# SURFACE USE AGREEMENT BETWEEN COLORADO PARKS AND WILDLIFE AND WPX ENERGY ROCKY MOUNTAIN, LLC

## RECITALS

A. WHEREAS, CPW represents that it is the surface owner of a parcel of land, he legal description for which is as follows:

## See Attached Exhibit "A"

The described lands shown on attached Exhibit "A", all in Garfield County, Colorado, are commonly referred to as the Garfield Creek State Wildlife Area ("GCSWA") and are hereinafter referred to as the "Property";

- B. WHEREAS, WPX represents that it owns or has the right to develop certain oil and gas mineral interests underlying the Property;
- C. WHEREAS, WPX is the operator of certain oil and gas wells and other production facilities currently located on the Property, and WPX's operations thereof are governed by that certain Surface Use Agreement between the Division of Wildlife, CPW's predecessor in interest, and Orion Energy Partners, LP, WPX's predecessor in interest, dated May 19, 2009;
- D. WHEREAS, WPX is proposing to drill additional oil and gas wells ("Wells") from the locations ("Drill Site(s)") described in the attached Appendices C and D;
- E. WHEREAS, WPX desires to commence construction of up to seven (7) new Drill Sites, one (1) production facility, one (1) frac pad, and the expansion of five (5) existing Drill Sites on the Property, at locations depicted in the attached Appendices C and D; and,
- F. WHEREAS, the Parties hereto wish to settle the terms and conditions of consent for WPX to enter upon and use certain portions of the Property for the purposes set forth herein.

NOW THEREFORE, for and in consideration of the mutual promises and covenants, terms, conditions, restrictions, and requirements contained herein, the Parties mutually agree as follows:

1. **SURFACE USE.** CPW consents to the construction, installation, and maintenance of access roads, Drill Sites, and pipelines for the Wells, including all appurtenances related to drilling,

production, and completion operations, including other facilities at the general locations depicted in the attached Appendices C and D and described further in this paragraph. WPX shall confine its activities on the surface of the Property to the Roads, Drill Sites, and pipeline easements as shown in the attached Appendices C and D. CPW grants WPX the authority to secure the required Garfield County permits associated with the proposed operations on the Property. CPW only consents to temporary housing on the Property for those personnel required to be present on a Drill Site at all times during the drilling or completion of a Well.

A. ACCESS ROADS. CPW grants to WPX a non-exclusive right-of-way for new and existing access roads ("Roads") at the general locations shown in the attached Appendices C and D, and at other locations to be determined as described herein, for the sole purpose of WPX's operations in the drilling, completion, and production of existing and future wells as depicted in Appendices C and D. The driving surface of any new or improved Road shall not exceed twenty-five feet (25') in width, except in turns and curves where engineering requirements require additional width. WPX shall use accepted Best Management Practices ("BMP") and standards as identified in the U.S. Department of Interior, Bureau of Land Management "Gold Book" (BLM 4th ed. 2007) and shall consult with CPW in selecting the final location and design of each new Road. WPX shall install culverts and other improvements as may be necessary for the proper maintenance and drainage of said Roads. WPX shall maintain Roads in a state of good condition and repair, at the sole expense of WPX, for the term of this Agreement. WPX shall, at its own expense, post all necessary safety and speed limit signs along the new and existing access roads. The maximum speed limit on the Roads shall be twenty (20) miles per hour.

Unless an existing Road is available for use, new Roads will be constructed for each of the newly proposed Drill Sites. The approximate total surface disturbance associated with each of the Drill Site Roads is as follows:

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      KP 32-9--- 1.92 acres (New Road)
      KPS 22-1--- 0.54 acres (New Road)

      KP 33-16--- 2.00 acres* (New Road)
      KP 22-22--- 0.56 acres (Existing Road)

      KP 11-26--- 2.23 acres (New Road)
      KP 24-23--- 0.06 acres (Existing Road)

      KP 21-25--- 1.29 acres (New Road)
      KP 23-25--- 0.23 acres (Existing Road)

      KP 23-36--- 0.52 acres (New Road)
      KP 32-26--- 1.34 acres (New Drill Site)

      KP 23-36--- 0.52 acres (New Road)
      KP 33-25 Frac Pad (Optional)--- 0.01 acres (New Road)
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CPW also grants to WPX a non-exclusive right-of-way for the purpose of a new Road into the S ½NE¼ of Section 12, Township 7 South, Range 90 West, 6<sup>th</sup> P.M., at a route to be determined by mutual agreement of the Parties.

\*This Road also includes the access to the proposed KP 33-16 Production facility.

B. DRILL SITES. Each Drill Site shall be limited to the below described acreage in size during construction, drilling, and completion operations (and reduced to the minimum size necessary for production operations thereafter). During WPX completion operations on a Drill Site, WPX may use another Drill Site to assist in the completion operations. All above ground facilities associated with WPX operations on the Property shall be located

within the boundaries of a Drill Site. The Drill Site and production equipment layout is provided in Appendix C, which are attached hereto and incorporated herein by this reference. Such locations shall include, but not be limited to, tanks, separators, dehydrators, Drill Sites, well head compression, completion operations, injection operations, and any other equipment or facilities necessary or convenient for the production, completion, gathering, transportation, and sale of oil and gas. Additionally, WPX shall have the right to either drill a new injection well or convert an existing Well on a new or existing Drill Site to an injection well for the purpose of storing and disposing of production water from WPX's oil and gas operations. WPX shall also have the right to store and dispose of non-oil-based cuttings from the Drill Site in either a cuttings trench or cuttings management area when topography allows.

WPX proposes to construct seven (7) new Drill Sites and expand the five (5) existing Drill Sites. The proposed area of disturbance for each Drill Site, including a ten percent (10%) tolerance for topographic variances, is as follows:

C. PIPELINES. CPW grants to WPX a non-exclusive easement for new water and gas pipelines ("Easement") for use in WPX's operations, as shown in the attached Appendices C and D. WPX shall consult with CPW with respect to the final alignment of all pipelines. The width of the Easement shall be thirty feet (30'). In areas where topography requires more Easement width, the Easement may be expanded during construction temporarily to include an additional thirty-five feet (35') adjacent to the Easement. The temporary thirty-five foot (35') Easement shall terminate once the installation of the water and gas pipeline is complete. WPX shall have the right to move third party gas and water in all WPX pipelines on the Property. All pipelines, excluding temporary surface water lines, shall be buried to a minimum depth of three feet (3') below the surface of the earth when reasonably possible.

CPW also hereby grants to WPX a non-exclusive easement for the purpose of future pipelines to be constructed to Sections 30 and 31 of Township 6 South, Range 90 West, 6<sup>th</sup> P.M., and in the S½NE¼ of Section 12 of Township 7 South, Range 91 West, 6<sup>th</sup> P.M., at a route to be determined at a later date by mutual agreement of the Parties.

D. TEMPORARY PIPELINE. A temporary surface pipeline will be placed from the McBurney #8-12 Drill Site to the CMU 22-7 Drill Site. The temporary pipeline will remain in place until the permanent pipeline(s) from the existing KP 23-25 Drill Site to the McBurney #8-12 Drill Site is constructed as shown in the attached Appendix C and D. WPX may lay temporary above ground water lines on CPW-approved routes between

<sup>\*</sup>This acreage includes the KP 33-16 Production facility.

Drill Sites for completion operations. WPX must give CPW seven (7) days notice before the installation of the above mentioned temporary surface water lines.

#### 2. NORMAL DAMAGES.

- A. For purposes of this Agreement, "Normal Damages" is defined as all damages growing out of, incident to, or in connection with the usual and customary exploration, drilling, completion, equipping, and operation of the Wells, including WPX's re-entry onto the Property for purposes of recompletion or reworking operations. Normal Damages shall include, but shall not be limited to, damages associated with the following activities:
  - (i) The construction, maintenance, repair, and use of new and existing Roads.
  - (ii) The preparation and use of the Drill Site(s), including cuttings trenches and cuttings management areas.
  - (iii) The construction, installation, maintenance, repair, and use of production equipment and facilities, such as flow lines, gas pipelines, separators, and any other equipment or facilities necessary or convenient for the production, gathering, transportation, and sale of oil and gas from the Wells.
  - (iv) The installation, connection, maintenance, repair, and use of buried gas pipelines from the Well's equipment and facilities to the gas purchaser's pipeline.
- B. WPX shall pay CPW damages per the below schedule, as consideration for the Normal Damages associated with the Wells, Drill Sites, Roads, and pipelines. Normal Damages may either be paid directly to CPW by check or money order and made payable to "Colorado Parks and Wildlife" and forwarded to CPW's address provided pursuant to paragraph 19 herein, or the Parties may elect to perform Mitigation as set forth below. WPX believes that it is vitally important for the Northwest Region to have access to the income generated by the SUA for purposes which are directly targeted to mitigating impacts to the GCSWA. The amount of Normal Damages attributable to Wells, Drill Sites, Roads, pipelines, and injection wells shall be calculated as follows:

Pad Construction Drilled Wells Roads and Buried Pipelines Injection Well -

The payments set forth above apply only to new activities, construction, and facilities. CPW acknowledges and agrees that it has been paid the appropriate surface damages, including Mitigation, for existing Wells, Drill Sites, pipelines, Roads, and other facilities under the terms of that certain Surface Use Agreement dated May 19<sup>th</sup>, 2009. Likewise, the payments set forth above do not apply to improvements or repairs to existing Wells, Drill Sites, pipelines, Roads, and other facilities.

The injection well payment shall be paid on or before January 15 in order to use the injection well during that calendar year.

Mitigation projects intended to offset temporary surface disturbance and wildlife habitat disturbance from WPX's operations within the GCSWA shall be jointly developed by the Parties, and designated values assigned thereto, at the annual review meeting described in paragraph 21 and shall be included in Appendix W. WPX, with CPW consent, may elect to perform Mitigation within GCSWA in accordance with Appendix W in fulfillment of its obligation to pay Normal Damages, provided that the total designated value of such project(s) shall be equal to or greater than the amount of Normal Damages otherwise due and owing, and further provided that such project(s) shall be completed by WPX in a timely manner. In the event WPX selects a mitigation project with a designated value greater than the Normal Damages then due, any excess value shall be credited against future Normal Damages.

- 3. ABNORMAL DAMAGES. If, by reasons directly resulting from the activities or operations of WPX, there is damage to the Property that is not associated with the usual, convenient, and customary oil and gas exploration and production operations ("Abnormal Damages"), such as, but not limited to, operations (including all acts or omissions of drilling contractors and water supply trucks) that occur outside of locations identified in Appendix C and D for Roads, Drill Sites, production equipment, facilities, and pipelines, WPX shall (i) promptly notify CPW of such damages, and (ii) at CPW's discretion, either repair such damages within a reasonable period of time, or pay mutually agreeable compensation to CPW.
- 4. **OPERATION PLANS.** WPX has developed and provided plans for the conduct and management of its operations on the Property. These plans include, but are not limited to the BMP, Water Quality Sampling and Monitoring Plan, Spill Control and Countermeasures Plans, Emergency Response Plan, Integrated Vegetation and Noxious Weed Management Plan, and Reclamation Plan. Copies of all associated permits and agreements obtained by WPX will be submitted to CPW upon written request. WPX warrants that it will operate under these plans on the Property. Terms specifically identified in this Agreement shall supplement and amend the plans listed in this paragraph.
- 5. **INDEMNITIES.** WPX shall indemnify, save, and hold harmless, the State, its employees, and agents, against any and all claims, damages, liability, and court awards including costs, expenses, and attorney fees incurred as a result of any negligent or intentional act or omission by WPX, or its employees, agents, subcontractors, or assignees, pursuant to the terms of this Agreement. In addition, and in addition to WPX's responsibilities to CPW pursuant to paragraph three (3) above, WPX shall also fully protect, indemnify, and hold harmless, CPW from any environmental claims relating to the Property that arise out of WPX's operations on the Property and all cleanup and remediation costs, fines, and penalties associated therewith, including, but not limited to, any claims arising from any environmental law or regulation.
- 6. WASTE WATER. WPX shall collect and remove all produced water, unless an injection well is installed, and condensate resulting from drilling and production operations on the

- Property. Under no circumstances shall WPX discharge any such water on the Property, to waters of the State or to the environment, including surface production ponds.
- 7. WEED CONTROL. For purposes of this Agreement, noxious weeds shall be those undesirable plant species designated to be "noxious weeds" pursuant to the Colorado Noxious Weed Act, §35-5.5-101, et seq., C.R.S., as amended or as may be amended (including, without limitation, any amendments to such statute, or under any similar statute which is subsequently enacted). WPX further acknowledges the property is subject to the rules and procedures of the Division of Federal Aid of the U.S. Fish & Wildlife Service. The rules and procedures establish requirements for review and approvals prior to the use of biological or chemical weed control. WPX shall be responsible for preparing requests, reports, or other materials needed to obtain approval or comply with the provisions affecting the property covered by this Agreement. WPX shall also be responsible for the control of all noxious weeds resulting from surface disturbances associated with the construction, maintenance, or reclamation of all Roads, Drill Sites, pipelines, and associated facilities constructed pursuant to this Agreement. WPX's responsibility shall extend until the final reclamation conditions established in paragraph eight (8) below are achieved.
- 8. INTERIM AND FINAL RECLAMATION AND MONITORING. Interim reclamation shall be performed on all disturbances outside the area of operation. Disturbed areas shall be reclaimed during the interim period between ground disturbance and final reclamation. Interim reclamation of disturbed areas shall occur within a reasonable timeframe of soil disturbance. When reasonably possible, reclamation shall also occur no later than the first growing season and prior to the first permanent frost conditions. Interim reclamation shall include seeding, soil preparation, slope stabilization, and should also be established to control noxious weed invasion.
  - Unless otherwise agreed to by the Parties, WPX covenants and agrees to restore all lands, Roads, or other improvements to a level comparable to their original condition prior to their occupancy. The Parties have agreed to a Reclamation Plan, which is attached hereto as Exhibit "B" and incorporated herein by this reference. CPW shall determine whether WPX's reclamation reasonably complies with the Reclamation Plan. In the event WPX fails to perform the reclamation or re-vegetative work required by said Reclamation Plan to the reasonable satisfaction of CPW, and after thirty (30) days prior to written notice specifying with particularity the failure and indicating the remedial steps needed to cure the same, CPW shall be allowed to perform, or have said work performed. WPX has and shall maintain Performance Bonds covering WPX leasehold acreage under the Property in a form acceptable to CPW of an amount equal to or exceeding Fifty Thousand (\$50,000.00) Dollars, with Surety or Sureties satisfactory to CPW, to guarantee the completion of the reclamation work detailed in the Reclamation Plan and also to guarantee that the material and labor on this work, or incidental to the completion of this work, will be fully paid for by WPX or its Surety and all direct and indirect costs incurred by CPW for reclamation or re-vegetative work required by this paragraph eight (8) including, but not limited to, re-grading, filling, re-vegetation, erosion control, and replacing of soil. WPX and its Surety shall remain responsible for the completion of the final revegetation of the Drill Sites at the conclusion of this Agreement, for those purposes, this provision shall extend until CPW provides written approval of the successful re-

contouring and re-vegetation of the Drill Sites. In the event WPX is prevented from complying with any of the obligations imposed upon herein, or from exercising any of the rights granted to it hereunder, as a result of an act of God, or any other cause, whether similar or dissimilar, reasonably proved beyond the control of WPX, the time within which WPX may perform such obligations shall be extended for a period equal to the time which WPX was prevented from the performance of such obligations. The term "force majeure" as herein employed shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightening, fire, storm, flood, explosion, governmental action, or governmental delay in issuing the necessary permits for drilling or access.

- B. WPX shall remove and segregate from the subsoil all topsoil from those portions of the Drill Sites, pipelines, and Roads that will be disturbed. Topsoil shall be segregated from subsoil and shall be stored separately until subsoil has been recontoured at reclamation. After subsoil has been replaced, topsoil shall be restored to its original location and condition as nearly as possible in the course of restoration activities. WPX shall replant all disturbed areas with species listed and described in Exhibit "B" and take all reasonable steps necessary to assure there is no soil erosion directly resulting from WPX's activities and operations caused by wind, water, or soil displacement.
- C. Upon WPX's completion of any surface disturbance or upon termination of this Agreement, the Property shall be restored to its original condition as nearly as reasonably practical. All surface equipment and materials associated with the activity, such as concrete, plastic, pipe, cable, similar waste materials and refuse, not including drill cuttings, shall be removed; provided that any oil-based drill cuttings must be removed. Weather permitting, reclamation and restoration operations shall be completed as soon as is feasible following drilling and subsequent related operations unless the Parties mutually agree to postponement because of weather, site conditions, season of year, or other considerations.
- 9. ENDANGERED SPECIES, ARCHEOLOGICAL SITES, AND COMPLIANCE **REQUIREMENTS.** WPX is aware the Property was purchased using Wildlife and Sport Fish Restoration Programs, and CPW is required to comply with the rules and regulations of these programs. In compliance with these rules and regulations, CPW has required and WPX has supplied reports and other materials to CPW in satisfaction of CPW's necessary clearances. WPX further agrees to assist CPW with such additional requests or clarifications as may be required. Further, WPX is aware that the Property is a potential habitat or potentially a habitat for species listed under the Endangered Species Act of 1973 (16 U.S.C. §§ 1531 to 1544). Additionally, the Property may also contain sites of cultural significance as determined by the State Historical Preservation Officer. WPX has caused surveys of the areas covered by this Agreement to be inspected and surveyed by qualified individuals to determine the presence of listed species and/or cultural sites. The survey results have been reviewed and accepted by CPW and are attached as Appendixes I and K to this Agreement. Prior to engaging in any activity to change the locations of any of the facilities covered by this Agreement, WPX shall consult with CPW and complete any additional surveys or inventories as may be deemed appropriate. WPX will comply with the direction of the State Historical Preservation Officer or comply with the requirements of the Endangered Species

- Act and the rules and regulations promulgated thereunder, including possible relocation of proposed facilities. Any such relocation shall only be done after consultation with CPW and after having received CPW's written approval.
- 10. **NOTICE OF HEAVY EQUIPMENT OPERATIONS.** WPX shall give CPW verbal notice, as provided in paragraph 19, at least five (5) days prior to bringing heavy equipment onto the Property for the construction of the Wells, Drill Sites, Roads, gas or water pipelines, and other associated production facilities; provided, however, that in the event WPX is unable to give such notice due to an emergency situation, WPX shall give CPW verbal notice of the use of heavy equipment as soon as reasonably practical.
- 11. WAIVER OF THIRTY DAY NOTICE. In regard to the Wells, CPW hereby waives the thirty (30) day advance notice required by the Colorado Oil and Gas Conservation Commission ("COGCC") Rule 305, as amended, and agrees to execute a separate waiver for filing with the COGCC if requested by WPX.
- 12. **NOTICE TO TENANT(S).** With respect to notice required to be given under COGCC's Rule 305, it shall be the responsibility of CPW to give notice of the proposed operations to any tenant, farmer, lessee, or other party that may own or have an interest in any crops or surface improvements that could be affected by WPX's proposed operations. As a courtesy to CPW, WPX will attempt to notify said third party prior to commencement of any operation, but shall be under no obligation to do so.
- 13. GATES. WPX shall install gates and locks on Roads constructed pursuant to this Agreement, if requested in writing by CPW. Keys or combination lock codes shall be provided to CPW. CPW may also elect to attach its own locks; such locks must be arranged in such a way so as to provide WPX unfettered access. Gates shall be kept closed by WPX at all times except when entering or exiting the Property, and shall be kept closed and locked by WPX at all times when personnel are not present on the Property. Under no circumstances shall WPX allow persons who are not employees, agents, or contractors of WPX to enter the Property beyond any locked gates on the Roads provided for herein. WPX will prohibit the operation of employees' or agents' vehicles off existing county roads and the Roads covered by this Agreement. WPX will take all reasonable steps to prevent the operation of vehicles by third parties off existing county roads and the Roads covered by this Agreement.
- 14. **TERM.** This Agreement shall become effective when it is fully executed. With respect to WPX's rights and interests hereunder, this Agreement shall remain in full force and effect until either (i) WPX has plugged and abandoned all wells owned, all or in part, by WPX that are located on the Property and that are covered by this Agreement, and WPX has complied with the requirements of all applicable laws and regulations and this Agreement pertaining to the removal of equipment, reclamation, cleanup, and all other applicable provisions thereof, or (ii) WPX ceases to use the facilities to produce and or transport natural gas, subject to force majeure, for a period of three hundred sixty five (365) consecutive days, or (iii) until terminated in writing by the Parties hereto, their successors and assigns.
- 15. **DRILLING RIG LIMIT.** WPX agrees to limit development on the Drill Sites included in this Agreement to two (2) drilling rigs on the Property at any given time. WPX will consult

- with CPW prior to any development, staging, or sequencing to minimize fracturing of habitat and to minimize wildlife disturbance within the Property.
- 16. **CAPTIONS.** The captions used in this Agreement are for convenience only and shall not limit the meaning of the language contained herein.
- 17. **SUCCESSION.** The covenants and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors, and assigns of the respective Parties, and shall run with the Property until terminated pursuant to the provisions herein. References herein to WPX shall include its employees, agents, and contractors.
- 18. **SPECIAL PROVISIONS.** WPX and CPW further agree to the covenants and conditions as set forth below:
  - A. The laws of the State of Colorado, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Agreement. Any provision of this Agreement, whether or not incorporated herein by reference, which provides for arbitration by any judicial body or person or which is otherwise in conflict with said laws, rules, and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract to the extent that the contract is capable of execution.
  - B. The signatories hereto aver that they are familiar with C.R.S. 18-8-301, et seq., (Bribery and Corrupt Influences) and C.R.S. 18-8-401, et seq. (Abuse of Public Office), and that no violation of such provisions is present.
  - C. The signatories aver that to their knowledge, no state employee has a personal or beneficial interest whatsoever in the service or property described herein.
  - D. Notwithstanding any other provision of this Agreement to the contrary, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits, or protections provided to the State under the Colorado Governmental Immunity Act, §§ 24-10-101, et seq., C.R.S., as amended or as may be amended (including without limitation, any amendments to such statute, or under any similar statute which is subsequently enacted). The Parties hereto understand and agree that liability for claims of injuries to persons or property arising out of the negligence of the State of Colorado, its departments, institutions, agencies, board, officials, and employees is controlled and limited by the provisions of §§ 24-10-101, et seq., C.R.S., as amended or as may be amended, and §§ 24-30-1501, et seq., C.R.S., as amended or as may be amended. Any provision of this Agreement, whether or not incorporated herein by reference, shall be controlled, limited, and otherwise modified so as to limit any liability of CPW to the above cited laws.

19. **NOTICES.** All written notices required or provided for in this Agreement shall be mailed to the other Party at its official address, United States mail, postage prepaid. For the purpose of this Agreement, the official addresses of the Parties shall be:

### If to CPW:

Colorado Parks and Wildlife Attn: Area Manager 711 Independent Ave. Grand Junction, CO 81505 Telephone: (970) 255-6100 Fax: (970) 255-6111

## If to WPX:

WPX Energy Rocky Mountain, LLC Attn: Joseph P. Barrett Attorney-In-Fact 1001 17<sup>th</sup> Street, Suite 1200 Denver, CO 80202 Telephone: (303) 572-3900 Fax: (303) 629-8281

All verbal notices shall be given to the telephone number provided. Either Party may change its official address or telephone number by giving written notice of such change to the other Party as provided for above. Except as otherwise provided herein, all notices shall be effective upon receipt.

