

## SURFACE USE AGREEMENT

This Surface Use Agreement (this "Agreement") is made to be effective as of August \_\_, 2018 (the "Effective Date"), by and between J Farms, LLC, a Colorado limited liability company ("Owner"), the address of which, for purposes of this Agreement, is 2725 Rocky Mountain Avenue, Suite 200, Loveland, Colorado 80538, and Extraction Oil & Gas, Inc., a Delaware corporation ("Operator"), the address of which, for purposes of this Agreement, is 370 17th Street, Suite 5300, Denver, Colorado 80202. In this Agreement, Owner and Operator may be referred to individually as a "Party" and collectively as the "Parties".

### Recitals

A. WHEREAS, Owner owns the surface interest in certain land located in Weld County, Colorado, generally depicted on Exhibit E, and legally described as follows (the "Entire Land"):

LOT B, RECORDED EXEMPTION NO. 1061-3-1 RECX15-0131, ACCORDING TO PLAT RECORDED DECEMBER 17, 2015, UNDER RECEPTION NO. 4165964, BEING LOCATED IN THE NE 1/4 OF SECTION 3, TOWNSHIP 4 NORTH, RANGE 68 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO.

B. WHEREAS, Operator or its Affiliates (as such term is defined below) own a working interest, leasehold interest or other interest under certain oil and gas leases covering all or portions of the Entire Land, or lands pooled or included in a spacing unit therewith, or lands adjacent thereto;

C. WHEREAS, Operator desires to explore for oil and gas, drill oil and gas wells ("Wells") and produce oil and gas from a portion of the Entire Land containing approximately 10.933 acres legally described and depicted on Exhibits A-1 and A-2 attached hereto ("Operations Area");

D. WHEREAS, Owner desires to sell and Operator desires to purchase the Operations Area following subdivision of the Operations Area by Owner into a separate tract, outlot or lot;

E. WHEREAS, pending the subdivision of the Operations Area, the Parties desire to enter into this Agreement to allow Operator to explore for oil and gas, drill Wells and produce oil and gas from the Operations Area and adjacent properties; and

F. WHEREAS, the Parties desire to establish reasonable compensation to be paid by Operator to Owner for the use of the Operations Area as set forth in this Agreement in exchange for the right to drill Wells within the Operations Area and to provide for production and maintenance of the Wells and related facilities in such a manner as to: (i) minimize disruption of

use and development of the Remaining Land (defined below) by Owner and its successors and assigns, (ii) minimize impact on the Remaining Land and current and future improvements to be located on or under the Remaining Land as determined by Owner, and (iii) further minimize the impact on the surrounding area.

### Agreement

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

## **ARTICLE I. INTERPRETATION AND DEFINED TERMS**

### 1.01 Interpretation.

- (a) Certain Terms. As used within this Agreement: (i) the term “including” is deemed to mean “including, without limitation,” (ii) the term “or” is deemed to mean “and/or”, (iii) the terms “hereby”, “hereunder” and “herein” are deemed to refer to the entirety of this Agreement as opposed to any particular portion of this Agreement, and (iv) each reference herein to a “Section”, “Article” or “Exhibit” is deemed to refer to a Section or Article of this Agreement, or to an Exhibit referenced in and attached to this Agreement, as appropriate.
- (b) Singular/Plural. Except as otherwise provided herein or unless the context clearly requires otherwise, the singular of any term includes the plural of such term, and the plural of such term includes the singular of such term.
- (c) Exhibits. All exhibits attached to this Agreement are hereby incorporated into and made part of this Agreement.
- (d) Recitals. The recitals set forth above are hereby incorporated into and made part of this Agreement.
- (e) Statutes. All references herein to statutes shall mean such statutes as amended or replaced from time to time, together with all regulations promulgated thereunder.

1.02 Defined Terms. Capitalized terms, first appearing in quotations in this section or elsewhere in this Agreement, are definitions of such terms as used herein and shall have the defined meaning whenever used.

“Access Easement” has the meaning set forth in Section 2.03.

“Access Easement Area” shall mean the area within which the Access Easement is located.

“Affiliate” shall mean: (a) any Person which, directly or indirectly, is in control of, is controlled by or is under common control with the party for whom an affiliate is being determined; (b) any Person who is a director or officer of any Person described in clause (a) above or of the party for whom an affiliate is being determined; or (c) any partner (general or limited), trustee, beneficiary, spouse, child (including an adult child) or sibling of any Person described in clause (a) above or of the party for whom an affiliate is being determined. For purposes of this definition of “Affiliate”, control of a Person means the power, direct or indirect, to: (i) vote fifty percent (50%) or more of the securities having ordinary voting power for the election of directors (or comparable positions) of such Person; or (ii) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise and either alone or in conjunction with others.

“Agreement” means this Surface Use Agreement.

“Applicable Laws” shall mean all applicable laws, rules, regulations, orders, decrees and other requirements having the force of law, including those of the COGCC, including, but not limited to, those rules and regulations of the COGCC relating to Large Urban Mitigation Area Facilities (as such term is defined by the COGCC), and those of the County, and, where applicable, all interpretations thereof by any authority having jurisdiction with respect thereto or charged with the administration thereof.

“Business Day” shall mean a day other than a Saturday, Sunday or other day on which commercial banks are authorized or required to close under the laws of the United States or the State of Colorado.

“COGCC” shall mean the Colorado Oil and Gas Conservation Commission.

“County” shall mean the County of Weld, Colorado.

“Division” has the meaning set forth in Section 3.03.

“Easement Areas” shall mean the Access Easement Area, Temporary Construction Easement Area, and Operations Area.

“Effective Date” has the meaning set forth in the introductory paragraph of this Agreement.

“Entire Land” has the meaning set forth in the Recitals hereto.

“Facilities” shall mean the facilities or personal property necessary for Operator to conduct operations on the Wells pursuant to the terms and conditions set forth in this Agreement and includes pipelines, infrastructure, equipment, surface appurtenances and production facilities, which may further include emission control devices, vapor recovery towers, vapor recovery units, flowlines, gathering lines, transmission lines, temporary above ground water lines, temporary above ground completion fluid pipelines, gas lift

lines, meters and housing, separators, tank batteries, storage tanks, MLVTs, LACT units, electrical lines, utility lines and any other equipment or facilities necessary to conduct operations pursuant to the terms and conditions set forth herein.

