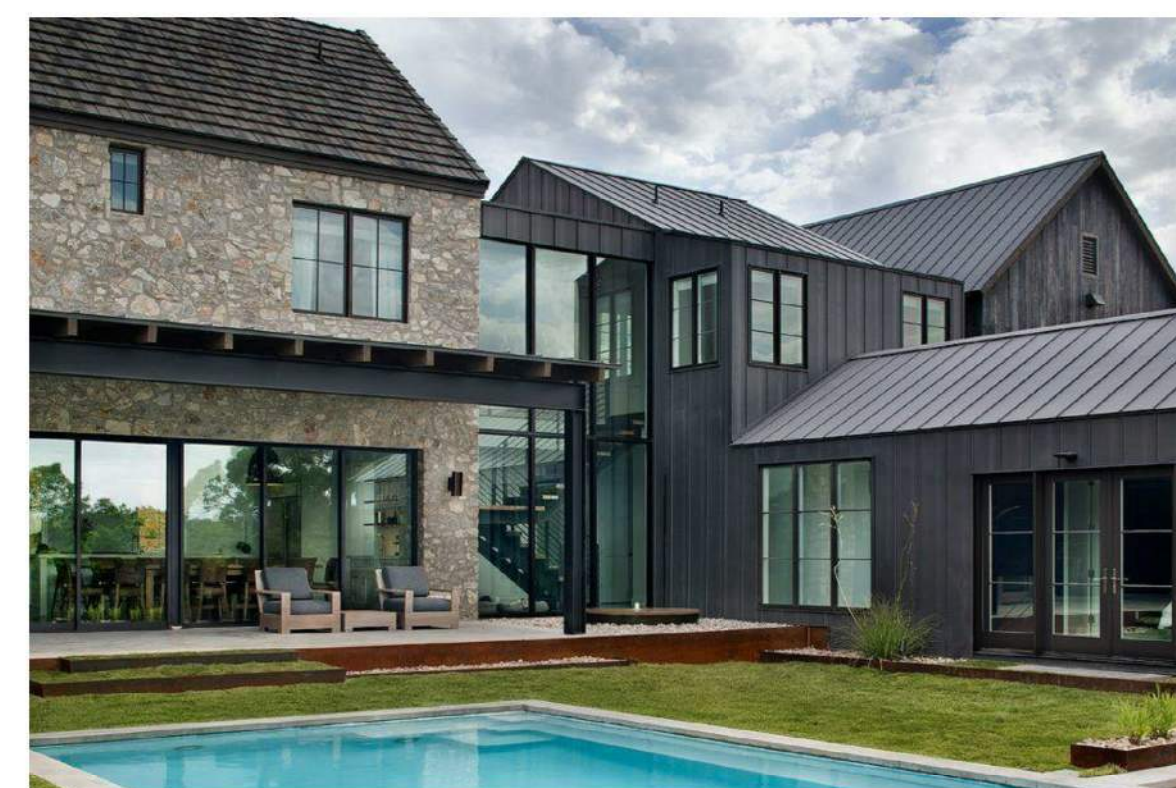


MODERN FARMHOUSE PRECEDENTS


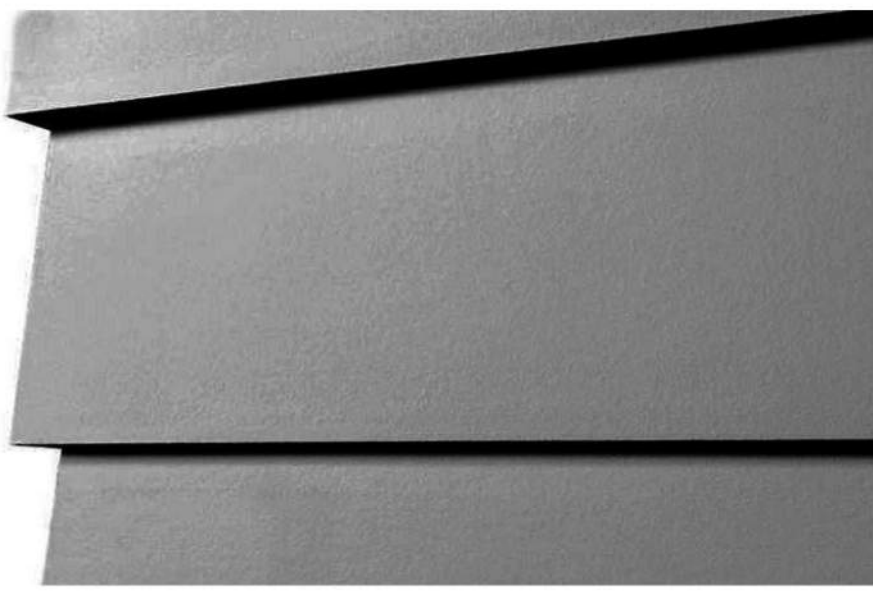











MATERIALS

**\*NOTE: ALL MATERIAL SAMPLES AND COLORS ARE REPRESENTATIVE. FINAL SELECTIONS SHALL BE PRESENTED DURING SITE PLAN APPROVAL PROCESS**

