

**AGREEMENT FOR SETTLEMENT OF SURFACE DAMAGES  
AND GRANT OF RIGHTS AND WAIVERS**

This Agreement for Settlement of Surface Damages and Grant of Rights and Waivers ("SDA") is entered into on April 20, 2018, by and between **Barclay Farms LLC** ("*Surface Owner*"), whose address is 13017 WCR 30, Platteville, Colorado, 80651, and **Kerr-McGee Oil & Gas Onshore LP** ("*KMG*"), with offices at 1099 18<sup>th</sup> Street, Suite 1800, Denver, Colorado 80202, covering certain lands (the "*Lands*") situated in Weld County, Colorado, described as follows:

Township 3 North, Range 66 West of the 6<sup>th</sup> P.M.

Section 20: East Half of the Southwest Quarter (E/2SW/4); more specifically described in a Special Warranty Deed dated November 18<sup>th</sup>, 1999 and recorded on November 22<sup>nd</sup> 1999 at Reception Number 2734129; also identified as Parcel No. 121120000037.

And

Section 28: NE/4; more specifically described in a Special Warranty Deed dated November 18<sup>th</sup> 1999 and recorded on November 22<sup>nd</sup> 1999 at Reception Number 2734129; also identified as Parcel No. 121128000017.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Compensation; Release of All Claims

KMG shall pay to Surface Owner the sum set forth in that certain Agreement Regarding Compensation between Surface Owner and KMG entered into contemporaneously with this SDA, as full consideration and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of KMG's operations on the Lands, including, but not limited to, KMG's drilling and completion operations, its continuing activities for the production and transportation of oil, gas, other hydrocarbons, water or products associated with such operations and activities, use of the surface of the Lands, ingress, egress, access roads, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, electrical lines and equipment, data transmission lines and equipment, and any and all other reasonable and customary uses of the Land related to all such operations or activities.

2. Acknowledgement

Surface Owner acknowledges and understands that KMG, as owner or lessee of the oil and gas estate in the Lands and/or lands pooled therewith, owns an easement and right-of-way that burdens the Lands, and that KMG has a continuing right and entitlement to use the surface of the Lands for its operations, including, but not limited to, access, construction, operation, maintenance, repair and replacement of temporary above-ground water lines and completion fluid lines, subsurface flowlines, gathering lines and other pipelines, data transmission lines, electrical lines and related equipment (both subsurface and above-ground) that may be necessary or convenient to its operations on the Lands and/or lands pooled therewith.

Surface Owner further acknowledges and understands that local, state and federal regulatory authorities will require access to the well pad, facility site and pipelines to perform necessary surveys and inspections to ensure regulatory compliance.

3. Grant of Additional Rights and Easements

Surface Owner grants to KMG the following:

(i) the right to drill on the Lands oil and gas wells that produce and drain oil, gas and hydrocarbons from lands other than the Lands and to locate, construct, use, and maintain surface equipment related to such wells on the Lands, including, but not limited to, wellheads, associated production equipment, flowlines, compressors and facilities related to transportation of oil and natural gas; and

(ii) the right to locate on the Lands at locations to be determined by KMG temporary above-ground water lines, temporary above-ground completion fluid lines, completions equipment, and any additional equipment related to the completion of wells on other lands; and

(iii) the right to locate on the Lands at locations to be determined by KMG an easement and right of way for above-ground and subsurface utilities for use related to operations on the Lands and other lands. Surface Owner agrees that the easement and right-of-way will be on the form attached to this SDA and labeled Attachment 1.

4. Subsurface Easement

Upon request of KMG or its successor and assigns, Surface Owner agrees to execute, acknowledge and deliver to KMG and its successor and assigns a separate subsurface easement on the form attached to this SDA and labeled Attachment 2.

5. Access Permit and Authorization Forms

Upon request of KMG or its successors and assigns, Surface Owner agrees to execute, acknowledge and deliver to KMG and its successors and assigns all authorizations and permits, and all applications for authorizations

and permits, required by any regulatory or governmental agency in connection with KMG's access to its operations on the Property.

