigns

Agreement

NOW, THEREFORE, for and in consideration of the sum of _____ and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Surface Owner, the parties hereto agree as follows

1. **Consideration.** For and in consideration of the uses of the Properties set forth herein and all necessary and reasonable damages caused by Operator and related easements granted to Operator under this Agreement, Operator has agreed to provide compensation to Surface Owner as described in that certain Letter Agreement entered into by and between Surface Owner and Operator, dated February 14th, 2018

2. **Grant of Easement.** Surface Owner shall grant Operator, Operator's third-party designees, contractors, vendors, employees and other third-party personnel, a perpetual easement and right-of-way for access, construction, operation, maintenance, removal, reclamation and use of Six (6) Access Roads (the "Access Roads") and Six (6) Well Sites (the "Well Sites"), and together with the Access Roads, the ("Subject Well Sites") all being subject to and limited to the locations depicted on Exhibit B, for all oil and gas uses, development, operation and production and other related materials and

equipment on the Properties, as well as necessary and perpetual easement to install, build, construct, operate, access, maintain, upgrade, downgrade, remove and access utility lines, fiber optic cable, flowlines, water tanks, and related above ground appurtenances (such easement and right of way being herein referred to as the "Easement") The Well Site and the Access Road shall generally be located on the Properties as depicted on Exhibit B. The easements and rights of way shall terminate upon cessation of operations under the oil and gas leases granting the rights to explore, develop, drill and produce oil, gas and other products/

Operator's Easement shall include the right to drill, complete and produce wellbores under and through the Properties to locations off of the Properties from the surface of the Well Sites. Any wellbores drilled from the Well Sites may be drilled in a manner deemed reasonable by Operator and in a manner that is consistent with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"). Wellbores drilled may include but shall not be limited to vertical, directional, pilot holes, horizontal and

3. **Subsurface Easement.** Operator is hereby granted a subsurface easement at any time during the term of this Agreement, anywhere on, through and under the Properties or on, through and under other lands owned by Surface Owner, allowing passage of any wellbore for any of Operator's current or future wellbores, whether exploratory in nature, producing or nonproducing, along with the right to occupy any portion of the subsurface space under the Properties with Operator's wellbores

4. **Improvements.** With respect to Operator's equipment and facilities other than those uses described herein, Operator may install and maintain, at its sole cost and expense, fences, gates and locks if required by the COGCC or if necessary or convenient for the security of uses herein, the Well Sites, production facilities, or any easements on the Properties

5. **Consents and Waivers.** Surface Owner hereby waives the 30-day written notice requirement for commencement of operations with heavy equipment for the drilling of a well (Rule 305 f) and any other and/or future notice or consultation requirements of the COGCC, including without limitations the provisions and allowed waivers of notice under COGCC Rules 305 and 306, but nothing herein shall permit surface operations other than from locations identified and depicted on Exhibit B

6. **Governmental Proceedings.** Surface Owner shall not oppose Operator in any agency hearing or meeting, nor shall Surface Owners object to any of Operator's Operations on the Easement in any governmental proceeding, including but not limited to the COGCC, state, county, local jurisdiction or other governing body proceedings, related to Operator's operations at the locations specified and identified on Exhibit B, including but not limited to Well Sites, well heads, oil and gas facilities, access, utility or pipeline location setback and positioning or any other drilling operations provided that Operator's position in such proceedings is consistent with this Agreement

7. **Successors and Assigns.** The terms, covenants and conditions hereof shall be a covenant running with the land and shall be binding upon and inure to the benefit of the Parties and their respective heirs, devisees, executors, administrators, successors and assigns

8. **Termination.** This Agreement shall automatically terminate and be of no further force and effect at such time that Operator's oil and gas leasehold estate expires and Operator has plugged and abandoned all Wells owned all or in part by Operator and pursuant to the requirements of all applicable oil and gas leases pertaining to removal of equipment, reclamation and cleanup

9. **Release of All Claims** Except as otherwise provided herein, including compliance with the this Agreement, Surface Owner accepts payment and consideration described in Section 1 as full



consideration and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands thereon that may occur as a result of Operator's drilling and completion operations on the Properties and its continuing activities for the production and/or transportation of oil, gas, or other hydrocarbons or products associated with such operations and activities including, but not limited to: surface use, access, wellhead equipment, , utilities, fiber optic cables, separators, tank batteries, metering and measurement equipment, flowlines, and any and all other reasonable and customary uses of land related to said operations, uses or activities. Notwithstanding the provisions of this paragraph 9, and superseding the above, Operator shall be responsible for all damages a) resulting from non-compliance with this Agreement, b) failure to conform with standards of care of reasonable oil and gas operators in Weld County Colorado, c) outside of the authorized areas of operation as depicted on Exhibit B, and d) failure to conform to Rules of the Colorado Oil and Gas Conservation Commission.

10. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

11. Entire Agreement. This Agreement sets forth the entire understanding among the Parties hereto regarding the matters addressed herein, and supersedes any previous communications, representations or agreement, whether oral or written. This Agreement shall not be amended, except by written document signed by all Parties.

12. Counterpart Execution. This Agreement may be executed in any number of counterparts each of which shall be deemed an original instrument but all of which together shall constitute one and the same instrument.

13. Delayed Recording. This Agreement and any side Agreements will be recorded prior to assignment to a third party or three (3) years from the date of execution or whichever occurs first.

14. Surface Roads and Access Agreement. Surface Owner and Operator agree to the Surface Roads and Access Agreement described in that certain Letter Agreement entered into by and between Surface Owner and Operator, dated February 14th, 2018.

The Parties have executed this Agreement on the day and year first above written.

DePorter Ranch, Inc.

Signed: DePorter Ranch Inc.
By: Amel R. DePorter
Its: President

Edge Energy II LLC

Signed: Steve Enger
By: Steve Enger
Its: President

ACKNOWLEDGEMENTS

STATE OF COLORADO)
) ss.
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 7th day of March, by Steve Enger, as President of Edge Energy II LLC, on behalf of such limited liability company.

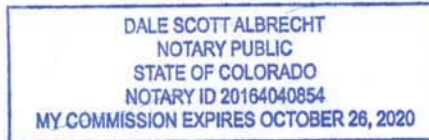
Witness my hand and official seal.

(SEAL)

Dale Albrecht
Notary Public

My Commission Expires:

Oct 26, 2020



STATE OF COLORADO)
) ss.
COUNTY OF Weld)

The foregoing instrument was acknowledged before me this 5th day of Mar, by David R. DePorter

Witness my hand and official seal.

(SEAL)

Zoe Ann Harwick
Notary Public

My Commission Expires:

Feb. 8, 2022

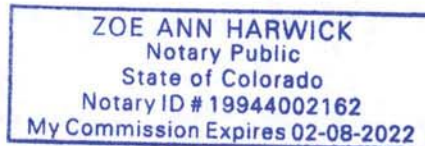
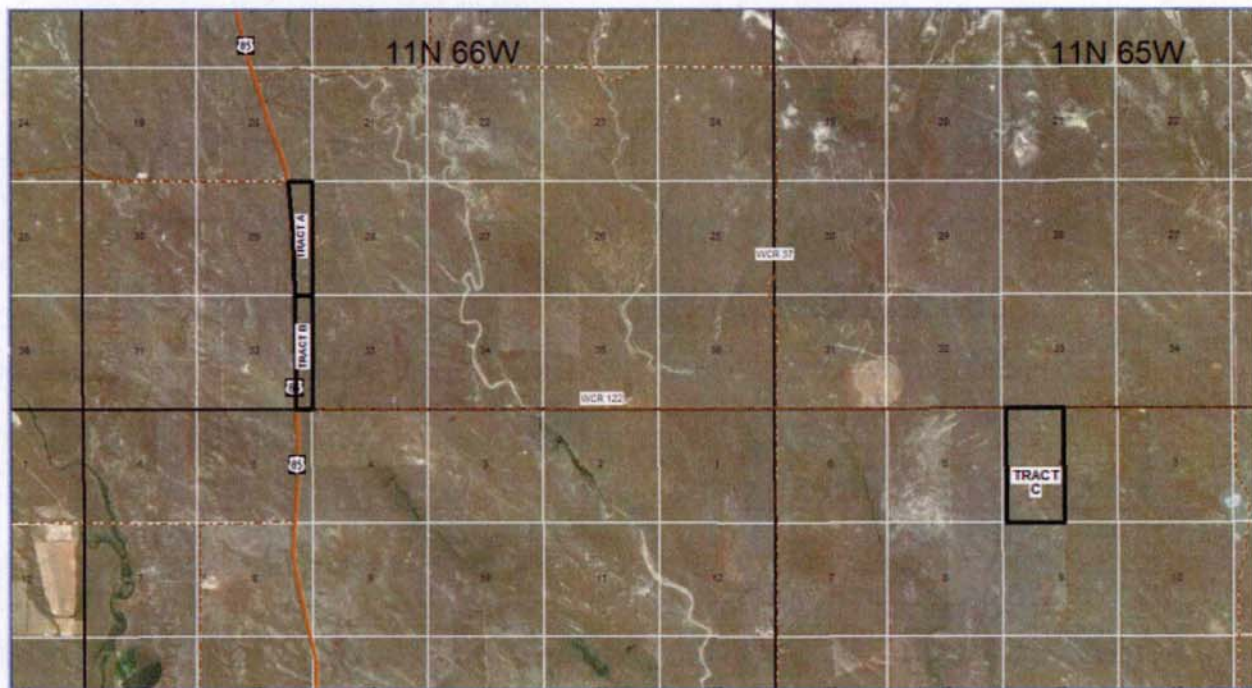