- 20. ENTIRE UNDERSTANDING. This Agreement, along with Exhibits A and B and Appendixes A through V, inclusive, constitute the entire understanding of the Parties with respect to the new development operations described herein and in Appendix C and D, and there are no other provisions other than set forth therein. Any modification to this Agreement or any Exhibit or Appendix shall be void unless made in writing and signed by both Parties. In addition, this Agreement is not meant to limit (i) WPX's right to develop the oil and gas mineral estate underlying the Property, (ii) the number or location of Wells WPX can legally drill on the property, or (iii) CPW's ability to contest and object to any additional wells (and associated facilities) proposed by WPX for the Property.
- 21. **REVIEW.** WPX will coordinate an annual review of all the project activities with CPW. This review will occur in the first quarter of each year. The focus of discussions during the review meeting will include, but not be limited to, the Agreement, current operation activities, future development, concerns, Mitigation, and any emergent issues.
- 22. **COUNTERPARTS.** This Agreement may be executed in counterparts, all of which shall constitute one (1) agreement and which shall be binding on the Parties. In the event of any disparity between the counterparts produced, the first recorded counterpart shall be controlling.
- 23. COMPLIANCE WITH RULES AND REGULATIONS. In addition to the terms and conditions of this Agreement, WPX shall also comply with all applicable rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC") including, without limitation, COGCC's Series 1000 Rules. If there is a conflict between this Agreement and any applicable COGCC Rule, or if COGCC Rules require stricter protections to the environment, public health, safety, and welfare than this Agreement, then the COGCC's Rules shall prevail, unless specifically waived in writing by CPW and as may be allowed by COGCC. This Agreement does not constitute a waiver of any COGCC Rule unless

specifically provided for herein. In particular, without limitation, this Agreement is not a waiver of COGCC Rule 1002 (Site Preparation), 1003 (Interim Reclamation), or 1004 (Final Reclamation of Drill Sites and Associated Production Facilities).

IN WITNESS WHEROF, the Parties hereto set their hands the day and year first above written.

State of Colorado

Rick Cables PAC

Title: Governor

For the Director of the Parks and Wildlife for the

Executive Director of the Department of Natural Resources,

and on behalf of the Colorado Wildlife Commission

WPX Energy Rocky Mountain, LLC

Name: Joseph P. Barrett

Title: Attorney-In-Fact

# **ACKNOWLEDGEMENTS**

STATE OF COLORADO )
COUNTY OF ADAMS )
The foregoing instrument was acknowledged before me the day of the State of Colorado, Department of Natural Resources, benefiting the Division of Wildlife and the Colorado Wildlife Commission.
Witness my hand and official seal. My commission expires:
(Seal)  ERIC WILLIAM MERGENS NOTARY PUBLIC STATE OF COLORADO NOTARY ID # 20124075356 MY COMMISSION EXPIRES DECEMBER 10, 2016
STATE OF COLORADO ) CITY AND COUNTY OF DENVER )
The foregoing instrument was acknowledged before me the ///h day of January, 2013, by Joseph P. Barrett, Attorney-In-Fact, WPX Energy Rocky Mountain, LLC.
Witness my hand and official seal.  My commission expires:
(Seal)  Notary Public
PAIT NOT THE NOTE OF THE PAIR

## Exhibit "A" (page 1 of 2)

## Township 6 South, Range 91 West

Section 2: E½SW¼, W½SE¼, SE¼SE¼

Section 3: Lots 1, 2, S½NE¼, SE¼NW¼, SW¼SW¼, N½SE¼, SE¼SE¼;

Section 4: SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>;

Section 9: E½E½, SE¼SW¼, SW¼SE¼, SW¼NE¼, E½NW¼ and all that part of the

following land lying South of County Road running Westerly down the South side of the Grand (now Colorado) River and West of the County Road running

Southerly up the West side of Garfield Creek: NW¼NE¼ of Section 9;

SW1/4SE1/4, SE1/4SW1/4 of Section 4

**Excepting** a parcel of land described as follows:

Beginning at a point on the North-South Centerline of said section 4, said point being on the Northerly right-of-way line of said County Road whence the South Quarter corner of said Section 4 bears: South 00° 29' 34" East 990.67 feet;

Thence along said road right-of-way North 76° 02' 53" West 79.67 feet;

Thence 100.26 feet along the arc of a curve to the left, having a radius of 230.00

feet, the chord of which bears; North 88° 32' 10" West 99.47 feet;

Thence South 78° 58' 32" West 293.50 feet;

Thence 140.15 feet along the arc of a curve the left, having a radius of 1,030.00 feet, the chord of which bears: South 75° 04' 40" feet West 140.04

Thence South 71° 10' 47" West 396.23 feet;

Thence 66.20 feet along the arc of a curve to the left, having a radius of 530.00

feet, the chord of which bears: South 67° 36' 05" West 66.16 feet;

Thence South 64° 01' 23" West 301.54 feet;

Thence South 00° 39' 46" East 62.00 feet to the Southerly right-of-way line of

County Road 335; the point of beginning;

Thence South 00° 39' 46" East 525.00 feet:

Thence North 29° 00' East 415.00 feet;

Thence North 70° 45' East 870.00 feet;

Thence South 49° 30' East 395.00 feet;

Thence South 11° 30' East 1,150.00 feet;

Thence North 89° 30' East 295.00 feet to the Westerly right-of-way line of

County Road 312:

Thence Northerly along the Westerly right-of-way line of County Road 312 to its junction with County Road 335 thence Westerly along the Southerly right-of-way

line of County Road 335 to the point of beginning.

Section 10: N½, SW¼, N½SE¼, SW¼SE¼, SE¼SE¼; (All)

Section 11: SW¼ NE¼, W½NW¼, SE¼NW¼, N½SW¼, NW¼SE¼, E½E½, NW¼NE¼,

S½SW¼, SW¼SE¼ (All)

Section 12: SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>; W<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>;

Section 13: NW¼, W½SW¼; W½E½, E½SW¼;

Section 14: N½NE¼, SE¼NE¼, S½, SW¼NE¼, NW¼; (All)

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Section 15: W½NE¼, NW¼, N½SW¼, SE¼SW¼, SE¼, E½NE¼; SW¼SW¼; (All)

Section 16: SE¼NW¼, SW¼SE¼, SE¼SE¼, N½SE¼, NE¼;

Section 21: E½NE¼;

Section 22: W½, NE¼, SE¼ Except that portion conveyed to Adam Blackwood by R.P.

Coulter in Book 93 at page 318, Reception No. 49409, said exception being all that part of the NE¼SE¼ of said Section lying North of a County Road as same existed on April 18, 1914, and Except a 40 foot Strip of land Conveyed to the Board of County Commissioners by R.P. Coulter in Book 86 at Page 407,

Reception No. 52649, the center line if which is described as follows: Starting at the center quarter section corner of Section 22, Township 6 South Range 91 West of the 6<sup>th</sup> P.M.;

Thence North 89° 30' East 321 feet;

Thence South 36° 40' East 971 feet;

Thence South 66° 25' East 203.6 feet;

Thence South 89° 10' East 1564 feet to the East line of said R.P. Coulter Ranch, and Except that portion conveyed to Faye B. Faas by Robert H. Ragle in Book 569 at page 735, Reception No. 313955 described as follows: Commencing at a rock properly marked and found in place for the Southeast Corner of Section 22; Thence North 46° 26' 08" West 3712.79 feet to the center of said section 22, the True point of beginning Thence North 88° 39' 18" E. along the East-West centerline of said section 22, 319.84 feet to the Westerly right-of-way of the existing Garfield Creek County Road;

Thence South 36° 57' 17" East along said Westerly right-of-way 301.93 feet; Thence leaving said Westerly right-of-way South 88° 39' 18" west 496.46 to the North-South centerline of said Section 22:

Thence North 01° 09' 16" West along said north-South centerline 245.47 feet to the True Point of Beginning.

Section 23: NW¼NE¼, S½NE¼, N½NW¼, NE¼SE¼, SE¼SE¼, NE¼NE¼, S½NW¼,

S½SW¼, NE¼SW¼;

Section 24: NW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, W<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>, W<sup>1</sup>/<sub>2</sub>;

Section 25: W½SE¼, NE¼SE¼, SW¼, E½NW¼, SW¼NW¼

Section 26: S½, NE¼, NW¼ (All)

Section 27: SE¼, W½NE¼, N½SW¼, E½NW¼, SW¼NW¼, E½NE¼;

Section 28: S½NE¾, N½SE¾

Section 34: NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, NW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>;

Section 35: N½N½

Section 36: S½SE¼NE¼, SW¼NE¼, N½SE¼, SE¼SE¼; S½NW¼, N½SW¼, NW¼NW¼,

SE¼SW¼, SW¼SE¼, NE¼NW¼, NW¼NE¼

## Township 7 South, Range 91 West

Section 1: Lot 1, Lot 2, Lot3, SE¼SW¼, SE¼SE¼, SW¼SE¼,

Section 12: NE¼NE¼, E½NW¼, S½NE¼, NW¼NE¼;

## Exhibit "B"

# Reclamation Plan

#### A. GENERAL RECLAMATION PRACTICES AND GUIDELINES

#### 1.0 INTRODUCTION

## 1.1 Purpose.

The purpose of the guideline is to describe prescribed methods of topsoil replacement, reseeding, erosion control measures, and monitoring success.

The guideline is applicable to the construction of the Easements, new or improved Roads, Drill Sites, and work spaces. Site specific requirements, if any, follow in section B.

## 1.2 Goals and Objectives.

The short term goals of reclamation are to control erosion, weed invasion, sedimentation, and to minimize impact to adjacent land uses. Properly executed construction practices, optimum scheduling, and timely construction will mitigate short term impacts. Long term goals include erosion, sedimentation control, protection of water resources and soils, and a return to preexisting land uses and vegetative cover. The long term goals will be met through implementations of the Reclamation Guideline. Monitoring during the construction and operational phases will ensure that goals are achieved.

### 2.0 RECLAMATION PROCESS

The following sections outline the sequential steps for reclaiming Easements, Roads, and Drill Sites.

## 2.1 Regrading.

Final regrading and installation of erosion control measures will be completed after trenches have been backfilled. All non-essential Roads, hillsides, beds, and other areas where earth has been moved will be restored to approximate, as close as possible, the original contour of the land.

Proper compaction and re-contouring will be completed prior to the application of topsoil. Where settling may be a problem, the backfill will be mounded over the trench approximately one-half (0.5) foot to account for subsidence, unless otherwise specified by CPW.

## 2.2 Topsoil Replacement.

Once sites have been re-contoured and compacted, topsoil will be redistributed over the entire disturbed area from which it is salvaged. Redistributed depths of topsoil will vary depending upon available stripping depths.

Topsoil will not be mixed with spoil material before or during replacement and only topsoil will be respread. Topsoil from unstrapped areas will not be used to cover adjacent disturbances. Topsoil may not be handled during excessively wet conditions or at times when the ground or topsoil is frozen. Inspections will ensure soil conservation practices are followed according to the guidelines and specifications outlined.

Replaced topsoil will be left in roughened condition to discourage erosion. Additional erosion control and soil stabilization may be required on steeper slopes, in areas of erodible soils, and in areas adjacent to or within drainage.

The length of time topsoil is stockpiled will be minimized based on the proposed construction schedule.

# 2.3 Seedbed Preparation.

The contractor will scarify, till, or harrow the seedbed when safe and practicable to a depth of three (3) to four (4) inches to enhance re-vegetation. Those sites where this method is not practical (e.g. steep slopes, rocky areas) will be dozer tracked perpendicular to the slope or otherwise left with adequate roughness following topsoil placement to provide micro sites for seed germination and to reduce soil movement.

