

**SURFACE USE AGREEMENT**

7<sup>th</sup> THIS SURFACE USE AGREEMENT (the "Agreement") is made and entered into this day of August, 2017, by and between ~~Synergy Resources Corporation doing business as~~ SRC Energy Inc., a Colorado Corporation ("SRC"), 1675 Broadway, Suite 2600, Denver, Colorado 80202 and Golden Eagle Acres, Inc., 1035 37<sup>th</sup> Court, Greeley, Colorado 80634 ("Surface Owner" and/or "Developer"). SRC and Surface Owner/Developer are sometimes referred to each as a "Party" or collectively as the "Parties."

**I. RECITALS**

A. Developer is the owner of certain lands and the improvements thereon located in the Northeast ¼ of Section 6, Township 6 North, Range 66 West of the 6th P.M., County of Weld, State of Colorado, including the surface of an approximate 13.56 acre tract of land consisting of a Production Facility Area and Operations Area, in addition to a Pipeline Corridor and Access Corridor (all as defined below), as shown on Exhibit "A" and Exhibit "C" (the "Property"), attached hereto and made a part hereof. The Property is also generally located near the southwest corner of Weld County Road 74 and Weld County Road 27.

B. The mineral estate in, under and adjacent to the Property is presently subject to valid and subsisting oil and gas leases (the "Leases") including a working interest in those Leases covering all or a portion of the Property or lands pooled and included in a spacing unit therewith, which leasehold interest is owned of record by SRC.

C. SRC's leasehold rights include, among other things, the right of ingress and egress, and use of so much of the surface as reasonably necessary, for the purposes of exploration, development, drilling, re-drilling, testing, completion, re-completion, re-entry, deepening, fracturing, re-fracturing, stimulation, reworking, production and maintenance operations associated with oil and gas wells (either Planned Wells or Future Wells, as defined below) and the associated flowlines, pipelines and production facilities (either Planned Facilities or Future Facilities, as defined below), and all other rights granted per the terms of the Leases ("Oil and Gas Operations") located on the Property.

D. SRC has the right to drill oil and gas wells on the Property, including but not limited to, the right to drill twenty-four (24) currently planned wells on that portion of the Property depicted on Exhibit "A" ("Planned Well(s)"), as well as future wells not yet planned at the time of this Agreement ("Future Wells") (Planned Wells and Future Wells collectively referred to as "Wells"). Similarly, SRC has the right to construct, operate, maintain, locate and relocate flowlines, pipelines and other facilities associated with the Planned Wells ("Planned Facilities") and any Future Wells ("Future Facilities") (Planned Facilities and Future Facilities collectively referred to as "Facilities"). Additionally, SRC, or its affiliates, may have responsibilities to co-owners of oil and gas leasehold under a Joint Operating Agreement with respect to the Property.

E. Developer desires to undertake development of the surface of a portion of the Property for a residential and mixed-use project to be called "Golden Eagle Acres" in or around the Town of Severance, Weld County, Colorado.

F. SRC desires to preserve on the Property an Operations Area, Pipeline Corridor, Production Facility Area and Access Corridor to conduct its Oil and Gas Operations. SRC shall comply with Colorado Oil and Gas Conservation Commission ("COGCC") rules and regulations requiring that advance notice be provided to Surface Owner for operations of the Wells, including but not limited to, reworking operations thereto.

G. SRC and Developer enter into this Agreement to provide for the coexistence and joint development of the surface estate and the oil and gas estate of the Property, and to delineate the process with which the parties shall cooperate with respect to the development of the two estates and allow the parties to coexist in a way that allows for the compatible development of the oil and gas estate and the surface estate.

NOW, THEREFORE, in consideration of the covenants set forth herein and the mutual benefits to be derived by the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

#### 1. AREAS RESERVED FOR OIL AND GAS OPERATIONS.

1.1. Oil and Gas Operations. SRC has the right to undertake Oil and Gas Operations for the Wells and Facilities, located, or to be located, on the Property. In order to provide for such Oil and Gas Operations, Developer shall, and does hereby ratify and, to the extent necessary, grant to SRC an easement and the right to utilize the areas depicted on Exhibit "A", to conduct Oil and Gas Operations, including drilling vertical, lateral, horizontal and directional wells (and the Facilities associated therewith) that produce from and drain all or portions of the Property or any adjacent properties, provided that such locations must be permitted locations under the then applicable well spacing regulations of the COGCC or exceptions granted thereto by the Director of the COGCC or, to the extent Developer waives such requirements, pursuant to this Agreement.

1.2. Operations Area. The Operations Area, as depicted on Exhibit "A" shall be the surface area necessary for SRC to enter, occupy and utilize the Property for the exclusive purpose of those Oil and Gas Operations necessary or desirable for SRC to drill, construct, complete, produce, maintain and operate the Wells and all Facilities associated therewith, including, but not limited to the access roads ("Access Corridor"), as depicted on Exhibit "A", pipelines, flow lines, separators, tank batteries, electric lines and any other facilities or property necessary or desirable for SRC to conduct operations on the Wells. The final location of each of the Wells will be at a location to be selected by SRC within the Operations Area pursuant to applicable COGCC rules and regulations.