“Hazardous Materials” shall mean any substance deemed hazardous under the Hazardous Material Laws, as defined below.

“Hazardous Material Laws” shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986, the Hazardous Materials Transportation Act, 49 U.S.C. §6901, et seq., the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., the Clean Air Act, 42 U.S.C. §741 et seq., the Clean Water Act, 33 U.S.C. §7401, the Toxic Substances Control Act, 15 U.S.C. §§2601-2629, the Safe Drinking Water Act, 42 U.S.C. §§300f-300j, and the Williams-Steriger Occupational Safety & Health Act of 1970, 29 U.S.C. §651 et seq., 29 C.F.R. 1910 Subpart H et seq., and all similar federal, state, and local environmental statutes, ordinances, and the regulations, orders and decrees now or hereafter promulgated thereunder.

“Indemnified Operator Group” has the meaning set forth in Section 6.02.

“Indemnified Owner Group” has the meaning set forth in Section 6.01.

“Lien” shall mean the lien of any mortgage, deed of trust, judgment lien, tax lien (other than lien for real property taxes for the current year) or similar lien granted by Owner for the purpose of securing payment of indebtedness owing by Owner.

“Memorandum of SUA” has the meaning set forth in Section 7.09.

“Official Records” shall mean the official real property records of Weld County, Colorado.

“Operational Activities” shall mean Operations and all acts and omissions related to, associated with or in furtherance of Operations by any member of the Operator’s Group, whether or not authorized by this Agreement.

“Operations” shall mean drilling, completing, operating, maintaining, repairing, reclaiming, and accessing the Wells and conducting activities directly related to drilling, completing, operating, maintaining, repairing, reclaiming and accessing such Wells, including the use of the Access Easement Area and the Temporary Construction Easement Area in connection therewith.

“Operations Area” has the meaning set forth in the Recitals to this Agreement.

“Operator” has the meaning set forth in the introductory paragraph of this Agreement.

“Operator’s Group” shall mean the group consisting of: (a) Operator and each Affiliate of Operator, (b) each shareholder, member, manager, director, officer, employee, agent, contractor, subcontractor, invitee, licensee, permittee and guest of Operator or any Affiliate of Operator, and (c) the successors and permitted assigns of each Person described in clauses (a) and (b) immediately above; and, each of the foregoing Persons shall be deemed a member of “Operator’s Group”.

“Operator’s Lien” has the meaning set forth in Section 3.03.

“Owner” has the meaning set forth in the introductory paragraph of this Agreement.

“Owner’s Group” shall mean the group consisting of: (a) Owner and each Affiliate of Owner, (b) each member, manager, director, officer, employee, agent, contractor, subcontractor, invitee, licensee, permittee and guest of Owner or any Affiliate of Owner, and (c) the successors and permitted assigns of each Person described in clauses (a) and (b) immediately above; and, each of the foregoing Persons shall be deemed a member of “Owner’s Group”.

“Party(ies)” has the meaning set forth in the introductory paragraph of this Agreement.

“Person” shall mean any natural person, governmental authority, corporation, partnership, limited liability company, joint venture, association, or other entity of any kind.

“Prevailing Party” has the meaning set forth in Section 6.05.

“Remaining Land” shall mean the Entire Land excluding the Operations Area.

“Temporary Construction Easement” has the meaning set forth in Section 2.03.

“Temporary Construction Easement Area” shall mean the area within which the Temporary Construction Easement is located.

“Wells” has the meaning set forth in the Recitals to this Agreement.

## **ARTICLE II. OPERATOR’S USE OF OPERATIONS AREA**

2.01 General. Operator acknowledges and agrees that: (a) Operator’s rights to use the Operations Area are: (i) limited as set forth in, and subject to the terms and conditions of, this Agreement, and (ii) fully set forth in their entirety in this Agreement, (b) Operator has no rights to use the surface of any portion of the Remaining Land, except to the extent authorized pursuant to the Access Easement and the Temporary Construction Easement, (c) all of Operator’s rights to use the Easement Areas are set forth in, and subject to, the terms of this Agreement, (d) while in effect, this Agreement shall supersede and replace all other rights of Operator and its Affiliates to use or occupy the surface of any portion of the Entire Land that are set forth in any other

agreement or instrument or that Operator or any of its Affiliates may have by operation of law or in equity, and (e) this Agreement shall not be deemed to grant Operator or any of its Affiliates any right to use or occupy the surface of any land that is not included within the Operations Area or the Easement Areas. Operator shall not use or occupy, and shall not permit any of its Affiliates to use or occupy, any portion of the surface of the Remaining Land except with respect to the Access Easement Area and the Temporary Construction Easement Area or that is inconsistent, in any way, with the terms and conditions of this Agreement.

## 2.02 Operations Area.

- (a) Subject to the terms and conditions of this Agreement, Owner hereby grants to Operator, an exclusive easement and right-of-way on, over, across, through and under the Operations Area legally described and depicted on Exhibits A-1 and A-2 attached hereto.
- (b) Pursuant to the easement and right-of-way set forth in Section 2.02(a), and subject to the provisions of this Agreement, members of the Operator's Group are permitted to (i) construct, install, maintain, inspect, repair, replace, modify, operate, and remove the Wells and Facilities within the Operations Area, which may include; but is not limited to, drilling, completing, operating, securing, producing, evaluating, deepening, reworking, equipping, maintaining, plugging and abandoning of the Wells, locating, constructing, trenching, operating, maintaining, repairing, altering, replacing and removing the Facilities and all necessary appurtenant facilities, for the purposes specified in this Agreement; (ii) obtain ingress and egress over, across and upon the Access Easement pursuant to Section 2.03(b); (iii) utilize the area within the Temporary Construction Easement for the purposes set forth in Section 2.03(c). Operator shall take reasonable precautions to mitigate such activities to the extent that they shall affect the Remaining Land owned by Owner.
- (c) Owner further grants Operator the right to gather to the Operations Area and transport from the Operations Area oil, natural gas, produced liquids and associated hydrocarbons produced from the Operations Area and lands other than the Operations Area and lands pooled with the Operations Area, and to transfer/assign such right to a third party gatherer.