1	MANUFACTURED STONE VENEER	2	CEMENTITIOUS LAP SIDING, PAINTED (TWO COLORS)	3	CEMENTITIOUS BOARD AND BATTEN OR VERTICAL SIDING, PAINTED (TWO COLORS)	4	STANDING SEAM METAL AWNINGS	5	ASPHALT SHINGLE COMPOSITE ROOF	6	PREFINISHED METAL TRIM	7	METAL RAILINGS, PAINTED
													



March 20, 2020

Town of Erie  
Christopher LaRue  
645 Holbrook St.  
Erie, CO 80516

Re: Bridgewater PUD Overlay Map – Amendment No. 5

Dear Mr. La Rue:

Thank you for taking the time to review the Bridgewater PUD Overlay Map – Amendment 5 application. Valuable feedback was received by Town staff on March 2, 2020. Please see the following pages for responses to staff comments. If you have any questions or concerns, feel free to reach out by phone at 303-892-1166 or by email, [scrowder@norris-design.com](mailto:scrowder@norris-design.com).

Sincerely,  
Norris Design

Samantha Crowder  
Senior Associate



## Comments:

Town Staff has reviewed the Bridgewater PUD Overlay Map – Amendment No. 5 application for conformance with Municipal Code, Title 10. Referral comments received by the Town after the date of this memo shall be forwarded on to the applicant.

The next step for the Bridgewater PUD Overlay Map – Amendment No. 5 is revision and resubmittal. Please make the appropriate revisions to the application materials and provide a written response to address each written comment from the Town staff and referral agencies.

**Response: Please see written responses to comments noted below.**

### Responses shall contain:

- Digital written response to staff and referral comments along with updated physical documents as necessary.
- 1 Updated 24x36 plan sets, rolled. For distribution to: Planning.

## Planning Comments:

### PUD Amendment No. 5 Comments

1. General:
  - a. Housing Diversity:
    - i. The development appears to be on track to fulfill the housing diversity requirement by following the 4 housing types and two housing type variations option.
      1. Approved development applications within Colliers Hill include duplexes and single-family detached homes on lots consisting of under 5,000 square feet, 5,000 to 9,999 square feet and 10,000 to 39,999 square feet. This equates to two housing types and two variations. Two more housing types will be necessary.  
**Response: Noted. As discussed in the narrative, two additional housing types are proposed with future applications, a multi-family apartment product in Village 15 as well as a townhome (3 and 4 plex units) in Village 14.**
    - ii. Please update the explanation regarding the diversity.
      1. Filing No. 3C is referenced as having lots smaller than 5,000 square feet, however, this is not correct. It should be referenced Filing No. 3B.  
**Response: References in the narrative have been corrected.**
    - iii. Staff is concerned about ensuring the housing diversity requirements are met. Please see comments below.  
**Response: Noted.**
  - a. Village 14 states duplexes as shown as an allowed use. It was understood this would likely be townhomes.
    - i. Per comment #1, the duplexes should be eliminated from the planning area.  
**Response: Duplexes have been removed from this notation to reduce confusion.**
  - b. Village 15 states patio homes and duplex as permitted uses.



- i. Per comment #1, the patio homes and duplexes uses should be eliminated from this planning area. Please note, patio homes are not considered as a separate housing type, but rather as single-family homes.

**Response: Duplexes and patio homes have been removed from the notation to reduce confusion.**

- c. Remove Note #6. The UDC governs the height measurements and exceptions. This does not need to be reiterated within the PUD.

**Response: In discussions with staff, it was agreed that the height note may stay on the PUD as shown.**

3. Page 3:

a. Typical Motor Court / Alley Section

- i. Are motor courts contemplated for future uses? Neither one of the recent discussed developments utilize motor courts.

**Response: Correct. Motor courts are proposed within Village 14. A front-loaded townhome accessed by a motor court/private drive is being considered. Additional discussion on this product was provided with staff in a meeting held March 10<sup>th</sup>, 2020.**

- ii. Consider removing the motor courts from the PUD.

- 1. If the motor court option is to remain, separate design standards would be necessary. Typical drawings along with the following list will need to be included within the PUD (refer to examples previously referenced for Eire Highlands Amendment No. 2 and Parkdale Filing No. 2):

- a. Be on a tract at least 30 feet in width
- b. Enhanced material
- c. Building orientation
- d. Garage standards/orientation
- e. Possible porch standards
- f. Fencing
- g. Landscaping enhancements

**Response: A separate page has been added to the PUD (sheet 8) to discuss motor court products, specifically. Intent and standard language has also be included as suggested in the list of items above.**

4. Page 4:

a. Dimensional Standards

- i. Change the "Townhome Motor Court" designation to "Townhome alley loaded".

- 1. The setbacks are written for alley loaded products rather than motor courts. For example, zero foot setbacks on the rear would probably not be acceptable. See comment # 3.

**Response: Townhome Motor Court has been kept per our discussion with staff on March 10<sup>th</sup>.**

- ii. The front setback sets a 6-foot setback to OS. Is the OS Open Space? Also, what type of Open Space is this referencing (private or Town owned)?

**Response: Dimensional standards table has been updated to better reflect the motor court product.**

- iii. Delete note # 9. If the buildings will meet the UDC for height, there is no need to include that in the PUD.



**Response: Per discussions with staff held on March 9<sup>th</sup>, 2020, the note and all other references to height shall remain.**

- iv. Remove the two building height measurement exhibits. Also remove all references to the exhibits throughout the documents.

**Response: Per discussions with staff held on March 9<sup>th</sup>, 2020, the note and all other references to height shall remain.**

5. Page 6:

- a. Remove all the additions and edits from page 6.

**Response: Additional edits on page 6 have been removed as specific architectural standards have been included for the townhome motor court product on page 8 of the document.**

- b. Page 6 was already specific to Village 11B which was created to facilitate duplex development.

**Response: Noted. This sheet will remain unchanged since the approval of amendment no.4.**

- c. Add a new page for the Townhome development that is specific to Village 14. This new page can contain any edits that are necessary for the townhomes. Re-number the pages as necessary.

**Response: A new page has been added (sheet 8) which provides intent and standards specific to Village 14.**

6. Page 7:

- a. Change the code reference in the first statement from “10.6.7.f” to “10.6.7.F”.

**Response: Code reference corrected.**

- b. Add the word “are” as follows: “...Unified Development Code and are only applicable to Village 15”.

**Response: Language has been corrected.**

- c. The revision to 10.6.7.F.1.c.i is confusing and is in conflict with the revision to 10.6.7.F.1.c.ii(B). Was the first revision supposed to replace A? 10.6.7.F.1.c.i is a philosophy statement that does not need to be changed.

- i. What would be the higher level of design allowing a change to where entrances should face? Maybe a wider green area in front of the apartments can be created to offset being surrounded by parking?

**Response: Additional language has been added based on conversations had with staff on March 10<sup>th</sup>.**

- d. Architectural Character:

- i. Staff is not opposed to changing the maximum length of the buildings as long as there is an alternative that achieves a higher level of design for varying the code. Some examples of possible enhancements could include (staff would be open to more ideas):

- 1. More architectural elements
    - 2. More space between buildings
    - 3. Greater variety of materials
    - 4. Defined building relief

**Response: Comment noted. As discussed with staff on March 10<sup>th</sup>, the language has been added that require additional enhancements to the building as outlined in 10.6.7.F.d.ii (D).**



- ii. The proposed length measurement is problematic. The diagram would seem to allow an indefinite length of building as long as they are separated by building relief that is not defined.
    - 1. A finite length should be specified in conjunction with comment i above.  
**Response: Additional standards have been added to this note as well as additional notes included in the vignette outlining building length on that page.**
- e. Architectural Variety:
  - i. Proposed (5) should be deleted. Staff is unsure what this provision is trying to do. Is this trying to deal with the types of units provided within the development?
    - 1. Multi-family developments are required to provide diversity in unit types through Section 10.6.7.D.b.v. Staff does not see a compelling reason to change the standard.  
**Response: Note has been removed.**
- f. Parking and Garage Placement:
  - i. The introduction statements indicate the section being changed is 10.6.6, however, this should be 10.6.7.F.2.a  
**Response: Reference has been corrected.**
  - ii. Carports and common garage maximum lengths are being changed from 60 feet to 100 feet. Staff would support this as long as language was added restricting their location to behind the apartments. This would keep them less visible from the primary view corridors.  
**Response: Language has been adjusted per direction provided on March 10<sup>th</sup>.**
  - iii. