

Memorandum of Surface Use Agreement

WHEREAS on the 8th day of ~~January~~ ^{February}, 2018, Mike Shull Living Trust and Peggy Shull Living Trust, whose address is 53004 County Road 100, Grover, Colorado 80729, hereinafter referred to as "Owner" entered into a Surface Use Agreement (hereinafter the "Agreement") with Verdad Resources LLC, whose address is 5950 Cedar Springs Road, Suite 200, Dallas, Texas 75235, hereinafter referred to as "Operator," covering and affecting property with the legal description identified as the following ("Property"):

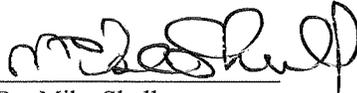
TOWNSHIP 9 NORTH, RANGE 60 WEST, 6TH P.M.
Section 25: S2

WHEREAS said Agreement provides for, among other things, the right to enter upon and use the Owner's property for the purpose of erecting and maintaining well site locations and to perform other services as Operator and other functions described in the Agreement, and it also sets forth payment of specific amounts to cover damages resulting thereto. The Agreement, with all of its terms, conditions, covenants and other provisions, is referred to and incorporated into this Memorandum for all purposes.

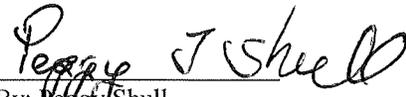
NOW THEREFORE this Memorandum is placed of record for the purpose of giving notice of the Surface Use Agreement. Any person having the lawful right or legitimate interest therein may examine a copy of the Surface Use Agreement in Verdad Resources LLC's office during normal business hours.

IN WITNESS WHEREOF, the parties hereto have executed this instrument this 8 day of February, 2018.

Owner:


By: Mike Shull
~~Operator manager~~
Trustee MS

Its:


By: Peggy Shull
~~Operator manager~~
Trustee MS

Operator: Verdad Resources LLC



By: Philip W Davis, VP - Land

STATE OF COLORADO §
§
COUNTY OF DENVER §

Before me, the undersigned, a Notary Public in and for the said County and State, on this day personally appeared Philip W Davis, Vice President - Land for Verdad Resources LLC, known to me to be the identical person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of Verdad Resources LLC, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 8 day of February, 2018

JA
Notary Public

STATE OF Colorado §
§
COUNTY OF Weld §

JEFFREY ALLEN BERGHORN
NOTARY PUBLIC - STATE OF COLORADO
Notary Identification #0154017265
My Commission Expires 4/30/2019

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Mike Shull, known to me to be the identical person whose name is subscribed to the foregoing instrument, and acknowledged to me that the same.

Given under my hand and seal of office this 8 day of February, 2018.

JEFFREY ALLEN BERGHORN
NOTARY PUBLIC - STATE OF COLORADO
Notary Identification #0154017265
My Commission Expires 4/30/2019

JA
Notary Public

STATE OF Colorado §
§
COUNTY OF Weld §

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Peggy Shull, known to me to be the identical person whose name is subscribed to the foregoing instrument, and acknowledged to me that the same.

Given under my hand and seal of office this 8 day of February, 2018.

JEFFREY ALLEN BERGHORN
NOTARY PUBLIC - STATE OF COLORADO
Notary Identification #0154017265
My Commission Expires 4/30/2019

JA
Notary Public

6. **Default and Right to Cure.** In the event of alleged default by Operator in the payment of any of the sums hereinabove provided to be made, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Owner shall notify Operator of such alleged default in full and complete detail, in a writing delivered to Operator by certified mail, return receipt requested. Operator shall have sixty (60) days from its actual receipt of the written notification in which to pay, in the event of alleged non-payment, or to commence and diligently pursue a cure of any other alleged default, and upon such lapse of time, should such alleged default still remain in effect, then and only then shall Owner have the right and option to declare a default under this Agreement.
7. **Waivers.** Except as otherwise agreed in a subsequent writing subscribed to by both parties, no waiver by Owner of any breach by the Operator of any of its obligations, agreements, or covenants hereunder shall be deemed to be a waiver of any subsequent or continuing breach of the same, nor shall any forbearance by Owner to seek a remedy for any particular alleged or actionable breach by the Operator be deemed to be a waiver by Owner of its rights or remedies with respect to any other alleged or actionable breach; however in no event shall Operator be liable for consequential damages.
8. **COGCC Waivers.** Owner hereby waives the minimum 30-day written notice requirement for operations to begin and any other and/or future notice or consultation requirements of the COGCC, including for the purpose of the one well described herein, the provisions and allowed waivers under COGCC Rules 305 and 306. Owner hereby waives the Greater Wattenberg Area ("GWA") special well location, spacing and unit designation requirements of the COGCC, including without limitation the provisions and allowed waivers under COGCC rules 318A.a, 318A.c and 603.a.(2). Additionally, Owner waives notice requirements under the Weld Oil & Gas Location Assessment ("WOGLA") policy.
9. **Federal Waivers.** Owner hereby agrees to allow the Colorado Division of Wildlife to enter upon the Property for the purpose of inspecting wildlife habitat; and, consents to the inclusion of site-specific conditions of approval, stipulations, or restrictions related to wildlife habitat protection or mitigation in the COGCC permit(s) for the designated Well, consents to an archeological survey if necessary to obtain a permit to drill.
10. **Indemnity/Release.** Operator agrees to indemnify and hold Owner harmless from any and all claims, damages and causes of action arising out of and caused by Operator's operations on the Lands that may be asserted by any of Operator's agents, employees, subcontractors, contractors or persons entering upon the premises at the request of Operator. Owner hereby releases and agrees to hold harmless Operator from any and all liability and further payment, other than what has been provided herein, for damages on the Lands which arise from, out of or in connection with the Operator's operations on the Lands, but only as to those operations which are described in and permitted by this Agreement, and for those operations which the Amount has been paid and received by Owner pursuant to this Agreement.
11. **Notices.** Notice by either Party shall be timely given in writing, and orally if possible (with the exception of notices described in this Agreement requiring written notice), with additional and immediate subsequent written confirmation sent by United States mail, postage prepaid and addressed to either Party at the address as designated below; or to such other place as either Party may from time to time designate by written notice delivered in the way described in this paragraph to the other:
12. **Recording.** Operator may request that Owner execute a memorandum of this agreement and record it in the records of Weld County, Colorado and with any other appropriate agency of government.