



**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 28th day of February, 2018, by and between Edge Energy II LLC, a Colorado limited liability company ("Operator"), whose address is 621 17<sup>th</sup> Street, Suite 1401, Denver, Colorado 80293 and Judith Ann May, whose address is 44033 County Road 49, Ault, Colorado 80610 ("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 Tract A, depicted on Exhibit A, attached hereto and made a part hereof (hereinafter referred to as the "Property"); and

B. Marathon Oil Company "Marathon", and Surface Owner entered into that certain unrecorded Surface Use Agreement "Marathon Agreement", dated August 18, 2011, a memorandum of which was recorded in the public records of Weld County, at reception #3790911; and

C. Operator is successor in interest to Marathon and 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 Property; and

D. Operator is successor in interest to Marathon in and to the Owl Creek 8-64-30-1H well, defined herein and on Exhibit B as Well # 1. Surface Owner intends to grant Operator perpetual easement and the right to use and occupy the Property within a defined area more accurately defined herein and on Exhibit B as Well # 2, for purposes of oil and gas exploration, development, operation and uses incident thereto; and

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

**Agreement**

NOW, THEREFORE, for and in consideration of the sum \_\_\_\_\_ 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 Property set forth herein and any 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 28th, 2018. Consideration shall be paid to Surface Owner no less than thirty (30) days prior to commencement of excavation operations on the Well Site (as defined below).

2. **Grant of Easement.** Surface Owner shall grant Operator, Operator's third-party designees, contractors, vendors, employees and other third-party personnel, an easement and right-of-way for access, construction, operation, maintenance, removal, reclamation and use of One (1) Access Road (the "Access Road") and One (1) Well Site (the "Well Site") in addition to the existing Owl Creek 8-64-30-1H well site, including access road(s) and entry location(s); and together with the Access Road, the ("Subject Well Site") for all oil and gas uses, development, operation and production and other related materials and equipment on the Property, 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, above-ground temporary water pipelines, water tanks, oil, gas, water, and associated petroleum liquids pipelines 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 Property as depicted on Exhibit B.

Operator's Easement shall include the right to drill, complete and produce wellbores under and through the Property to locations off of the Property from the Well Site. Any wellbores drilled from the Well Site 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 twinned and other well bores.

3. **Right-of-Way for Gathering.** Surface Owner hereby grants Operator or a third-party company, at Operator's discretion, the option to place and operate pipelines within or adjacent to Access Roads or on definite locations on the Property ("Pipeline Right-of-Way") which allow Operator or a third-party company to connect its facilities to third-party infrastructure. Operator shall pay Surface Owner for Pipeline Right-of-Way. Pipeline Right-of-Way granted to Operator will be a permanent right-of-way consisting of a width of 50 feet, that being 25 feet on each side of the centerline of the first installed pipeline on the Property for the purpose of accessing, installing, maintaining, upgrading, changing, removing, operating and replacing pipelines and above-ground appurtenances. Operator will have the option to delineate the Pipeline Right-of-Way in the form of an as-built survey plat and record the same in the public records of the county where the Property is situated. This Pipeline Right-of-Way is subject to a mutually agreeable route to be approved, but not unreasonably withheld, by Surface Owner.

4. **Subsurface Easement.** Operator is hereby granted a subsurface easement at any time during the term of this Agreement, anywhere on, through and under the Property 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 Property with Operator's wellbores.

5. **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 Site, production facilities, or any easements on the Property.

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 on the Property, 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.

*RAM*  
8. **Termination.** This Agreement shall automatically terminate and be of no further force and effect, ~~five (5) years from the Agreement date herein,~~ or at such time that the 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, whichever shall occur last. This Termination clause shall only affect the lands covered by this Surface Use Agreement. Termination of the Surface Use Agreement, dated August 18, 2011, between Marathon Oil Company and Surface Owner shall terminate pursuant to the terms of that Agreement.

9. **Release of All Claims.** 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 or growing crops thereon that may occur as a result of Operator's drilling and completion operations on the Property 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, above-ground temporary water pipelines, utilities, fiber optic cables, separators, tank batteries, metering and measurement equipment, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable and customary uses of land related to said operations, uses or activities.

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. This Agreement shall be overlapping, concurrent with and include, but not replace, the unrecorded Surface Use Agreement, dated August 18, 2011, between Marathon Oil Company and Surface Owner.

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.

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

Edge Energy II LLC

Signed: \_\_\_\_\_

Judith Ann May

Signed: \_\_\_\_\_

By: Steve Enger  
Its: President

4383455 Pages: 3 of 6  
03/16/2018 10:32 AM R Fee:\$38.00  
Carly Koppes, Clerk and Recorder, Weld County, CO



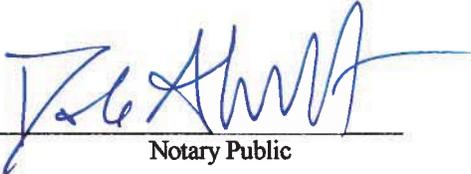
**ACKNOWLEDGEMENTS**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Jefferson )

The foregoing instrument was acknowledged before me this 9th day of March, by Steve Engor, as President of Edge Energy II LLC, on behalf of such limited liability company.

Witness my hand and official seal.

(SEAL)

  
Notary Public

My Commission Expires: 10/26/2020

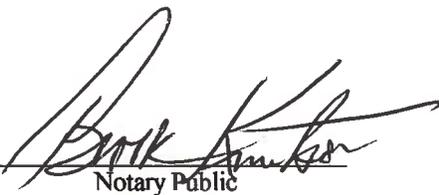
DALE SCOTT ALBRECHT  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20164040854  
MY COMMISSION EXPIRES OCTOBER 26, 2020

STATE OF COLORADO )  
 ) ss.  
COUNTY OF WELD )

The foregoing instrument was acknowledged before me this 8th day of March, by Judith Ann May.

Witness my hand and official seal.

(SEAL)

  
Notary Public

My Commission Expires: 6/12/2021

BROCK KNUTSON  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20174024847  
MY COMMISSION EXPIRES 06/12/2021

**Exhibit A**

*Attached to and made part of the certain Easement, Right-of-Way and Surface Damage Agreement dated February 28th, 2018, by and between Edge Energy II LLC, a Colorado Limited Liability Company, as Operator and Judith Ann May, as Surface Owner.*

*The "Property"*

Tract A

*T8N:R64W; Section 30: All, West of Railroad Centerline*



**Exhibit B**

*Attached to and made part of the certain Easement, Right-of-Way and Surface Damage Agreement dated February 28th, 2018, by and between Edge Energy II LLC, a Colorado Limited Liability Company, as Operator and Judith Ann May, as Surface Owner.*

*The "Subject Well Site"*

*Judith Ann May Wells #1 & #2*

*T8N:R64W: Section 30: All West of Railroad Centerline  
Pad Size ~5.7 Ac*