## 2.03 Wells, Tanks and Easements.

- (a) Operator's Use of Operations Area. As to the Remaining Land, notwithstanding any other provision of this Agreement, Operator agrees that it shall not drill, or cause to be drilled, any Wells outside of the Operations Area. All Wells, storage tanks and tank batteries shall be installed only within the locations depicted generally on Exhibit B.
- (b) Access Easement. Subject to the terms and conditions of this Agreement and subject to the Owner's enforcement rights provided for under this Agreement or

by operation of law, Owner hereby grants to Operator, its successors and assigns, a thirty-foot (30') wide, non-exclusive access easement over, across and upon the area depicted generally on Exhibit C attached hereto ("Access Easement") for use by members of the Operator's Group for vehicular and equipment ingress and egress to and from the Operations Area. Operator agrees that Owner shall have the right to relocate the Access Easement to any other location on the Remaining Land which provides direct access from a public roadway to the Operations Area, provided that Owner shall be responsible for all costs and expenses associated for reconstruction of the roadway on the Access Easement Area to a condition comparable to the roadway improvements existing in the Access Easement at the time of such relocation of the Access Easement. This right shall survive the termination of this Agreement upon the acquisition of title to the Operations Area by Operator pursuant to Section 3.07 below.

- (c) Temporary Construction Easement. Subject to the terms and conditions of this Agreement and subject to the Owner's enforcement rights provided for under this Agreement or by operation of law, Owner hereby grants to Operator, its successors and assigns, until the earlier of December 31, 2020 or one year after initial production of the last Well is drilled and completed in the Operations Area by Operator, an exclusive temporary construction easement on, over, across and upon the Temporary Construction Easement Area depicted generally on Exhibit D ("Temporary Construction Easement") for use by members of the Operator's Group for (i) mobilization, staging, assembling and storing equipment and materials; (ii) placement and use of water tanks; and (iii) stockpiling of dirt during construction of Facilities upon the Operations Area.

### ARTICLE III. ADDITIONAL COVENANTS

3.01 Existing Fences in Operations Area. Operator shall have the right to remove and relocate any existing fencing within the Operations Area at its sole cost and expense. Owner shall have no responsibility for the removal or relocation of any fence located within the Operations Area.

3.02 Seismic Operations. Operator shall not conduct any seismic operations within the Operations Area.

3.03 Additional Requirements and Use Limitations.

- (a) Setback Requirement. Notwithstanding any other provision of this Agreement, Operator shall not, and Operator shall not permit any other member of Operator's Group to, install any Wells, storage tanks or storage batteries, separators, tank batteries and pumping units within two hundred (200) feet of the northerly and the easterly boundaries of the Operations Area. This provision shall survive the termination of this Agreement upon the acquisition of title to the Operations Area by Operator pursuant to Section 3.07 below.

- (b) Noise Mitigation. Operator shall not permit noise levels from its activities within the Operations Area to exceed the rules and regulations of the COGCC. Except in an emergency or other extraordinary circumstance, Operator shall not permit any compressor, drilling rig or other similar equipment used on or within the Operations Area to be powered by any source other than electricity.
- (c) Dust Control. Operator shall cause magnesium chloride, or other commercial dust suppressants approved in writing by Owner, to be applied to the Access Easement as often as needed to control dust and when reasonably requested by Owner.
- (d) Mechanics' Liens. Operator, as promptly as reasonably practicable, shall pay all costs for labor and materials in connection with any work done by it or any member of Operator's Group or caused to be done by it or any member of Operator's Group to or within or intended to be to or within the Easement Areas and Operations Area. Operator shall use best efforts to keep the Easement Areas and Operations Area free and clear of all mechanics' liens and other liens on account of such labor, materials and work done related to any activities of the Operator's Group. Should any such lien be filed or recorded against any portion of the Easement Areas or Operations Area or any action affecting the title thereto be commenced, Operator shall give Owner immediate written notice thereof, and, shall cause such lien to be removed of record (by discharge or bond) within thirty (30) days after such lien is so filed or recorded.
- (e) Damage to Property. Operator shall undertake, and shall cause each other member of Operator's Group to undertake, reasonable precautions to avoid any damage, other than normal wear and tear, to gates, bridges, roads, culverts, cattle guards, fences or other facilities and improvements on the Entire Land. All damages caused by any member of Operator's Group shall be repaired by Operator as soon as possible, to Owner's reasonable specifications and satisfaction, to the condition existing prior to such damage.
- (f) Environmental Safeguards.
  - (i) Operator agrees to perform, and shall cause each other member of Operator's Group to perform, all Operations and reclamation activities in accordance with all Applicable Laws and the COGCC's applicable laws, rules and regulations, unless a variance is granted by the COGCC or the County upon the request of Operator; provided, however, that Operator shall not seek a variance from any substantial requirements from either the COGCC or the County without the prior written consent of the Owner, which consent shall not be unreasonably denied or delayed.
  - (ii) Operator shall design, or cause the design of, the Facilities to eliminate non-fugitive sources of VOC emissions during the period of production of any oil, gas or other hydrocarbons from a Well located within the

Operations Area, including use of zero bleed pneumatic controllers, vapor recovery units and electric-powered engines.

- (iii) Operator shall not allow emissions of VOCs from Operations to be released into the environment in amounts in excess of that reflected on the Air Pollution Emission Notice (“APEN”) on file with the Colorado Department of Public Health and Environment, Air Pollution Control Division (the “Division”) for the operations on the Operations Area. Operator shall not amend any APEN on file with the Division without prior written approval by Owner.
  - (iv) Within fourteen (14) days after receipt thereof by Operator or any of its Affiliates, Operator shall provide to Owner the results of any testing conducted by the County with respect to the operations on the Entire Land.
  - (v) Any spill of oil, grease, solvents, chemicals, or hazardous substances on the Land that is reportable to regulatory authorities under Applicable Laws or regulations shall be reported to Owner by written notice within twenty-four (24) hours, to be followed by copies of all written notices filed by Operator with any regulatory authority within five (5) Business Days after each such filing.
- (g) Hazardous Materials. With respect to Hazardous Materials, and without limiting any other provision of this Agreement, Operator covenants and agrees as follows:
- (i) No Hazardous Materials shall be brought on the Access Easement, Temporary Construction Easement or the Operations Area by Operator’s Group, except when and to the extent necessary for Operations, after which time Operator shall promptly remove such substances therefrom. Operator shall handle and store Hazardous Materials in compliance with all Applicable Laws. Except as set forth in the preceding sentence, no Hazardous Materials shall be brought on any part of the Entire Land by Operator’s Group.
  - (ii) Operator agrees not to, and shall not permit other members of Operator’s Group to, release Hazardous Material onto any portion of the Entire Land, or discharge Hazardous Material into any watercourse, body of surface or subsurface water, or wetland in, on or under any part of the Entire Land, or discharge Hazardous Material into the atmosphere above any part of the Entire Land. Operator shall not undertake, and shall not permit any other member of Operator’s Group to undertake, any activity with respect to the Entire Land that would cause a violation of any Hazardous Material Law.
  - (iii) To the extent known to Operator, Operator shall immediately advise Owner of each of the following:

- (A) any governmental or regulatory actions instituted or threatened under any Hazardous Material Law affecting all or any part of the Entire Land;
  - (B) all claims made or threatened by any third party against any member of Owner's Group relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Material affecting the Entire Land;
  - (C) the discovery of any occurrence or condition on any adjoining property or in the vicinity of the Easement Areas that could cause any portion of the Entire Land to be classified in a manner which may support a claim under any Hazardous Material Law; and
  - (D) the discovery of any occurrence or condition on the surface of the Easement Areas or any land adjoining or in the vicinity of the Easement Areas which could subject any member of Operator's Group or any member of Owner's Group, or any portion of the Entire Land to any restrictions on ownership, occupancy, transferability, or use of any portion of the Entire Land under any Hazardous Material Law.
- (iv) Except for routine reports submitted by Operator to COGCC or the Colorado Department of Public Health and Environment ("Required Reports"), Operator shall promptly, but in no case more than seven (7) days following Operator's or any of its Affiliate's, receipt thereof, provide to Owner copies of any environmental reports or studies received or commissioned by Operator or any of its Affiliates that relate to all or part of the Entire Land. Upon Owner's request, Operator shall provide Owner with copies of Required Reports. Except as required by Applicable Law, all such reports and other materials shall be held in confidence by both Owner and Operator, and Operator shall not disclose the same to any third party without the written consent of Owner, and Owner shall not disclose the same to any third party without the written consent of Operator, except as may be required by law, or as necessary to ensure environmental cleanup, or in the context of disclosure to any potential purchaser or lender.
- (v) For purposes of this Agreement, "Remedial Work" shall mean any site investigation or monitoring, any cleanup, containment, remedial, removal, or restoration work performed in response to any federal, state or local government authority or private attorney general action, or pursuant to any federal, state or local statute, rule regulation or other laws. Operator agrees to perform Remedial Work on the part of the Entire Land where the need therefore arises from or as a result of the Operations or any other activities

of any members of Operator's Group related to the Operational Activities, and to comply with all federal, state and local governmental laws and regulations related to such Remedial Work. All costs and expenses of Remedial Work made necessary by Operations, or any other activity or omission by any member of Operator's Group related to the Operational Activities, shall be timely paid by Operator. If Operator shall fail to timely commence or cause to be commenced, fail to diligently prosecute to completion such Remedial Work, or to timely pay such costs and expenses, Owner may, but shall not be required to, cause such Remedial Work to be performed or pay such costs and expenses and shall be entitled to full compensation by Operator for the costs and expenses associated with said Remedial Work performed or amounts paid.

(h) Additional Measures.

- (i) Except as permitted under this Agreement or necessary for Operations, Operator immediately shall remove all substances released on any part of the Entire Land by any member of Operator's Group in connection with Operational Activities that cause contamination or damage to any part of the Entire Land, vegetation, water, livestock, or wildlife, whether or not such act or omission is a violation of any Hazardous Material Laws. Operator promptly shall restore any part of the Entire Land affected by such substances to a condition reasonably satisfactory to Owner.
- (ii) Operator shall prevent the escape of produced water or noxious materials, resulting from Operational Activities, onto any part of the Entire Land and prevent the same from running into any surface water tank, water well, creek, ravine, or upon or over any part of the Entire Land or adjoining the Entire Land, or from penetrating, seeping, or flowing into any subsurface fresh water stratum, and will timely contain and remove such substances from the Entire Land in accordance with applicable governmental rules and regulations. Operator shall be responsible and liable for all damages, injury or loss resulting therefrom, including loss or injury to livestock.

3.04 Storm Water and Erosion Control. With regard to Operational Activities, Operator shall comply, and shall cause each other member of Operator's Group to comply, with all federal, state, and local regulations relating to storm water runoff, sediment, and erosion control and, to the full extent required by the Applicable Laws, shall obtain storm water permit(s) for Operator's activities.

3.05 [Intentionally Deleted]

3.06 Well Permits.

- (a) Operator shall not apply for any well permits for Wells on the Operations Area that are not permitted by this Agreement.
- (b) Furthermore, with respect to Operator's permits and regulatory processes, Owner:
  - (i) 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; provided, however, that Operator shall only locate Wells and related facilities on the Operations Area in the manner provided for in this Agreement;
  - (ii) waives any right granted by COGCC rule to comment on the Form 2A, to request an extension of the comment period, to request an onsite inspection pursuant to COGCC policy, and to appeal the approval and issuance of the Form 2A, and any related Form 2 with respect to Wells and related facilities on the Operations Area permitted by this Agreement; and
  - (iii) shall not oppose Operator, its agents, consultants, attorneys, successors and permitted assigns in any COGCC or other administrative or governmental proceedings related to Operator's Operations, including, but not limited to, permitting, formation of drilling units, well spacing, well density, pooling, drilling, completion, stimulation, re-stimulation, workovers, deepening and recompleting, provided that Operator's position and contemplated undertakings in such proceedings are consistent with this Agreement and Operator's rights and obligations hereunder.

3.07 Sale of the Operations Area.

- (a) Owner and Operator acknowledge their mutual desire to cause the Operations Area to be subdivided into a separate tract, outlot or lot pursuant to the County's subdivision resolutions and ordinances for the purpose of transferring the Operations Area from Owner to Operator. Following the mutual execution of this Agreement by Owner and Operator, Owner shall use commercially reasonable efforts to formally subdivide the Operations Area in accordance with the County's subdivision resolutions and ordinances for the purpose of creating a separate tract, outlot or lot to be conveyed to Operator.
- (b) Owner shall be responsible for the payment of all filing fees associated with the platting of the Operations Area as a separate tract, outlot or lot. In no event shall Owner be responsible for the payment of any additional fees, including, but not limited to, open space fees, school fees in lieu of land dedication fees, drainage fees, bridge fees, potable and non-potable water tap fees, sewer tap fees, plant investment fees, connection fees, building permit fees, sewer fees, impact fees,

capital expansion fees or any other fees, licenses or permits required by the County or any other governmental entity with respect to the Operations Area pursuant to the rules, regulations and ordinances of the County and any other governmental entity. Furthermore, Owner shall have no responsibility for the payment or installation of any on-site or off-site infrastructure improvements which may be required by the County in connection with such subdivision approval, including, but not limited to, public and private streets; cable television and data transmission lines; telephone lines; telecommunication facilities; potable and non-potable water, sanitary sewer, natural gas and electrical lines; stormwater drainage lines or any on-site or off-site infrastructure improvements of whatever kind or nature whatsoever.

- (c) Operator acknowledges that, to the extent that any on-site or off-site infrastructure improvements are required by the County or any fees other than the fees directly associated with the platting of the Operations Area are required by the County, such obligations shall be the sole responsibility of Operator and Owner shall have no responsibility therefor.
- (d) Operator agrees that it shall execute such documents as shall be reasonably requested by Owner to accomplish the subdivision of the Operations Area.
- (e) Operator acknowledges that it has performed such investigations, inspections and due diligence with respect to the Operations Area as it has required, including, but not limited to, a title search regarding any title exceptions affecting the Operations Area.
- (f) Owner and Operator shall consummate the transfer of the Operations Area on a date designated by Owner which shall be no earlier than fifteen (15) days nor later than thirty (30) days following the recording of the subdivision plat subdividing the Operations Area into a separate tract, outlot or lot.
- (g) The purchase price for the Operations Area pursuant to this Section 3.07 shall be Ten Dollars (\$10.00). Owner shall convey the Operations Area pursuant to this Section 3.07 by bargain and sale deed, in its AS-IS, WHERE-IS condition at the time of transfer, and Operator shall accept such property free and clear of any Liens granted by Owner but subject to all other title exceptions existing at that time.
- (h) The bargain and sale deed conveying the Operations Area to the Operator shall contain the following use restrictions which shall prohibit the location of Wells, tank batteries, storage tanks or other Facilities having a setback requirement under the rules and regulations of COGCC from being located within a two hundred (200) foot buffer area from the northerly and easterly boundaries of the Operations Area. In addition, a separate recordable non-exclusive access easement shall be granted by Owner to Operator over, across and upon a portion of the Remaining Land at such location as shall be reasonably designated by

Owner and upon such terms and conditions as shall be reasonably acceptable to both Parties, which access easement shall be of a width, contain a right of relocation and be for the purposes as set forth in Section 2.03(b) above. In the event the Temporary Construction Easement has not expired at the time of the conveyance of the Operations Area to Operator, such Temporary Construction Easement shall be evidenced by a separate recordable temporary construction easement document for the purposes and having an expiration date as set forth in Section 2.03(c) above. Upon transfer of title and grant of the easements described in this Section 3.07(h), the Parties shall execute and record a termination of the Memorandum of SUA. To the extent Operator desires title insurance, Operator shall be solely responsible for securing such title insurance at its cost and expense. Operator and Owner shall execute, have acknowledged and deliver such other documents as shall be reasonably required or requested by the other party or its counsel to effectuate the sale and transfer of the Operations Area, the Access Easement and the Temporary Construction Easement (if applicable) as set forth herein.

#### ARTICLE IV. COMPENSATION FOR SURFACE USE

##### 4.01 Compensation for Use of Surface.

- (a) Concurrently with the execution of this Agreement, Operator shall pay Owner a [REDACTED] for the rights and privileges granted to Operator by Owner under this Agreement. The amount of such one (1) time payment represents a price of [REDACTED] per gross square foot for each gross square foot contained within the 10.933 acres of land contained within the perimeter of the Operations Area. Such one (1) time payment shall not be reduced if Operator fails to drill or is precluded from drilling any Wells in the Operations Area, or drills less than the maximum number of Wells permitted in the Operations Area as set forth in Section 2.03(a). Such funds shall be paid to Owner by wire transfer or other immediately available funds.
- (b) Remedies. The compensation to be paid by Operator to Owner as set forth in Section 4.01(a) is for the reasonable use of the Operations Area, the Access Easement and the Temporary Construction Easement. If, by reasons resulting from the actions and omissions in connection with Operational Activities of any member of Operator's Group, there is damage to real or personal property on or under any portion of the Remaining Land, including damage to livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, and natural water ways, then as promptly as reasonably possible, but in any event not later than thirty (30) days after the occurrence of any such damage, Operator shall either repair or replace such damaged property or pay to Owner the amount equal to the greater of: (i) damages suffered by Owner's Group, or (ii) the costs to repair such damaged property.

- (c) No Discharge of Liability. This Agreement does not relieve Operator from liability due to Operator's negligence or due to spills or discharges of any hydrocarbons or toxic substance or hazardous chemicals or wastes, or from leaks or breaks in pipelines installed by any member of Operator's Group. Any pollution of the Operations Area, and other land or any groundwater due to spills or leaks of hydrocarbons, chemicals, produced water, or other oilfield waste, shall be reclaimed by Operator to the pre-contamination condition thereof as promptly as reasonably possible, and in the time frame required by the rules and regulations of the COGCC, but in any event not later than thirty (30) days after such pollution event.

**ARTICLE V.  
REPRESENTATIONS AND WARRANTIES**

5.01 From Operator. Operator hereby represents and warrants to Owner that as of the Effective Date:

- (a) Operator is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and qualified to do business in, and in good standing under, the laws of the State of Colorado.
- (b) All requisite action has been taken by Operator in connection with Operator's execution and delivery of this Agreement and the consummation of the transaction contemplated hereby.

5.02 From Owner. Owner hereby represents and warrants to Operator that as of the Effective Date:

- (a) Owner is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Colorado.
- (b) All requisite action has been taken by Owner in connection with Owner's execution and delivery of this Agreement and the consummation of the transaction contemplated hereby.
- (c) Owner owns the surface interest in the Entire Land, subject to existing title exceptions.