Exhibit A

Attached to and made part of the certain Easement, Right-of-Way and Surface Damage Agreement dated February 14, 2018, by and between Edge Energy II LLC, a Colorado Limited Liability Company, as Operator and DePorter Ranch, Inc., as Surface Owner.

The "Properties"



4381178 Pages: 5 of 9
03/09/2018 10:19 AM R Fee:\$53.00
Carly Koppes, Clerk and Recorder, Weld County, CO



Exhibit B

Attached to and made part of the certain Easement, Right-of-Way and Surface Damage Agreement dated February 14, 2018, by and between Edge Energy II LLC, a Colorado Limited Liability Company, as Operator and DePorter Ranch, Inc., as Surface Owner.

The "Well Sites"

Page 1 of 3

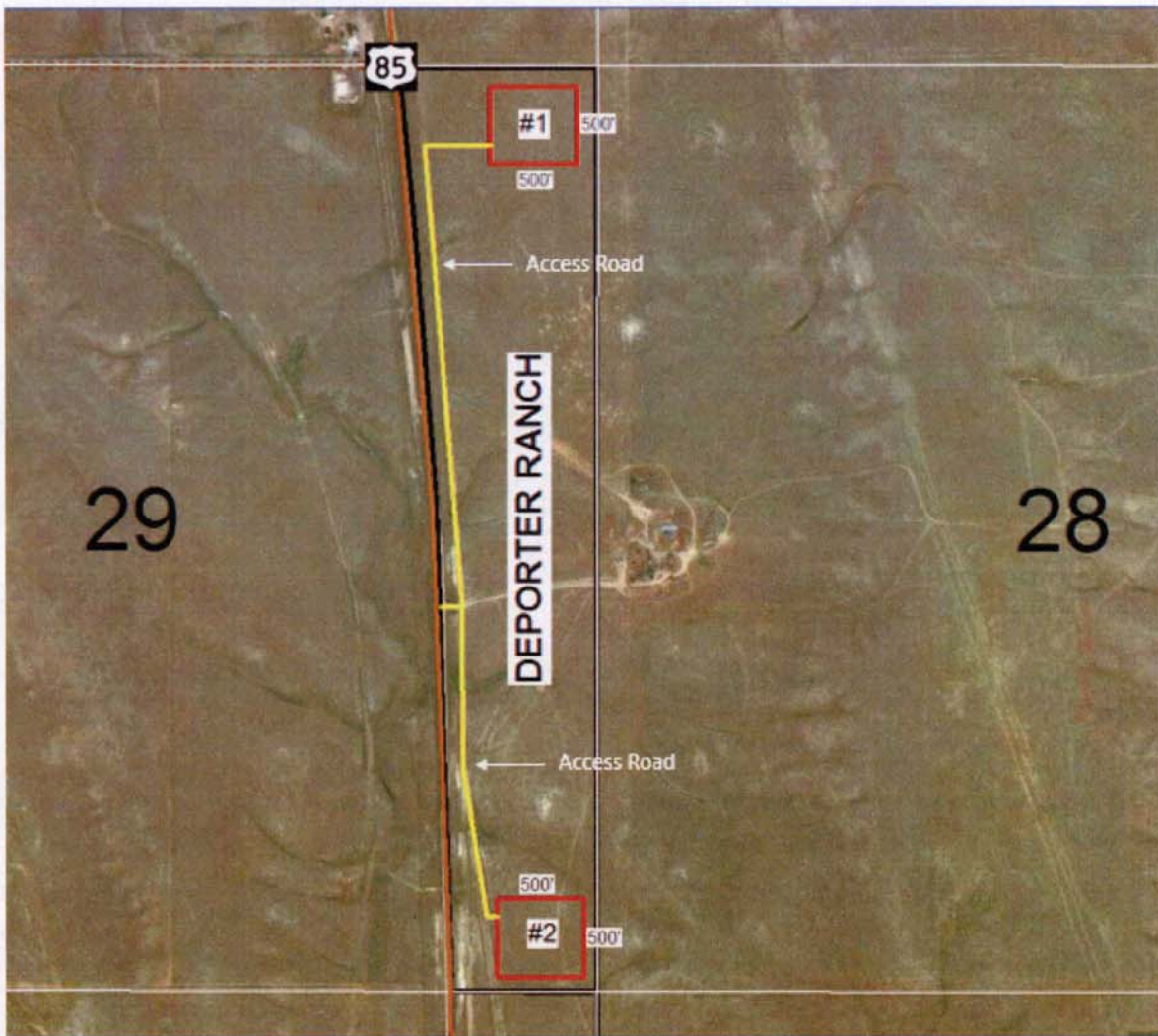
DePorter Pad #1 & #2
T11N:R66W:S29 E2E2
Pad Sizes ~5.7 Ac