1.3. Pipeline Easements. SRC shall have the right to construct, operate and maintain pipelines and flowlines on that portion of the Property depicted on Exhibit "A". Any planned or future pipelines or flowlines shall be included in the definition of Facilities. In order to provide for such, Developer shall, and does hereby ratify and, to the extent necessary, grant to SRC a permanent easement measuring thirty feet (30') in width and a construction easement measuring fifty feet (50') in width to utilize the areas depicted and/or described on Exhibit "A" as "Pipeline

Corridor". In the event that SRC or its successor permanently and intentionally abandons the Pipeline Corridor and ceases to use the same, all right, title and interest hereunder shall revert to Developer or its successor and Developer shall hold said premises free from said easement.

1.4 Production Facility Area. SRC shall have the right to locate, relocate, build, repair and maintain oil tanks, separators, dehydrators, emissions burners, compressors and other equipment within the Production Facility Area as described on Exhibit "A", as necessary, appropriate or convenient for the operation and production of the Wells. Any planned or future oil tanks, separators, dehydrators, emissions burners, compressors and other equipment necessary or convenient for such operation and production shall be included in the definition of Facilities. Material changes to the designated Operations Area and Production Facility Area may be made by SRC with the consent of the Developer, which consent will not be unreasonably withheld or denied. The Developer's surface use is proposed to change into a residential master plan generally consistent with the attached Exhibit "C" ("Residential Master Plan"), with such changes determined by the governing jurisdiction approving site specific development plans for the Property, and accounting for the current COGCC setbacks rules and regulations.

1.5 Limitation on Use of the Property. Except for the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor, SRC shall not use or occupy any part of the surface of the Property except in the event of an emergency or for necessary, incidental and temporary activities. Operations related to any Well shall require prior notice to Surface Owner per GOGCC rules and, except as may be provided elsewhere in this Agreement, shall occur within the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor.

1.5.1 SRC agrees to compensate Developer or any third party for any damages caused by SRC operations that may occur outside of the designated Production Facility Area, Pipeline Corridor, Access Corridor, and Operations Area or other areas used by SRC.

1.5.2 Section 4 of this Agreement contains provisions for certain payments to be made by SRC to Developer for use of the Property in conducting its Oil and Gas Operations. Other than as set forth in Section 4, below, SRC shall not be obligated to pay, and Developer hereby waives any right to receive, any further surface damage payments, license or use fees, now or in the future, associated with SRC's Oil and Gas Operations within the Operation Area, Production Facility Areas, Pipeline Corridor and Access Corridor.

1.5.3 Developer shall place no property lines, buildings, structures or improvements (including streets, sidewalks, curbs and gutters detention or retention ponds, irrigation systems, sewage or drainage systems or pathways) of any kind ("Residential Improvements") within the Operations Area, Pipeline Corridor, Production Facility Area or Access Corridor. Without the prior written consent of SRC, Developer shall not alter or modify the existing grade within the Operations Area, Production Facility Area, Access Corridor or Pipeline Corridor.

1.5.4 Developer shall place no building unit (as such term is defined by the 100 Series of the Rules and Regulations of the COGCC) ("Building Unit"), no high occupancy building (as such term is defined by the 100 Series of the Rules and Regulations of the COGCC) ("High Occupancy Building" or "HOB") permanent building or other structure intended for human occupancy or any other use, or improvements (excluding streets, sidewalks, curbs and

gutters) within two hundred feet (200') of any tank or separator located in the Production Facility Area and/or Operations Area. Without prior written consent from SRC, which consent may be withheld for any reason, Developer shall not construct or allow the construction of dwellings or structures intended for human occupancy within sixty feet (60') on either side of the Pipeline Corridor.

1.5.5 SRC Oil and Gas Operations on the Property will be conducted pursuant to the terms of the Leases, this Agreement, the rules and regulations of the COGCC, and applicable Colorado statutes and case law.

1.5.6 SRC shall construct its roads and pipelines within the Access Corridor and Pipeline Corridor shown on Exhibit "A", and otherwise confine its Oil and Gas Operations to the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor, except in the event of an emergency, or for reasonable incidental and temporary activities. SRC shall be responsible for any physical damage to the Property, that may be caused by such emergency or temporary activities. Any depiction of the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor shown on Exhibit A are for illustrative purposes only and shall not bind SRC with respect to the location or scope of its operations within such areas, and SRC reserves the right to expand any wellsite, wellpad, or production facility in order to conduct its Oil and Gas Operations pursuant to this Agreement, so long as it does not interfere with the proposed Residential Master Plan attached as Exhibit "C", as may be amended from time to time, for those areas outside of the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor. Any material changes to the locations of the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor may be made by SRC with the consent of the Developer, which consent shall not be unreasonably withheld. Additionally, both Developer and SRC shall provide any updated exhibits to this Agreement prior to the completion of any changes and receipt of any necessary governmental or jurisdictional approvals.