**ARTICLE VI.  
INDEMNITY, INSURANCE, EVENTS OF DEFAULT AND REMEDIES**

6.01 Indemnity From Operator.

- (a) OPERATOR AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS EACH MEMBER OF OWNER'S GROUP AND THEIR LENDERS FROM

ANY AND ALL THIRD-PARTY CLAIMS, INJURIES, LOSSES, DAMAGES, INCLUDING ALL FORESEEABLE AND UNFORESEEABLE, INCIDENTAL AND CONSEQUENTIAL DAMAGES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS', CONSULTANTS', AND EXPERTS' FEES, COSTS AND EXPENSES), FINES, DEMANDS, SUITS AND ACTIONS BROUGHT AGAINST ANY MEMBER OF OWNER'S GROUP FOR ANY DEATH, PERSONAL INJURY OR PROPERTY DAMAGE ARISING OUT OF, OR RESULTING FROM (i) USE OF OR OPERATIONS ON OR UNDER ANY PORTION OF THE ENTIRE LAND BY OPERATOR OR BY OPERATOR'S GROUP IN CONNECTION WITH OPERATIONAL ACTIVITIES, (ii) ANY VIOLATION BY OPERATOR OR OPERATOR'S GROUP OF THE TERMS AND CONDITIONS OF THIS AGREEMENT, OR (iii) ANY INQUIRY OR PROCEEDING COMMENCED BY A GOVERNMENTAL ENTITY RELATED TO USE OF OR OPERATIONS ON ANY PORTION OF THE ENTIRE LAND BY OPERATOR OR BY OPERATOR'S GROUP IN CONNECTION WITH OPERATIONAL ACTIVITIES, AND OPERATOR SHALL PAY ALL CLAIMS, DAMAGES, COSTS, AND EXPENSES RESULTING THEREFROM INCLUDING ENVIRONMENTAL CLAIMS, FINES AND CLAIMS ARISING FROM INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY OF THIRD PARTIES, AND THE LOSS OF VALUE WITH RESPECT TO THE ENTIRE LAND AS A RESULT OF ANY OF THE FOREGOING EXCEPT TO THE EXTENT ANY SUCH CLAIMS, DAMAGES, INJURIES, LOSSES, COSTS AND EXPENSES ARE THE RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF OWNER'S GROUP.

- (b) OPERATOR SHALL FURTHER INDEMNIFY, DEFEND, AND HOLD HARMLESS EACH MEMBER OF OWNER'S GROUP FROM AND AGAINST (i) ANY LOSS, LIABILITY, DAMAGE, COST, FINE, EXPENSE, OR CLAIM ARISING FROM THE IMPOSITION OR RECORDING OF A LIEN RESULTING DIRECTLY FROM OPERATOR'S OPERATIONS HEREUNDER, AND (ii) ANY LOSS OF VALUE OF ANY PORTION OF THE ENTIRE LAND AS A RESULT OF ANY SUCH LIEN.
- (c) OPERATOR AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS EACH MEMBER OF OWNER'S GROUP AND THEIR LENDERS FROM ANY AND ALL THIRD-PARTY CLAIMS, INJURIES, LOSSES, DAMAGES, INCLUDING ALL FORESEEABLE AND UNFORESEEABLE, INCIDENTAL AND CONSEQUENTIAL DAMAGES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS', CONSULTANTS', AND EXPERTS' FEES, COSTS AND EXPENSES), FINES, DEMANDS, SUITS AND ACTIONS BROUGHT AGAINST ANY MEMBER OF OWNER'S GROUP FOR ANY DEATH, PERSONAL INJURY OR PROPERTY DAMAGE ARISING OUT OF, OR RESULTING FROM THE ACTUAL OR ALLEGED PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIAL ON THE ENTIRE LAND AS A RESULT OF ANY ACTION OR OMISSION ON THE PART OF ANY

MEMBER OF THE OPERATOR'S GROUP, AND OPERATOR SHALL PAY ALL CLAIMS, DAMAGES, COSTS, AND EXPENSES RESULTING THEREFROM INCLUDING FINES AND CLAIMS ARISING FROM INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY OF THIRD PARTIES, AND THE LOSS OF VALUE WITH RESPECT TO THE ENTIRE LAND AS A RESULT OF ANY OF THE FOREGOING. THIS INDEMNIFICATION SHALL INCLUDE ALL CLAIMS, DAMAGES, LIABILITIES, FEES AND EXPENSES INCURRED BY ANY MEMBER OF OWNER'S GROUP, AND ANY RELEASE PRICE RELATED TO THE ENTIRE LAND WHICH ANY LENDER OF OWNER DEMANDS IN CONNECTION WITH ANY VIOLATION OF HAZARDOUS MATERIALS LAWS BY ANY MEMBER OF OPERATOR'S GROUP AS A RESULT OF THE OPERATOR'S ACTIVITIES OR OMISSIONS.

6.02 Indemnity From Owner.

- (a) OWNER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS EACH MEMBER OF OPERATOR'S GROUP FROM ANY AND ALL THIRD-PARTY CLAIMS, INJURIES, LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS', CONSULTANTS', AND EXPERTS' FEES, COSTS AND EXPENSES), DEMANDS, SUITS AND ACTIONS BROUGHT AGAINST ANY MEMBER OF OPERATOR'S GROUP FOR DEATH, PERSONAL INJURY OR PROPERTY DAMAGE ARISING OUT OF, OR RESULTING FROM (i) OWNER GROUP'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON OR UNDER ANY PORTION OF THE EASEMENT AREAS OR TEMPORARY CONSTRUCTION EASEMENT AREA, OR (ii) ANY VIOLATION BY OWNER OF THE TERMS AND CONDITIONS OF THIS AGREEMENT, AND OWNER SHALL PAY ALL CLAIMS, DAMAGES, COSTS, AND EXPENSES RESULTING THEREFROM INCLUDING ENVIRONMENTAL CLAIMS OR FINES, CLAIMS ARISING FROM INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY OF THIRD PARTIES, EXCEPT TO THE EXTENT ANY SUCH CLAIMS, DAMAGES, INJURIES, LOSSES, COSTS AND EXPENSES ARE THE RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF OPERATOR'S GROUP.