Pad



Access Road



4381178 Pages: 6 of 9
03/09/2018 10:19 AM R Fee:\$53.00
Carly Koppes, Clerk and Recorder, Weld County, CO



Exhibit B

Attached to and made part of the certain Easement, Right-of-Way and Surface Damage Agreement dated February 14, 2018, by and between Edge Energy II LLC, a Colorado Limited Liability Company, as Operator and DePorter Ranch, Inc., as Surface Owner.

The "Well Sites"

Page 2 of 3

DePorter Pad #3 & #4
T11N:R66W:S32 E2E2
Pad Sizes ~5.7 Ac



Pad



Access Road

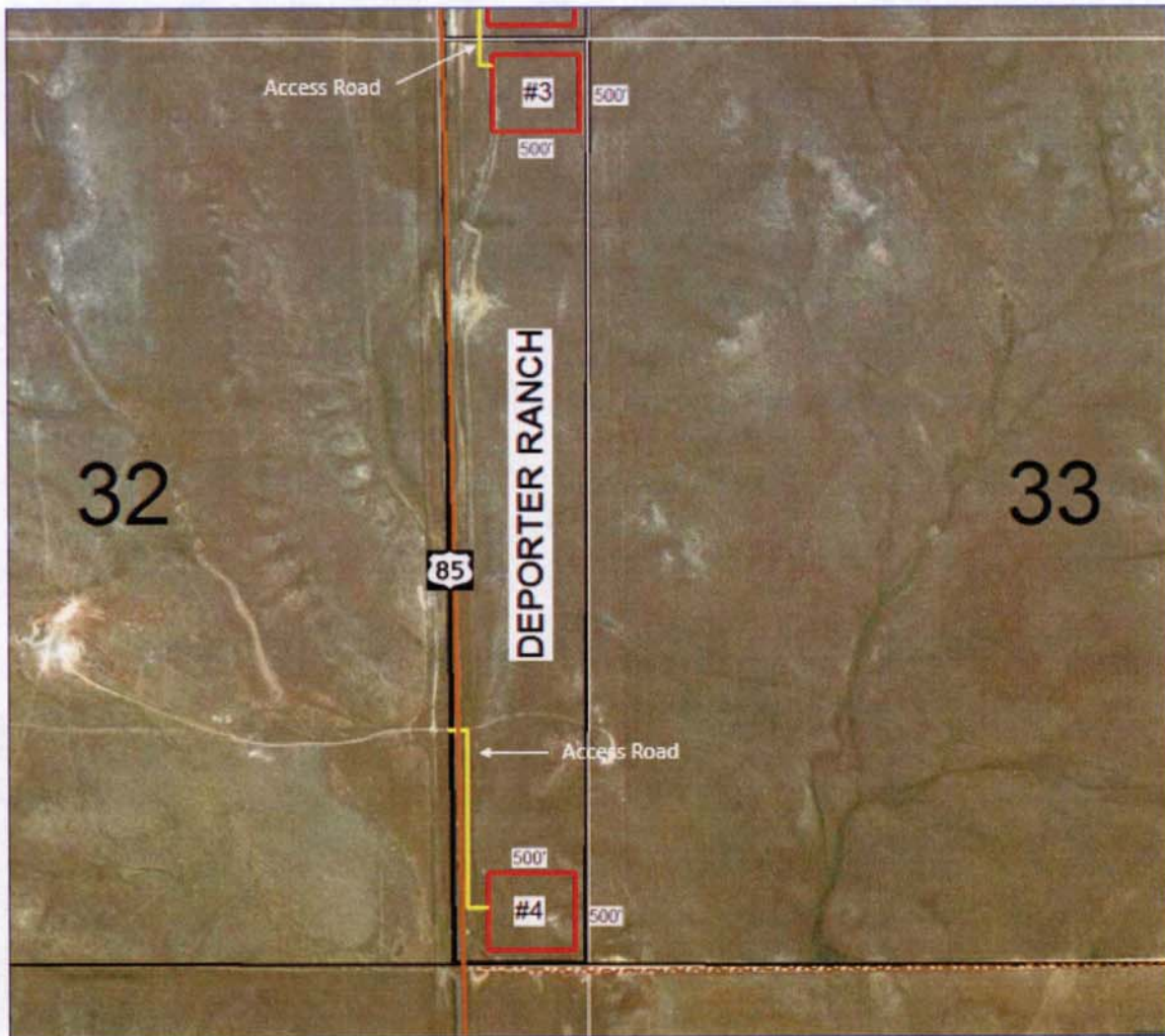


Exhibit B

Attached to and made part of the certain Easement, Right-of-Way and Surface Damage Agreement dated February 14, 2018, by and between Edge Energy II LLC, a Colorado Limited Liability Company, as Operator and DePorter Ranch, Inc., as Surface Owner.

The "Subject Well Sites"

Page 3 of 3

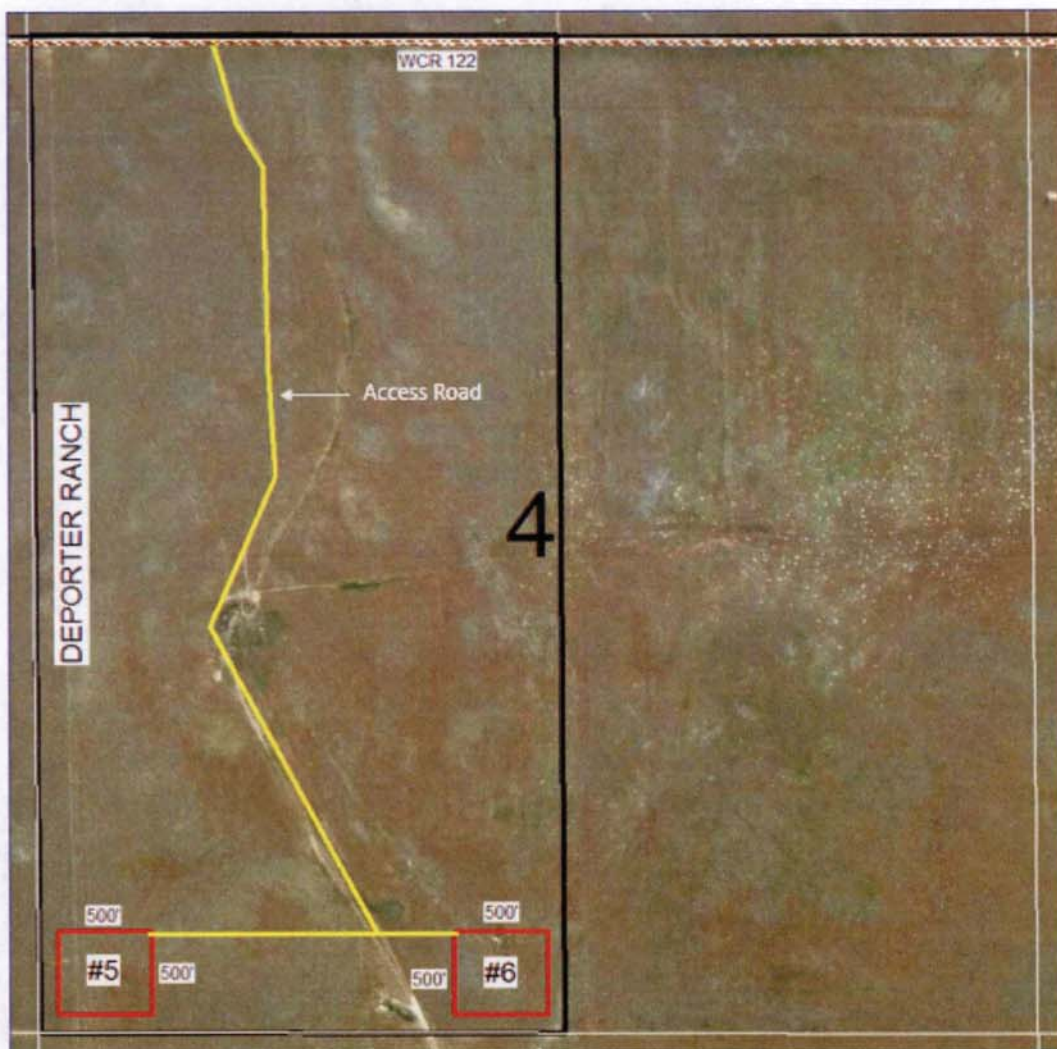
DePorter Pad #5 & #6
T10N:R65W:S4 E2
Pad Sizes ~5.7 Ac



Pad



Access Road



4381178 Pages: 8 of 9
03/09/2018 10:19 AM R Fee:\$53.00
Carly Koppes, Clerk and Recorder, Weld County, CO



Exhibit C

Attached to and made part of the certain Easement, Right-of-Way and Surface Damage Agreement dated December 7th, 2017, by and between Edge Energy II LLC, a Colorado Limited Liability Company, as Operator and DePorter Ranch, Inc., as Surface Owner, constitute the agreed upon reclamation and re-vegetation standards

Page 1 of 1

- 1) **RECLAMATION** During and after completion of construction activities, Operator take all reasonable efforts to protect the area of permissible activities of Operator (the "Operations Area") as well as any other part of real property owned by Owner to the extend the construction, exploration, drilling, completion and production activities of Operator disturb the soil in a material fashion, including that resulting from erosion whether caused by wind or moisture. For example, if flow-lines or pipelines are involved, after completion of each 300 linear feet of pipeline, that area of disturbed soil will be re-contoured to match the surrounding topography. The re-contoured area will not include disturbance of any new areas without consent of Owner.
- 2) **RE-VEGETATION** When, soil is disturbed, within a reasonable time, Operator will reclaim and re-vegetate the disturbed area. Depending on the season of the year for construction, a cover crop of winter wheat, rye, sterile millet, oats or other annual cover crop approved by Owner will be established as a cover crop to protect the Operations Area and Drilling Pads to prevent erosion and to improve the organic material of the seedbed.

In the Spring or Fall, as determined by Owner, the cover crop will be mowed and the chosen native seed mix will be sown into the cover any crop stubble. Mowing will not be necessary in areas where the cover crop has not developed. The parties will mutually agree to the native seed mix and if they are unable to do so, the CSU extension service will specify the mix to be used.

If the native seed re-vegetation effort fails in whole or in part, that part of the easement area to which such failure has occurred, or if the disturbed area is disturbed by heavy equipment or other activities of Grantee, such re-vegetation activities will continue until the it has been successfully re-vegetated.

The re-vegetation effort shall be successfully completed when the re-vegetation has reached 75% of the grass density of the land adjoining the disturbed area, if that adjoining land has not been adversely impacted by the construction activities of Operator. The smaller of 1) the specific Operations area or 2) one-fourth of the disturbed portion of the Operations Area of a surface Use Agreement will be evaluated separately until such area has been successfully re-vegetated. If the determination and calculation of successful completion does not continue for one calendar year after the determination, re-vegetation efforts shall than occur on such section(s) of the area until successful re-vegetation occurs.

4381178 Pages 9 of 9
03/09/2018 10:19 AM R Fee \$53.00
Carly Koppes, Clerk and Recorder, Weld County, CO