6. Pipeline Easement and Right-of-Way

Surface Owner agrees to negotiate in good faith with Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gatherer designated by KMG, the location of an easement and right-of-way on the Lands for the construction, use, maintenance, and replacement of pipelines for the transportation of hydrocarbons and water from the Lands and other lands, and associated electric power lines, data transmission lines and equipment. Surface Owner agrees that the pipeline easement and right-of-way will be on the form attached to this SDA and labeled Attachment 3.

7. Waivers

Surface Owner, for itself and its successors and assigns, hereby waives the right to, and covenants not to, protest or object to the use of the surface of the Lands by KMG as provided in this SDA. Furthermore, Surface Owner and its successors and assigns will provide KMG and its successors and assigns with all written waivers and other evidence of support KMG may reasonably require to obtain permits from the Colorado Oil and Gas Conservation Commission ("COGCC") or any local jurisdiction.

As provided in COGCC Rule 318A or any successor rule or amendment adopted by the COGCC, or in any rule or ordinance of a local jurisdiction, relating to the location of wells within the Greater Wattenberg Area (GWA), Surface Owner hereby consents to, and waives its right to protest or object to surface well locations that are outside of designated GWA windows and surface well locations that are more than fifty (50) feet from an existing well.

Surface Owner waives the reclamation timing requirement in COGCC Rule 1003.b. until KMG has completed all drilling and completion operations on the Lands.

Surface Owner further understands and acknowledges that COGCC rules and regulations govern the distance between a wellhead and public roads, production facilities, buildings, building units and surface property lines, among other things. To the fullest extent possible, Surface Owner hereby waives all setback, consultation and notification requirements in COGCC Rules 305, 306, 603 and 604 and any successor rules or amendments, including Exception Zone setbacks and any other state or local setback requirements or other laws, requirements or regulations that would prohibit or interfere with the rights of KMG to explore for and produce oil and gas from the Lands and to locate wells and production facilities anywhere on the Lands. Owner further agrees not to object to the location of wells and production facilities on the Lands on the basis of setback requirements in the noted COGCC rules and regulations and any state or local setback requirement.

Surface Owner acknowledges that KMG and its successors and assigns may cite the waivers in this SDA in order to obtain exceptions and variances from the COGCC or from any other state or local body having jurisdiction over oil and gas operations. Surface Owner agrees that this SDA satisfies any requirement for a consent to an exception or variance signed by the surface owner, Building Unit Owner (as that term is defined in the COGCC Rules and any successor rules or amendments), homeowner or the like and agrees that KMG and its successors and assigns may provide a copy of this SDA to the COGCC or to any other state or local body in satisfaction of such requirement.

Surface Owner agrees to execute and deliver to KMG and its successor and assigns all consents and waivers requested, including waivers required from Building Unit Owners, homeowners and the like.

8. Notice to Future Owners

Surface Owner shall provide notice to all buyers and assignees of an interest in the Lands (or any portion thereof), including all builders, property owners, property owners' associations, and special districts, (each, a "Future Owner") of the existence of this SDA, the grants and waivers contained herein and the fact that Surface Owner has agreed to the amount of compensation for surface damages, for the grant of additional rights and easements and for the agreements and waivers in this SDA. In addition, Surface Owner will notify Future Owners that, as successors in interest to Surface Owner, Future Owners will assume the obligations undertaken by Surface Owner pursuant to this SDA, including the obligation to execute and deliver waivers to KMG and its successors and assigns and to provide notice to subsequent Future Owners. It is expressly understood and agreed by Surface Owner and KMG that the waivers, notice requirements and the obligations assumed by Future Owners as set forth in this SDA are, and shall be construed to be, covenants that run with the Land. As a condition to any sale or assignment of the Lands (or any portion thereof) by Surface Owner and its successors and assigns, Surface Owner and its successors and assigns will require that the buyer or assignee agree to provide to KMG and its successors and assigns all waivers required in the preceding section of this SDA.

9. Assignment

KMG may assign this SDA in whole or in part.

10. Binding Agreement

The terms of this SDA shall constitute covenants running with the land and shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

11. Counterpart Signatures

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

12. Authority to Execute

Surface Owner represents and warrants that he/she/they have the authority to execute this SDA in the capacity stated below.