6.03 Insurance. During the term of this Agreement, Operator shall carry a minimum of (a) comprehensive liability insurance coverage of at least [REDACTED] per occurrence, [REDACTED] in the aggregate, and such comprehensive liability insurance shall provide coverage for premises operations, explosion and collapse hazard, underground hazard, products/completed operations hazard, contractual insurance, broad form property damage, independent contractors and personal injury coverage, including coverage for construction, operation and maintenance of pipelines for gathering, transporting or storing oil, gas or other hydrocarbons, (b) Auto Liability insurance coverage of [REDACTED] combined single limit, (c) Excess Umbrella Liability insurance coverage of Ten

including loss or injury resulting from hydrogen sulfide gas, (d) Operator's Extra Expense Indemnity insurance, with a combined single limit of at least [REDACTED] [REDACTED], including coverage for control of well cleanup, leakage, pollution, underground blowouts and ground water blowouts and (e) Workers Compensation insurance coverage as required by Applicable Law. Owner shall be furnished proof of such coverage before entry onto or commencement of any activity or operations within the Operations Area, the Access Easement or the Temporary Construction Easement and annually thereafter. Operator shall provide Owner with copies of all policies Operator is required to maintain hereunder. All policies Operator is required to maintain hereunder shall require thirty (30) days prior written notice to Owner of cancellation of, or change in, coverage. The policies shall include specific endorsements providing a waiver of subrogation in favor of Owner, and Operator hereby waives all rights that could be subrogated with respect to matters covered by insurance maintained by Operator. All insurance required or otherwise maintained by Operator shall be on an occurrence basis, and shall be primary and non-contributing. Owner, Owner's Affiliates and each lender or financial party designated by Owner, shall be named as additional insureds on each of Operator's insurance policies required hereunder.

6.04 Liability of Others and Objectionable Persons. With respect to this Agreement, Operator shall be responsible and liable for the conduct of each officer, employee, agent and independent contractor of Operator who enters the Entire Land.

6.05 Remedies, Attorneys' Fees and Interest.

- (a) In addition to any other rights and remedies set forth in this Agreement, if any Party (the "**Failing Party**") fails to comply with any of its obligations under this Agreement and such failure continues for thirty (30) days after the other Party (the "**Non-failing Party**") delivers written notice thereof to the Failing Party (the "**Cure Period**"), the Non-failing Party shall be entitled to any and all remedies available to the Non-failing Party at law or in equity.
- (b) If either Party brings any proceeding to compel performance of, or to recover for breach or default of any term, provision, representation, warranty or covenant herein contained, and prevails on its claim therein (the "**Prevailing Party**"), the other Party shall pay to the Prevailing Party its cost and expenses incurred, including its reasonable attorneys', consultants', experts' and witness fees, charges, costs and expenses in addition to the amount of recovery and all other fees, charges, costs and expenses incurred by the Prevailing Party in connection with such proceedings.
- (c) In addition to any other rights and remedies set forth in this Agreement, if either Party fails to pay any amount due to the other Party on or prior to the date such amount becomes due hereunder, then such Party shall pay the other Party interest on such unpaid amount from the due date thereof until paid at the rate of [REDACTED] [REDACTED] per year, compounded annually.
- (d) Upon any full or partial termination of this Agreement, within five (5) Business

Days after written request from Owner, Operator shall execute, have acknowledged and deliver to Owner a separate document prepared by Owner evidencing such full or partial termination, which Owner may record in the Official Records.

- (e) No full or partial termination of this Agreement shall relieve either Party from its liabilities or obligations incurred under this Agreement prior to such termination, which liabilities and obligations shall survive and continue until the full and complete discharge thereof.

## ARTICLE VII. MISCELLANEOUS

7.01 Operator's Contact Person. Operator agrees to designate in writing an individual with authority who is responsible for Operator's compliance with all terms and conditions of this Agreement.

7.02 Term. Until earlier terminated upon and as a result of the transfer of fee title in the Operations Area by Owner to Operator, this Agreement will terminate concurrently with the Wells as they relate to Operator's or its Affiliates' rights to explore, drill, and produce oil, natural gas, and associated hydrocarbons from the Operations Area or lands pooled or unitized therewith or as otherwise provided herein. No act or failure to act on the part of the Operator shall be deemed to constitute an abandonment or surrender of this Agreement or of any part of it, except upon recordation by Operator of an instrument specifically terminating this Agreement. To the extent a moratorium or a restrictive governmental law, rule or regulation prevents a Party from performing the operations herein described, 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 and subject to such terms as Owner may require, Operator may access the Operations Area to plug and abandon the Wells as provided in this Agreement and to comply with any law, rule, or regulation governing Operator's Operations.

7.03 AS-IS. Notwithstanding any other provision of this Agreement, the Operations Area, the Access Easement and the Temporary Construction Easement are made available to Operator, subject to the terms and conditions of this Agreement, in their present AS-IS condition, without representation or warranty of any kind or nature.

7.04 Compliance with Laws. Operator timely shall comply, and shall cause the other members of Operator's Group to comply, with all Applicable Laws related to Operational Activities.

7.05 Survival. The following obligations shall expressly survive any termination or suspension of this Agreement with respect only to all acts or omissions which occurred prior to such termination or suspension of this Agreement:

- (a) Section 3.03(a) – Setback Requirement.

- (b) Section 3.03(e) – Damage to Property.
- (c) Section 3.03(f) – Environmental Safeguards.
- (d) Section 3.03(g) – Hazardous Materials.
- (e) Section 3.03(h) – Additional Measures.
- (f) Section 3.04 – Storm Water and Erosion Control.
- (g) Section 6.01 – Indemnity From Operator.
- (h) Section 6.02 – Indemnity From Owner.
- (i) Section 6.04 – Liability of Others and Objectionable Persons.
- (j) Section 6.05 – Remedies, Attorneys’ Fees and Interest.
- (k) Section 7.04 – Compliance with Laws.

7.06 Non-Waiver. No delay or omission in exercising any right of a Party hereunder shall operate as a waiver of any other rights of such Party hereunder.