#### 2.4 Re-fertilization.

WPX will take soil samples from each location prior to reclamation in order to evaluate the soil for proper growth suitability. Then, if required, WPX will make recommendations of soil amendments to be approved by CPW prior to reclamation implementation.

Fertilizer will only be used if approved by the CPW.

## 2.5 Re-vegetation.

CPW will provide the contractor a list of proper seeding mixtures, rates, seeding methods, and recommended best timing. Section B of this exhibit will contain the seeding mixtures and information provided it has been developed prior to execution of the Agreement.

## 2.5.1 Species Selection.

Selection of plant species for re-vegetation is primarily based on plant community composition and soil types, as well as establishment potential, growth characteristics, soil stabilizing qualities, palatability to wildlife and livestock, commercial availability, post construction land use objectives, and agency recommendations.

## 2.5.2 Re-vegetation Mixtures and Rates.

The basic seed mixtures and seeding rates will be based on agency recommendations. Seeding rates are presented in pounds of pure live seed (PLS) per acre based on drill seeding application rates. Broadcast or hydro seeding rates will be roughly double the drill seeding rates.

In some instances, seed mixtures may need to be modified as a result of limited species availability, poor seed quality, or site differences. These modifications will be made based on site-specific conditions and requirements. Modifications will only be undertaken with the concurrence of CPW.

All disturbed lands will be reseeded with the exception of wetlands. Disturbed wetland areas will rely on natural recolonization from reapplied topsoil and from rhizomes from adjacent areas. Seed and other propagules will naturally be present in the salvaged topsoil and will aid this process.

WPX will perform appropriate biological surveys, including wetland identification, for each proposed project and will provide said reports to CPW for review.

## 2.5.3 Seeding Methods.

Either drill or broadcast seeding will be used for seed application, based on site-specific conditions. Drill seeding will be employed on level to gently sloping areas where coarse fragment content allows drilling operations. Seeding depth will reflect requirements of the specific seed mixtures. If necessary, the seed bed will be firmed prior to drill seeding to avoid planting seed deeper than one-half (0.5) inch.

Broadcast seeding will be employed on steep and/or rocky areas where drill seeding is not practical. Wherever possible, broadcast areas will be chained, harrowed, or cult packed to cover the seed. On small or inaccessible sites, hand raking will be used to cover seed. On steeper slopes where tilling or harrowing are not practical, the areas will be dozer tracked perpendicular to the slope prior to seeding, or otherwise left in a roughened state, to provide micro sites for seed germination.

#### 2.5.4 Erosion control.

Erosion control methods will be utilized as needed and in concurrence with CPW. Areas of special concern include riparian areas, stream crossings, and steep slopes in all canyons. Methods of erosion control to be utilized throughout the Property as applicable include water bars, sediment barriers, and mulch applications using erosion control fabric, fiber, or mats.

## 2.5.4.1 Water bars.

Water bars will be constructed on ascent/descent slopes and in areas of erodible soils to direct runoff from the disturbed areas to adjacent vegetation or rock, thereby minimizing erosion channels and sediment transport prior to the reestablishment of vegetation. Water bars will be of sufficient size to survive three (3) to five (5) years and will be constructed at frequencies as directed by environmental conditionals and road grade.

Water bars will also be installed at the entrance and exit of all stream and wetland crossings. Topsoil will not be used in the construction of water bars.

#### 2.5.4.2 Mulch.

Site specific applications of mulch will be applied on erodible soils to control erosion. Only straw or hay, which has been certified to be weed free, will be used. When hydro seeding is used for seed application, the seed will be broadcasted first, followed by the application of hydro mulch which will be applied at a rate sufficient to provide one hundred (100) percent ground cover.

## 2.5.4.3 Stabilization of Steep Slopes, Erodible Soils, and Stream Banks.

In areas of erodible soils and on steep slopes in excess of forty (40) percent, erosion control fabric, fiber, or mats will be used to control erosion. These materials will be anchored immediately after placement. Alternately, stream beds, banks, and erodible soils will be stabilized using best stabilization practices. Rocks excavated during construction may be used for this purpose.

#### 2.5.4.4 Sediment Barriers.

Sediment barriers will be installed at the entrance and exit of all streams, rivers, ponds, and wetlands to minimize sediment transport into these sensitive areas. Certified weed free straw bales, straw wattles, or prefabricated silt fence will be used for these installations.

## 2.5.4.5 Restricting Access.

In order to prevent rutting, subsequent erosion problems, and damage to riparian areas, measures will be taken to prevent unauthorized use of Easements as a roadway.

## 2.6 Supplemental Plantings.

All disturbed areas must be returned to a condition to be agreed upon by WPX and CPW as to the satisfactory standards for such reclamation. Reclamation practices in riparian areas will be prescribed on a case by case basis and may include planting of nursery stock or cuttings.

#### 2.7 Above Ground Facilities.

Following construction, all above ground facilities (e.g. structures, appurtenances, etc.) will be painted to blend with the natural surroundings. A reflective material may be used to reduce hazards that may occur when structures are near roads. Otherwise, a non-glare, non-reflective, non-chalking paint will be used. Basic color selections and applicable uses will be coordinated with the CPW. General guidelines for color selection are presented below:

- A. Forest Green—Use on above ground facilities in areas that are predominately vegetated by trees.
- B. Brown—Use on above ground facilities in areas that are predominately vegetated by grass, in areas that are mostly un-vegetated, or in areas dominated by rock outcrops.

## 2.8 Cleanup.

Following completion of reclamation, all trash, debris, and other solid waste, not including Drill Site cuttings, will be removed from the reclaimed areas. All material will be disposed of in the appropriate manner in existing authorized sanitary landfills. No solid waste, not including Drill Site cuttings, will be buried on the Property.

#### 3.0 RECLAMATION SCHEDULE.

Re-vegetation activities will be determined in part by construction schedules and seasonal climatic conditions. Seeding and planting will be coordinated with other reclamation activities to occur as soon after seedbed preparation as possible. The goal is to complete reclamation during the construction period prior to winter. If the weather conditions preclude re-vegetation of some areas during or immediately after the construction period, these areas will be re-vegetated as soon as access allows. These are general guidelines and may be revised based on seasonal climatic conditions, onsite conditions, and concurrence with CPW.