13. Severability

If a court of competent jurisdiction determines that any clause or provision of this SDA is void, illegal, unenforceable or unconscionable under any present or future law (or interpretation thereof), the remainder of this SDA shall remain in full force and effect, and the clauses or provisions that are determined to be void, illegal, unenforceable, or unconscionable shall be deemed severed from this SDA as if this SDA had been executed with the invalid provisions eliminated; provided, however, that notwithstanding the foregoing, if the removal of such provisions destroys the legitimate purposes of this SDA, then this SDA shall no longer be of any force or effect. The Parties shall negotiate in good faith for any required modifications to this SDA required as a result of this provision. In the event that any part of this SDA would otherwise be unenforceable or in conflict with applicable laws due to the term or period for which such part is in effect, the term or period for which such part of this SDA shall be in effect shall be limited to the longest period allowable which does not cause such part to be unenforceable or in conflict with applicable laws.

14. Recording

KMG may record this SDA or a Memorandum of this SDA with the Clerk and Recorder of the County in which the Property is located.

The undersigned have executed this SDA on the date first above written.

Surface Owner

Kerr-McGee Oil & Gas Onshore LP

By: Chris Barclay  
Name: CHRIS BARCLAY  
Title: owner

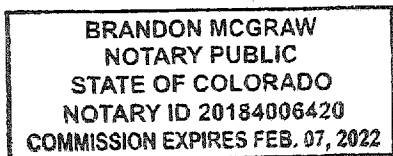
By: Lindsay N. Jaffee  
Name: Lindsay N. Jaffee  
Title: Agent and Attorney-in-Fact  
BM  
09  
MH

ACKNOWLEDGEMENTS

STATE OF Colorado )  
 )ss  
COUNTY OF Weld )

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of June 2018 by Chris Barclay, as Manager for Barclay Farms, LLC.

Witness my hand and official seal.



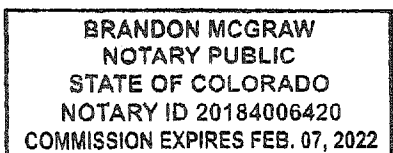
BMG  
Notary Public

My commission expires Feb. 07, 2022

STATE OF COLORADO )  
 )ss  
CITY AND COUNTY OF DENVER )

This instrument was acknowledged before me this 25<sup>th</sup> day of June 2018, by Lindsay N. Jaffee, as Agent and Attorney-in-Fact for Kerr-McGee Oil & Gas Onshore LP, on behalf of said limited partnership.

Witness my hand and official seal.



BMG  
Notary Public

My commission expires Feb. 07, 2022

Attachment 1

RECORDING INFORMATION ABOVE

GRANT OF EASEMENT

(collective known as "Grantor"), whose address is
, in consideration of Ten Dollars (\$10.00) and other valuable
consideration, receipt of which is hereby acknowledged, grants and conveys unto
, "GRANTEE", whose address is
, its successors and
assigns, subject to all pre-existing permitted uses, a perpetual easement and the right to construct, operate,
maintain, replace, enlarge, reconstruct, improve, inspect, repair and remove electrical and communication
facilities for the purpose of transmission or distribution of electricity and appurtenances thereto, as may
from time to time be useful to, or required by Grantee, on, over, under, and across the following described
property in the County of Weld, State of Colorado to-wit:

Easement description as set forth in Exhibit "A" attached hereto and incorporated herein
by reference.

Those facilities will be overhead, underground and / or at grade and may include, but not be limited to,
poles, cables, conduits, wire, conductors, transformers, manholes and supports of whatever materials,
including braces, guides, and other fixtures or devices used or useful in connection therewith.

Grantee shall have the right of ingress and egress over and across the lands of the Grantor to and from the
above described property, and the right to clear and keep cleared all trees and obstructions as may be
necessary.

The right and authority of Grantee hereunder may be exercised by its successors, assigns, licensees,
contractors and permittees.

Grantor reserves the right to occupy, use, and landscape said easement for all purposes not inconsistent
with the rights granted to Grantee so long as said use does not damage or interfere with the Grantee's
facilities or the maintenance, repair and replacement thereof. After the date of this Grant of Easement,
Grantor shall not install permanent structures or facilities of any kind on, over, under, or across said
easement without the written approval of Grantee.