7.07 Assignment / Covenants Running with the Land / Rights Personal.

- (a) Except as set forth herein, Operator shall not: (a) assign any of its rights or delegate any of its obligations under this Agreement, or (b) sell, convey, assign, pledge or otherwise transfer any interest of Operator in the Operations Area or any Easement Areas, without Owner’s prior written consent, which shall not be unreasonably withheld in light of, and after giving credence to, the experience, reputation, financial condition, and operational history in the particular geographic area and producing formations of the proposed assignee. Notwithstanding the foregoing, Operator shall be permitted to transfer or assign its rights under Section 2.02 to a third-party gatherer; *provided, however*, that any such transfer or assignment shall be effective only upon execution of a separate consent and agreement by such third-party gatherer, and by Operator and Owner, in form and substance acceptable to Owner, in Owner’s sole and absolute discretion.
- (b) With Operator’s prior written consent, which shall not be unreasonably withheld, Owner may assign and transfer its rights and delegate its obligations under this Agreement to any Person upon delivery to Operator of Notice thereof at least five (5) Business Days prior to the effective date of such assignment or transfer.
- (c) Until Operator’s acquisition of fee title to the surface estate of the Operations Area, (i) the rights and obligations of Operator under this Agreement shall run

with the Easement Areas and shall be binding upon Owner and Operator and their respective successors and assigns with respect to ownership of the Operations Area and Easement Areas and (ii) the obligations of Owner under this Agreement with respect to the Easement Areas shall run with the Easement Areas and shall be binding upon Owner and its successors and assigns with respect to ownership of the Easement Areas. Notwithstanding any provision of this Agreement, Owner's rights under this Agreement, shall be deemed personal to Owner and shall not be deemed to run with any land. Following acquisition of fee title to the surface estate of the Operations Area by the Operator, and subject to the survival of those obligations expressly stated to survive this Agreement, the rights and obligations of the Parties with respect to the Easement Areas shall be governed exclusively by the documents described in Section 3.07 above.

7.08 Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be (a) personally delivered; (b) delivered by a nationally recognized overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. In each of the cases (a), (b) or (c) above, such notice shall also be delivered by email at the addresses set forth below. Notices shall be deemed delivered and received (i) upon actual receipt in the case of personal delivery, (ii) one (1) Business Day after deposit with a nationally recognized overnight courier as evidenced by a receipt of deposit, (iii) three (3) Business Days following deposit in the U.S. Mail, as evidenced by a return receipt, in the case of delivery by certified mail, or (iv) upon being sent to the appropriate email addresses listed below, as appropriate. Notices shall be directed to the Parties at their respective addresses shown below, or such other address as either Party may, from time to time, specify in writing to the other in the manner described above:

If to Owner, at:

J Farms, LLC  
2725 Rocky Mountain Avenue, Suite 200  
Loveland, CO 80538  
Attn: Chief Investment Officer  
Phone: 970.962-9990  
Email: [Troy.McWhinney@mcwhinney.com](mailto:Troy.McWhinney@mcwhinney.com)

With a copy to:

McWhinney Real Estate Services, Inc.  
1800 Wazee Street, Suite 200  
Denver, CO 80202  
Attn: Senior Vice President and General Counsel  
Phone: 720.360.4712  
Email: [Mike.Warren@mcwhinney.com](mailto:Mike.Warren@mcwhinney.com)

With a copy to:

Hasler, Fonfara and Goddard LLP  
125 S. Howes, 6th Floor (Zip Code: 80521)  
P.O. Box 2267  
Fort Collins, Colorado 80522  
Attn: Joseph H. Fonfara  
Phone: 970.493.5070  
Email: [joef@hfglawfirm.com](mailto:joef@hfglawfirm.com)

If to Operator at:

Extraction Oil & Gas, Inc.  
370 17th Street, Suite 5300  
Denver, CO 80202  
Attn: Surface Land Department  
Phone: 720.557.8300

With a copy to:

Hogan Lovells US LLP  
1601 Wewatta Street, Suite 800  
Denver, CO 80202  
Attn: Elizabeth Titus  
Phone: 303.454.2468  
E mail: [Liz.Titus@hoganlovells.com](mailto:Liz.Titus@hoganlovells.com)

7.09 Memoranda and Recording. Concurrently with the Parties entering into this Agreement, each Party shall execute, have acknowledged, and deliver to the other: (a) a memorandum of this Agreement in the form of Exhibit F (the "Memorandum of SUA"). The Parties shall cause the Memorandum of SUA to be recorded in the Official Records promptly after the execution and delivery thereof. This Agreement shall not be recorded in the Official Records.

7.10 Governing Law. The validity, interpretation and performance of this Agreement shall be governed and construed in accordance with the laws of the State of Colorado, without reference to its conflicts of law provisions.

7.11 [Intentionally Deleted]

7.12 Third-Party Easements and Other Rights. Except as set forth in this Agreement, this Agreement does not grant any easement or other right to any third-party for any purpose.

7.13 Entire Agreement; Amendment. This Agreement, together with the Exhibits, constitute the entire integrated agreement among the Parties regarding the Land and the subject matter hereof and supersede any previous communications, representations or agreements, whether oral or written. No change of any of the terms or conditions herein shall be valid or binding on any

Party unless set forth in a writing signed by an authorized representative of each Party.

7.14 Confidentiality of Compensation. Owner hereby agrees that it shall maintain as confidential the amount of compensation paid to Owner by Operator for the rights granted herein. Owner may disclose the amount of such compensation to its attorney and accountants and those employees having a need to know in order to properly carry out their required functions. The confidentiality obligation under this Section 7.14 shall not prohibit disclosure of the compensation paid to Owner required to be disclosed by law or by court or governmental order.

7.15 Metes and Bounds versus Depictions. To the extent the boundaries of any area described by metes and bounds on any Exhibit differ from the boundaries of such area depicted on any Exhibit, the metes and bounds description of such area shall control.

7.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Electronic signatures or signatures sent by facsimile shall be treated as originals for all purposes under this Agreement, except for signatures on agreements or other instruments required to be delivered hereunder that, pursuant to the terms of this Agreement, are to be acknowledged, or as otherwise may be required by law, in which case, the delivery of original hard-copy signatures thereon are required.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Surface Use Agreement as of the dates set forth below to be effective as of the Effective Date.

J Farms, LLC,  
a Colorado limited liability company

McWhinney Real Estate Services, Inc.,  
a Colorado corporation, Manager

By:   
Name: Michael S. Warren  
Title: Senior Vice President & General Counsel  
Date: \_\_\_\_\_

Extraction Oil & Gas, Inc.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

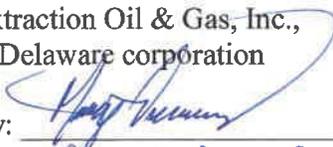
IN WITNESS WHEREOF, the Parties have executed this Surface Use Agreement as of the dates set forth below to be effective as of the Effective Date.

J Farms, LLC,  
a Colorado limited liability company

McWhinney Real Estate Services, Inc.,  
a Colorado corporation, Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Extraction Oil & Gas, Inc.,  
a Delaware corporation

By:  \_\_\_\_\_  
Name: MATT OWENS  
Title: PRESIDENT  
Date: 8/7/2018