## 4.0 POST-CONSTRUCTION MANAGEMENT

## 4.1 Monitoring.

Following construction and reclamation, a qualitative and quantitative monitoring program will be performed once per year to determine the need for further reclamation. Operator shall establish permanent and monumented photo points and measurement plots or transects; monitor at least annually until plant cover, composition, and diversity standards have been met.

Monitoring will also include a quantitative estimate of percent cover annually at peak biomass (July) in both the reclamation area and adjacent undisturbed land. This information should be compiled in an annual reclamation monitoring report which should also include a list of species established within the reclamation area. The monitoring program will be conducted for an unspecified length of time that will be determined through mutual agreement between WPX and CPW unless specifically specified by the Agreement.

Monitoring will be conducted by a qualified specialist. Native herbaceous and woody species will be monitored to ensure they permanently re-vegetate. Any problem areas identified during inspections will receive additional re-vegetation efforts as soon as practical.

Erosion and sediment control measures will be assessed during construction and following re-vegetation to determine their effectiveness. Remedial actions will be taken for any problem areas identified.

## 4.2 Evaluating Reclamation Success.

WPX will conduct reclamation evaluations in consultation with CPW. Reclamation evaluation will include assessment of stability and re-vegetation success. Determination of final re-vegetation success will be made by comparison of the re-vegetated area to reclamation objectives. Annual reviews of re-vegetation success will be conducted jointly by WPX and CPW unless a different schedule is identified in section B of this Exhibit or in the Agreement. General evidence of success of re-vegetation efforts are:

## 4.3.1 Monitoring Report.

- A. An annual reclamation and weed management monitoring report shall be prepared. This report should contain a summary of reclamation activities, photographs from monumented locations (taken in July/ August), and an estimation of percent cover, a summary of species diversity, presence of noxious weeds, erosion control, and a species list.
  - (i.) Post disturbance plant cover is comparable to cover on adjacent undisturbed lands, is at least 80% ground cover, and is weed free. CPW personnel will be included in the evaluation process. If there is a disagreement between WPX and CPW as to the extent to which reclamation and re-vegetation has been successful, a 3<sup>rd</sup> party professional will make a determination based on the criteria noted for cover and diversity (80%).
  - (ii.) Species diversity is comparable to adjacent areas.
  - (iii.) Reproduction from reestablished plants is evident.

## B. Garfield Creek Specific Reclamation Practices:

CPW and WPX mutually agree that the general reclamation guidelines will be used and WPX will utilize the following specific reclamation techniques in the GCSWA:

- (i.) All topsoil should be segregated from subsoil and stored in wind rows no higher than five (5) feet, if practical. If topsoil amounts allow for greater than five (5) foot wind rows, approval from CPW shall be requested on proper storage practices.
- (ii.) Recommended Seed Mix for Reclamation of Disturbed Areas in the GCSWA is as follows:

Recommended Seed Mix for Well Pad Sites, Pipelines and Meadows (outside of Hay Fields)

Scientific Name/Seeds per Pound	Common Name/Preferred Cultivar	% of Mix	Application Rate Lbs PLS/acre*
Elymus lanceolatus	Thickspike wheatgrass (Critana)	7	5-10
Pascopyrum smithii	Western wheatgrass	7	6-12
Elymus trachycaulus	Slender wheatgrass (VNS)	7	1-2
Sanguisorba minor	Small burnett (Delar)	3	20
Onobrychis viciaefolia	Sanfoin (VNS)	8	30-35
Astragulus cicer	Cicer milkvetch (CNS)	8	5
Medicago sativa spp.	Alfalfa (Ranger)	20	6-10
Medicago sativa spp.	Alfalfa (WL)	20	6-10
Medicago sativa spp.	Alfalfa (Ladak)	20	6-10
Total		100	

# Recommended Seed Mix for Disturbance to Irrigated Hay Fields within GCSWA

Scientific Name/Seeds per Pound	Common Name/Preferred Cultivar	% of Mix	Application Rate Lbs PLS/acre*
Medicago sativa spp.	Alfalfa (Ranger)	35	6 - 10
Medicago sativa spp.	Alfalfa (WL)	35	6 - 10
Medicago sativa spp.	Alfalfa (Ladak)	30	6 - 10
1	Total	100	

- (iii.) All mulches and other plant material used in the GCSWA will be certified weed free.
- (iv.) Trees, shrubs, and large surface rocks present within the GCSWA that must be removed for construction will be stored on the Drill Sites during construction and replaced or scattered in a manner that will deter public vehicular travel across the GCSWA pipeline, while avoiding an "unnatural" appearance to the barriers that are created.
- (v.) Any fences gapped or removed will be repaired to pre-existing condition at completion of construction.
- (vi.) Any roads or trails cut by the pipeline trench or which are rutted or otherwise damaged by construction activities will be repaired to preexisting condition at completion of construction. Roads will not be expanded in width or improved substantially without specific CPW approval.
- (vii.) Appropriate erosion/storm water control measures will be implemented in accordance with applicable Colorado Department of Health and Environment Water Quality Control Division requirements. BMP's will be placed to prevent soil/spoil movement from the construction areas into adjacent areas or waterways.
- (viii.) WPX will monitor GCSWA at a minimum of bi-annually or more often if conditions warrant for invasion of noxious weeds. Weed control on the Property will be conducted by spot treatment from the ground. The types of treatment and approvals required are governed by the provisions in paragraph 6 of the Agreement.

Upland reclamation will be evaluated during July of the first, third, and fifth years following completion of Road and Easement construction. Reclamation success will be based on establishment of desired vegetation, ground coverage, and plant vigor. If the stipulated reclamation fails, the Parties will mutually evaluate the cause and revise the reclamation plan based on the evaluations findings.

## C. SITE SPECIFIC REQUIREMENTS.

Wildlife, including migratory birds, must be physically excluded from entry into reserve pits. Fencing and netting requirements will be stipulated by DOW.