Grantee shall pay Grantor for any damages to fences, crops, landscaping and personal property caused by
the construction and maintenance of Grantee's facilities. Upon completion of construction, Grantee shall
restore the surface of Grantor's property as nearly as practicable to the same condition that existed prior to
construction.

SIGNED AND SEALED BY GRANTOR this day of , 20.

GRANTOR

\*\*\*\*\*

STATE OF )
)ss
COUNTY OF )

The foregoing instrument was acknowledged before me this day of ,
, by.

Witness my hand and official seal.

Notary Public

My commission expires

**EXHIBIT “A”**

This Exhibit “A” attached to and made part of that certain Grant of Easement dated the \_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, whose address is \_\_\_\_\_, as “Grantor” and \_\_\_\_\_ whose address is \_\_\_\_\_, as “Grantee” in and for the new easement described below.

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An as-built survey will be completed by a professional land surveyor and placed in this space prior to the document being recorded with the County Clerk.

Attachment 2

SUBSURFACE EASEMENT AGREEMENT

This SUBSURFACE EASEMENT AGREEMENT (this “*Agreement*”) dated and effective \_\_\_\_\_, 20\_\_ (the “*Effective Date*”) is from \_\_\_\_\_ (“*Surface Owner*”), having an address of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, to \_\_\_\_\_ (“*Grantee*”), having an address of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and its successors and assigns.

RECITALS

A. Surface Owner owns all of the right, title and interest in and to the surface estate described as follows:

Township North, Range West of the 6<sup>th</sup> P.M.  
Section \_\_: \_\_\_\_\_ (the “*Property*”)

B. Surface Owner intends by this Agreement to grant a perpetual subsurface easement to drill through the Property as provided herein.

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

1. Grant of Subsurface Easement

Surface Owner hereby grants and conveys to Grantee, its successors and assigns, a perpetual subsurface easement under and through the Property for the placement of wellbores through the Property for the purposes of drilling, completing and producing the wells.

2. Assignment

The rights granted herein may be assigned in whole or in part, and the terms, conditions, and provisions of this Grant are a covenant running with the land and shall extend to and be binding upon the successors and assigns of Surface Owner and Grantee.

3. Memorandum

Grantee or its successors and assigns may, but shall not be required to, record a memorandum showing the location of the subsurface easement under and through the Property.

4. Counterparts

This Agreement may be executed in counterparts each of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day first written above.

By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Attachment 3

**RIGHT-OF-WAY GRANT**

**THIS RIGHT-OF-WAY GRANT** ("Grant") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, from \_\_\_\_\_, whose address is \_\_\_\_\_ ("Grantor"), whether one or more), to \_\_\_\_\_, whose address is \_\_\_\_\_ ("Grantee"). The parties agree as follows:

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants, conveys and warrants unto Grantee, its successors and assigns, a perpetual right-of-way and easement to survey, construct, maintain, inspect, operate, repair, replace, modify, change the size of, reconstruct, mark, monitor, abandon, remove or relocate and release, at Grantee's election, one or more pipelines, electric power lines, data transmission lines and equipment, and all appurtenances, below and/or above ground, necessary or convenient for the transportation or transmission of oil, gas, petroleum products, water, electricity, electronic data, hydrocarbons and any other substances, whether electronic, fluid, solid or gaseous, and any products, derivatives, combinations or mixtures of any of the foregoing, in, on, over, under, or through the lands situated in \_\_\_\_\_ County, State of Colorado, being described as follows:

**TOWNSHIP \_\_\_\_\_, RANGE WEST, 6<sup>TH</sup> PM**  
**SECTION \_\_\_\_\_:**

The route and course of the right-of-way and easement conveyed hereby ("Right-of-Way Lands") are more particularly described on Exhibit "A" attached hereto and made a part hereof. The parties have agreed that the width of the Right-of-Way Lands shall be seventy-five feet (75') during construction, and subsequent to construction the width of the Right-of-Way Lands shall be fifty feet (50') as more particularly described on Exhibit "A". Furthermore, the Right-of-Way Lands shall also include the area where the production facility (or facilities), as defined by the Colorado Oil and Gas Conservation Commission, ("Production Facility"). It is agreed that the pipeline(s) and any associated appurtenances may be constructed anywhere within the Production Facility. If there is a deviation in the Right-of-Way Lands as constructed, then Grantor agrees that upon request from Grantee the parties will execute a Notice of Pipeline Location along with an as-built survey plat to amend the description of the Right-of-Way Lands.