1.6 Waiver of Certain Requirements. Developer waives all setback requirements in COGCC Rules 603, 604 and 605, or any successor rule or amendment to the COGCC setback rules, and to any other state or local setback requirements or other requirements or regulations that are or become inconsistent with this Agreement or that would prohibit or interfere with the rights of SRC to explore for and produce the oil and gas in accordance with this Agreement. Developer understands that SRC may cite the waiver in this Section 1.6 in order to obtain an approved surface location, exception location, approved permits to drill and or variances under COGCC rules or from a local jurisdiction. Developer also agrees that it will not object in any forum to the use by SRC of the surface of the Property consistent with this Agreement and that it will also provide SRC with whatever support in writing they may reasonably request in order to obtain permits from the COGCC or any local or other jurisdiction.

1.6.1 Developer understands and acknowledges that the COGCC has rules and regulations that apply to the distance between Wells and Facilities and public roads, production facilities, building units, buildings, and surface property lines, among other things. In order to give full effect to the purposes of this Agreement, Developer hereby waives its right to object to the location of any of SRC's Wells or Facilities, on the basis of setback requirements in the rules and regulations of the COGCC, including, but not limited to, the 150 foot setback from surface property lines and other requirements of rules 603.a. and 604.a. For the operations contemplated by this Agreement, Developer hereby waives the Urban Mitigation Area setback distances, as required by COGCC rules and regulations.

2. **PIPELINE CONSTRUCTION.** SRC shall construct pipelines and/or flowlines ("Pipeline(s)") from the Operations Area to the Production Facility Area within the Pipeline Corridor as depicted on Exhibit "A".

3. **CONSTRUCTION COORDINATION.** [This Section is intentionally omitted.]

4. **COMPENSATION.** SRC will provide Surface Owner with certain good and valuable consideration, as described in that certain confidential Letter Agreement of even date herewith, prior to the commencement of drilling operations for each Well drilled. Notice of commencement of such operations will be provided to Surface Owner pursuant to the rules and regulations of the COGCC.

5. **SURFACE RECLAMATION.** SRC or succeeding oil and gas operators shall be responsible for their respective costs of interim and final reclamation and surface restoration related to such future operations to the extent required by the COGCC. Upon permanent cessation of all of SRC's Oil and Gas Operations on the Property, the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor shall be restored by SRC to their original contour as nearly as is reasonably practicable.

6. **ACCESS.**

6.1 During Developer's development of the surface of the Property and at all times thereafter, Developer shall at all times provide SRC access to the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor, though the location of that access may vary from time to time in accordance with the needs and progress of such surface development. The initial twenty foot (20') wide permanent and forty foot (40') wide working access roads ("Access Corridor") shall be located as depicted on Exhibit "A".

6.2 As Developer constructs improvements to accommodate Developer's infrastructure design, Developer shall continue to provide SRC with continuous access to the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor. In the event it becomes necessary for developer to alter SRC's route of access to the Property during Developer's development operations, prior to the Developer's alteration of the Access Corridor, Developer shall provide 15 day notice to SRC of Developer's planned alteration, and install equivalent replacement access corridors to and from the Operations Area and Production Facility Area using six inch (6") base course material to a width of twenty feet (20').

6.3 SRC will maintain the Access Corridor, including shoulders, barrow-ditches, slopes and other associated disturbed or improved areas in good repair and condition, including weed control.

6.4 SRC will manage and control all storm water, drainage, erosion control and required dust mitigation associated with the Access Corridor.

6.5 SRC agrees that all trash, refuse pipe, equipment, liquids, chemicals, or other materials brought on the Property that are not necessary for continued operations of the Wells shall be removed and disposed away from the Property by SRC no later than 60 days after completion of the Wells. No such items shall be burned or buried on the Property by SRC.

6.6 SRC shall keep any well pad, tank battery area, Access Corridor and other areas used by SRC free and clear of noxious weeds and trash during operations.

6.7 SRC agrees to fence off the perimeter of the well sites with temporary fencing if reasonably requested by Developer. SRC will install cattle guards where necessary and shall be responsible for restoring Developer's existing fence to its original condition at any point of access (if applicable).

6.8 SRC will provide a sound barrier around the well sites within the Operations Area during drilling operations consisting of, but not limited to, hay bales.

6.9 SRC will place a fence around the wellsite within the Operations Area and tank battery site within the Production Facility Area. The fences shall be six (6) foot chain link fence (unless otherwise agreed to by the Parties).

**7. PRODUCTION FACILITIES.** SRC shall have the right to locate, relocate, build, repair and maintain oil tanks, separators, dehydrators, compressors and other equipment necessary, appropriate or convenient for the operation and production of the Wells, only within the Production Facility Area designated for such purpose on Exhibit "A". With respect to the Wells and Facilities of SRC, other than pipelines and any Access Corridor, SRC shall install and maintain fences, gates and locks reasonably necessary for the security of the Wells within the Operations Area and the Facilities in the Production Facility Area. Such fences, gates and locks shall be installed at the expense of Developer and maintained at the expense of SRC and shall be of a type and quality customarily used for such purpose.

**8. NOTICE OF FUTURE OPERATIONS.** SRC shall provide at least seven (7) days prior written notice to Developer in advance of any operations (other than the drilling of new wells) within the Operations Area in connection with the reworking, fracturing, deepening or other unusual or other than routine operations on the Wells; provided, however, that SRC shall have immediate access in the event of an emergency.

**9. NOTICES TO HOMEOWNERS AND BUILDERS.** Within fifteen (15) days of the Effective Date as described in Section 30 below, SRC shall record in the real property records of the County of Weld, Colorado a "Notice of Oil and Gas Operations", substantially in the form attached hereto as Exhibit "B" that conspicuously states that:

9.1 There will be ongoing Oil and Gas Operations on the Property.

9.2 Purchasers of all or a portion of the Property, as successors in interest to Developer, will be acquiring a proportionate interest in Developer's rights and obligations under this Agreement and will be subject to the waivers contained in this Agreement which, with respect to operations within the Property subject to Section 1.5 above, shall constitute a waiver of the setback requirements provided in existing COGCC Rules, or any successor or amended COGCC setback rule and also local setback requirements, among other obligations.

**10. PRELIMINARY AND FINAL PLATS.** The Final Plat prepared by the Developer as part of the subdivision approval process for the Property shall include the Operations Area, Production Facility Area, Pipeline Corridor and Access Corridor. Within fifteen (15) days of approval by the Town of Severance of a Final Plat, Developer shall record a copy of the Final

Plat in the real property records of the County of Weld, Colorado. SRC, its successors and affiliates or their successors and assigns agree that they will not object to the use by Developer of the surface of the Property or to the sale or development by Developer of all or portions of the Property or to the sale or development by Developer of all or portions of the Property consistent with this Agreement, and they will not object in any forum to a request of the Surface Owner to annex, zone, rezone, plat or re-plat all or any portion of the Property to the extent such request is consistent with this Agreement. SRC or its affiliates, successors and assigns further agree that they will provide such other written approvals or waivers which are reasonably requested by Surface Owner in connection with the development of the Property in any state or local jurisdiction to the extent such request is consistent with this Agreement.

**11. FUTURE OPERATIONS.** SRC shall make all reasonable efforts to pursue any Oil and Gas Operations in a diligent manner so as to minimize the total time period on location and to avoid rig relocations or startup delays during the course of drilling. Developer waives and shall not assert any right to require that wellhead or production equipment be located in conformance with setback requirements different from those agreed to in this Agreement (including but not limited to those concerning any "high occupancy" rules of the COGCC).

**12. GOVERNMENTAL PROCEEDINGS.**

12.1 Developer shall not, directly or indirectly, oppose or encourage opposition to SRC in any agency, administrative or other governmental proceedings, including but not limited to the COGCC, Weld County or other governing body proceedings, related to the operations of SRC on the Property, including but not limited to drilling and production activities, workovers, well deepenings, recompletions, fracturing, replacement wells and re-fracturing, provided that the position of SRC in such proceedings is not materially inconsistent with this Agreement.

12.2 SRC shall not directly or indirectly oppose or encourage opposition to Developer in any agency, administrative, or other governing body proceedings, relating to Developer's operations on and development of the Property, including residential and associated development, provided that Developer's position in such proceedings is not materially inconsistent with this Agreement.

**13. LIMITATION OF LIABILITY, RELEASE AND INDEMNITY.**

13.1 NO PARTY SHALL BE LIABLE FOR, OR BE REQUIRED TO PAY FOR, SPECIAL PUNITIVE OR EXEMPLARY DAMAGES TO ANY OTHER PARTY FOR ACTIVITIES UNDERTAKEN BY THE OTHER PARTY WITHIN THE SCOPE OF THIS AGREEMENT.

13.2 Each party shall be and remain responsible for all liability for losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation attorneys' fees and other costs associated therewith (all of the aforesaid herein referred to collectively as "Claims"), arising out of or connected with each such party's ownership or operations, including each such parties' employees, agents, contractors, sub-contractors or other invitees on the Property, no matter when asserted, subject to applicable statutes of limitations. Each such party shall release, defend, indemnify and hold harmless against all such Claims that arise from its negligence. Each Party agrees to indemnify, save and hold harmless the other for any person or property damage suffered by any person in connection

with each Party's exercise of their rights granted in this Agreement. This provision does not, and shall not be construed to, create any rights in persons or entities not a party to this Agreement, nor does it create any separate rights in parties to this Agreement other than the right to be indemnified for Claims as provided herein.

13.3 Each Party shall provide to the other Party a Certificate of Insurance naming such other Party as an additional insured for purposes of each Party's use of the Property described herein.