After the initial construction of the pipeline(s) Grantee may require, from time to time, temporary additional work space parallel and adjacent to the Right-of-Way Lands to survey, construct, maintain, inspect, operate, repair, alter, replace, modify, change the size of, reconstruct, mark, monitor, abandon or remove the pipeline(s) together with all appurtenances. Grantor agrees to negotiate in good faith with Grantee to allow Grantee the use of this temporary additional work space.

Grantor represents and warrants to Grantee that Grantor is the sole owner in fee simple of the Right-of-Way Lands, subject to the burden of the Right-of-Way and has full right, power and authority to enter into this Grant.

Any pipelines and/or appurtenances to be constructed underground pursuant to this Grant shall be placed at a depth of not less than 36 inches below the surface of the ground. Grantor agrees not to increase or decrease the surface elevation on the Right-of-Way Lands without Grantee's prior written permission. Grantee shall repair and/or restore any fence on or adjacent to the Right-of-Way Lands removed or severed by Grantee in the course of the operations provided for in this Grant to the condition such fence was in prior to the removal by Grantee. If necessary to prevent the escape of Grantor's livestock, Grantee shall construct temporary gates or fences in those areas affected by Grantee's operations as provided for in this Grant.

Grantee shall level and restore any lands affected by Grantee's operations that may have excessive settling and sufficiently compact the soil within a reasonable period of time after completion of construction to the condition that existed at the time immediately prior to the placement of Grantee's pipeline(s), to the extent reasonably practicable.

Grantor agrees not to build, create, construct or permit to be built, created or constructed, any obstruction, building, fence, reservoir, engineering works or other structures or improvements over, under, on or across the Right-of-Way Lands without the prior written consent of Grantee.

Grantee shall have all rights, privileges and benefits necessary or convenient for the full use and enjoyment of this Grant, including but not limited to, the right of ingress and egress over and across Grantor's lands lying adjacent to the Right-of-Way Lands for any and all purposes necessary and incidental to exercising Grantee's rights hereunder. Grantor hereby agrees that Grantee may, at its option, pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the lands burdened by the Right-of-Way. If Grantee exercises such option,

Grantee shall be subrogated to the rights of the party to whom payment is made, and in addition to its other rights, may reimburse itself out of any rentals, [royalties, shut-in royalties], or any other amounts otherwise payable to Grantor hereunder.

Grantee shall be obligated to pay for, repair, replace or otherwise compensate Grantor for any damages resulting from Grantee's activities and operations on the Right-of-Way Lands, except for any damage to structures or improvements placed in the Right-of-Way Lands contrary to the terms contained herein; and, Grantor shall pay for, reimburse, indemnify and hold Grantee harmless from any and all claims or damages resulting from Grantor's activities on the Right-of-Way Lands. Grantor shall have the right to use and enjoy the Lands, subject to the rights herein granted.

This Grant cannot be modified, except by an instrument in writing signed by Grantor and an authorized representative of Grantee.

The rights granted herein may be assigned in whole or in part, and the terms, conditions, and provisions of this Grant are a covenant running with the land and shall extend to and be binding upon the successors, and assigns of Grantor and Grantee.

KMGG shall record an original of this Right-of-Way Grant in the records of the County in which the Right-of-Way Lands are located. By recording this Right-of-Way Grant, Grantee shall be deemed to have accepted all of the terms and conditions hereof.

This Grant may be executed in counterparts each of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, Grantor has executed and delivered this Right-of-Way Grant as of the date first above written.

GRANTOR(S):

BY: \_\_\_\_\_

STATE OF \_\_\_\_\_ )
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by\_\_\_\_\_.

Witness my hand and official Seal.

My Commission Expires: \_\_\_\_\_

Notary Public: \_\_\_\_\_



**EXHIBIT “A”**

This Exhibit “A” attached to and made part of that certain Right-of-Way Grant dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“Grantor,”), and \_\_\_\_\_, as “Grantee” in and for the Right-of-Way Lands described below.

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An as-built survey will be completed by a professional land surveyor and placed in this space prior to the document being recorded with the County Clerk.