14. **EXCLUSION FROM INDEMNITIES.** The indemnities of any party herein shall not cover or include any amounts, which the indemnified party may recoup from any third party, or that for which the indemnified party is reimbursed by any third party. The indemnities in this Agreement shall not relieve any party from any obligations to third parties.

15. **NOTICE OF CLAIM FOR INDEMNIFICATION.** If a claim is asserted against a party for which another party would be liable under the provisions of Section 14 above ("Claim"), it is a condition precedent to the indemnifying party's obligations hereunder that the indemnified party give the indemnifying party written notice of such Claim setting forth all particulars of the Claim, as known by the indemnified party, including a copy of the Claim (if it is a written Claim). The indemnified party shall make a good faith effort to notify the indemnifying party within thirty (30) days of receipt of a Claim and shall affect such notice in all events within such time as will allow the indemnifying party to defend against such Claim.

16. **REPRESENTATIONS.** Each party represents that it has the full right and authority to enter into this Agreement and Developer specifically confirms its capacity to validly execute the rights of way and easements provided for herein. SRC represents that it owns all or a portion of the oil and gas leasehold interest in the Leases as set forth in Recital B under the Property. SRC does not represent, and specifically asserts, that they do not have the right to bind any other oil and gas leasehold interest owner, mineral owner, lessee or assignee for the Property. The signatories below declare, warrant and represent that they have the authority to enter into this Agreement on behalf of their respective principals, if any.

17. **SUCCESSORS.** The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, devisees, executors, administrators, successors and assigns.

18. **NOTICES.** Any notice or other communication required or permitted under this Agreement shall be sufficient if deposited in the U.S. Mail, postage prepaid, with a copy sent via facsimile, addressed to each of the following:

  
If to Synergy Resources Corporation, doing business as SRC Energy, Inc.:

SRC Energy Inc.  
1675 Broadway, Suite 2600  
Denver, CO 80202  
FAX (720) 616-4301  
Attn: Manager Land/Business Development

If to Developer:  
**Golden Eagle Acres, Inc.**

1035 37th Court  
Greeley, Colorado 80634  
Attn: Manager

If to Surface Owner:  
Golden Eagle Acres, Inc.  
1035 37th Court  
Greeley, Colorado 80634

Any Party may, by written notice so delivered to the other Party, change the address, fax number or individual to which delivery shall thereafter be made.

19. **RECORDING.** Within fifteen (15) days of the Effective Date, SRC shall record a copy of this Agreement in the real property records of the County of Weld, Colorado.

20. **SURFACE DAMAGES.** In consideration of the parties' respective rights, obligations and benefits, as outlined herein, this Agreement shall constitute a surface use or surface damage agreement provided for under the COGCC's Rules and Regulations or under any oil and gas leases covering the Property, except as provided herein or as agreed to by the Parties.

20.1 If, by reason of the activities of SRC, including but not limited to drilling, completing, equipping and operating the Wells, there is damage to personal property of the Developer, including, but not limited to, irrigation wells, fences, culverts, bridges, pipelines, ditches, or irrigation systems, for which Developer has not been previously compensated pursuant to Section 15 above, and upon Developer's notification to SRC, SRC shall repair or replace such items after consultation with and to the reasonable satisfaction of Developer, which repair or replacement shall be accomplished by SRC within thirty (30) days after final consultation with Developer.

20.2 If, by reason of the activities of Developer, including but not limited to developing, building, maintaining, constructing, irrigating and grading the Property, there is damage to personal property of SRC, including, but not limited to, Wells, Pipelines, Facilities, and any appurtenances thereto, and upon SRC's notification to Developer, Developer shall repair or replace such items after consultation with and to the reasonable satisfaction of SRC, which repair or replacement shall be accomplished by Developer within thirty (30) days after final consultation with SRC.

21. **DEFAULT AND RIGHT TO CURE.** In the event of alleged default by SRC 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, Developer shall notify SRC of such alleged default in full and complete detail, in a writing delivered to SRC by certified mail, return receipt requested. SRC shall have thirty (30) 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 Developer have the right and option to declare default under this Agreement.

**22. APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to its conflict of laws provisions.

**23. ENTIRE AGREEMENT.** This Agreement sets forth the entire understanding among the Parties regarding the matters addressed herein, and supersedes any previous communications, representations or agreement, whether oral or written. This Agreement shall not be amended, except by written document signed by all parties.

**24. HEADINGS.** The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

**25. TIME OF ESSENCE.** Time is of the essence in this Agreement.

**26. NON-WAIVER.** Waiver by either party or of the failure of any party to insist upon the strict performance of any provision of this Agreement shall not constitute a waiver of the right or prevent any such party from requiring the strict performance of any provision in the future.

**27. SEVERABILITY.** Any covenant, condition or provision herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Agreement, but such deletion shall in no way affect any other covenant, condition or provision herein contained so long as such deletion does not materially prejudice a party in its rights and obligations contained in valid covenants, conditions or provisions. In the event that any part of this Agreement 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 Agreement 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.

**28. FORCE MAJEURE** In the event either party is rendered unable, by an event of Force Majeure (defined below) to perform, wholly or in part, any obligation set forth in this Agreement, other than the obligation to pay money, then the performance by the affected party will be suspended during the continuance of such event of Force Majeure. The party experiencing an event of Force Majeure will provide reasonable notice to the other party as soon as possible with all reasonable dispatch. As used herein, the term "Force Majeure" shall mean any act of God, acts of the public enemy, wars, blockages, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, severe weather, floods, washouts, arrests and restraints of the federal, state or local government, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, delay in securing environmental approvals, the inability to obtain necessary supplies, material, equipment, machinery or labor and any other causes, whether of the kind herein enumerated or otherwise not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

**29. NO JOINT VENTURE.** This Agreement is not intended to, nor shall it be interpreted to create a joint venture, partnership or any other relationship among the parties.

30. **EFFECTIVE DATE.** This Agreement shall become effective (the "Effective Date") upon the execution of this Agreement by all parties hereto.

31. **TERMINATION.** This Agreement will terminate concurrently with the applicable oil and gas lease(s) as they relate to SRC and/or its affiliates right to explore, drill, and produce hydrocarbon from the lands or lands pooled therewith.

32. **MUTUAL COOPERATION.** Each party agrees that it will not object in any forum to the uses of the Property by the other party if such uses are consistent with the terms and conditions of this Agreement, and each party hereby waives any right to object to any such use that is consistent with the terms and conditions of this Agreement.

33. **COVENANTS RUNNING WITH THE LAND.** This Agreement and all of the covenants in it shall be covenants running with the land.

34. **COUNTERPARTS.** This Agreement may be executed by facsimile and in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument.

35. **FURTHER ASSURANCES.** From time to time after execution of this Agreement, Developer and SRC shall each execute, acknowledge and deliver to the other such further instruments and take such other action as may be reasonably requested in order to accomplish more effectively the purposes of this Agreement.

*[signature pages to follow]*



**DEVELOPER**

**SURFACE OWNER**

**GOLDEN EAGLE ACRES, INC.**

**GOLDEN EAGLE ACRES, INC.**

By: Greg Cecil  
Title: President

By: Greg Cecil  
Title: President

STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 8 day of August, 2017, by Greg Cecil, as President of Golden Eagle Acres, Inc, on behalf of that corporation.

Witness my hand and official seal.

Trudy M. Higgins  
Notary Public

My Commission expires: 11-15-2020



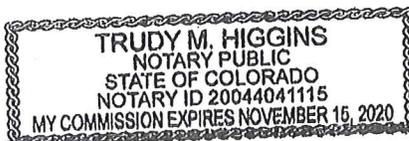
STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 8 day of August, 2017, by Greg Cecil, as President of Golden Eagle Acres, Inc, on behalf of that corporation.

Witness my hand and official seal.

Trudy M. Higgins  
Notary Public

My Commission expires: 11-15-2020



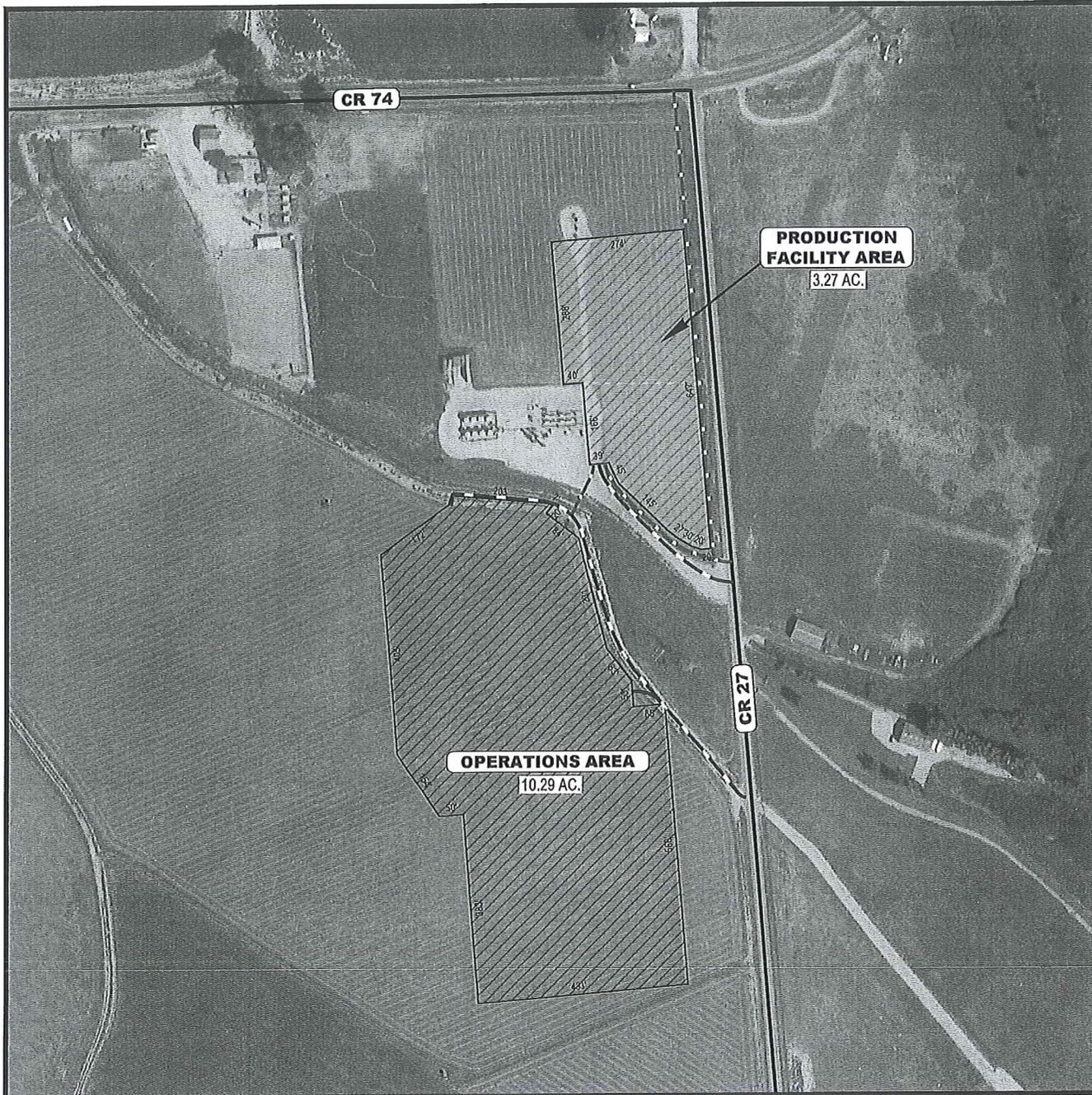
# EXHIBIT "A"

Township 6 North, Range 66 West, 6th P.M.

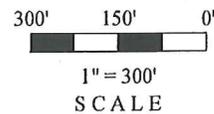
E 1/2 NE 1/4 Section 6

Parcel No: 080506100042

Weld County, Colorado



-  OPERATIONS AREA
-  PRODUCTION FACILITY AREA
-  PIPELINE CORRIDOR  
ACCESS CORRIDOR



**UELS, LLC**  
 Corporate Office \* 85 South 200 East  
 Vernal, UT 84078 \* (435) 789-1017

DRAWN BY: C.J.C.	DATE DRAWN: 07-12-2017
SCALE: 1"=300'	REVISED: 08-07-2017 C.J.C.

**EXHIBIT A**

**S-1**

**EXHIBIT B****NOTICE OF OIL AND GAS OPERATIONS**

SRC Energy Inc., a Colorado corporation with an address of 1675 Broadway, Suite 2600, Denver, Colorado 80202 (collectively with its successors and permitted assigns, "SRC"), and Golden Eagle Acres, Inc., (collectively with its successors and permitted assigns, "Surface Owner" and/or "Developer"), with offices at 1035 37<sup>th</sup> Court, Greeley, Colorado 80634, have entered into a Surface Use Agreement (the "Agreement") dated effective August 7, 2017, covering certain portions of the following described lands located in Weld County Colorado (the "Property"):

**Township 6 North, Range 66 West, 6<sup>th</sup> P.M.****Section 6: NE/4****Weld County, Colorado**

NOTICE IS HEREBY PROVIDED to all interested parties, including but not limited to surface owners, developers, their heirs, assignees and successors in interest, that pursuant to the Agreement, SRC, its agents, employees, designees, co-owners, successors and assigns, have the right to use and access the surface of the Operations Area, Pipeline Corridor, Production Facility Area and Access Corridor, as depicted on Exhibit "A", attached hereto, and as defined in the Agreement ("Oil and Gas Operations Areas"), for the purpose of oil and gas operations.

- i. Subsequent purchasers' rights are subject to the Agreement and the right of SRC to utilize the Oil and Gas Operations Areas;
- ii. By purchasing an interest in the Property, subsequent purchasers have agreed that they are subject to the Agreement and the right of SRC to utilize the Oil and Gas Operations Areas;
- iii. There are ongoing oil and gas operations on the Property;
- iv. Subject to applicable regulatory restrictions, heavy equipment and other oil and gas equipment with accompanying noise, light and dust will occur, from time to time, by SRC for well and facility development, maintenance and production activities, and such activities may be conducted on a 24 hour basis;
- v. Activities conducted on the Property by SRC and Developer shall be conducted in a way that adheres to the Agreement except in cases of emergency.

The Agreement has been recorded in the real property records of Weld County, Colorado on \_\_\_\_\_, 2017, at Reception No. \_\_\_\_\_.

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

**SRC:**

SRC Energy Inc., a Colorado corporation

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

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

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_, as \_\_\_\_\_ for SRC Energy Inc., a Colorado corporation, on behalf of that corporation.

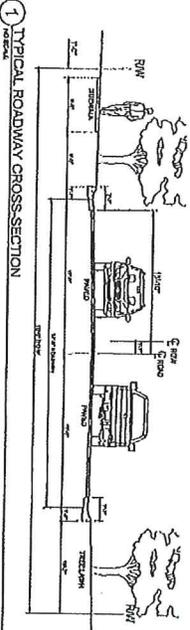
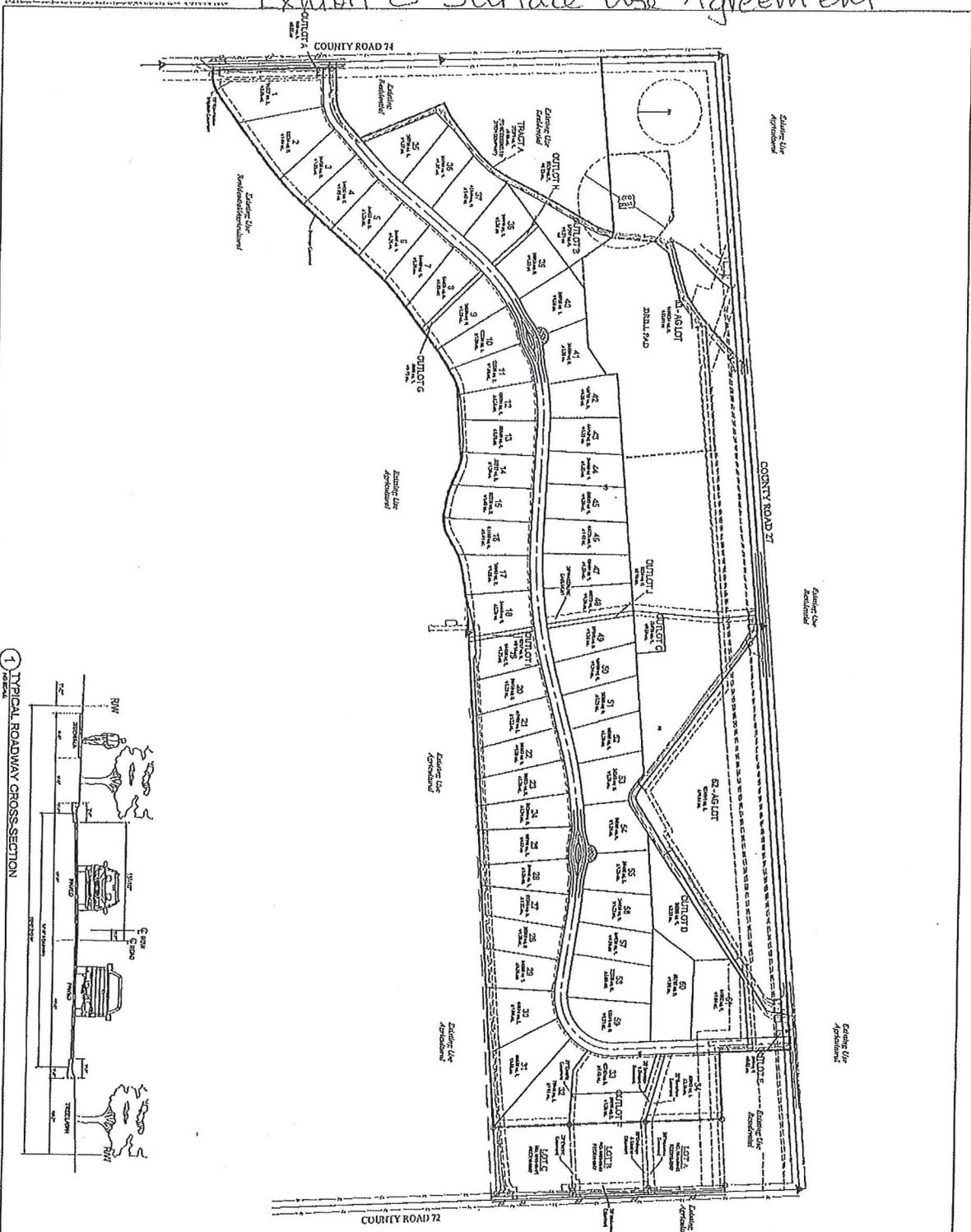
Witness my hand and official seal.

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

My Commission expires: \_\_\_\_\_



# Exhibit C - Surface Use Agreement



NO.	REVISION	DATE
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**GOLDEN EAGLE ACRES, INC.**  
 RESIDENTIAL SUBDIVISION  
 SEC. 6, T6N, R66W, 6TH P.M.  
 WELD COUNTY, COLORADO

**UNITAH**  
 ENGINEERS  
 DEVELOPMENT  
 MANAGEMENT

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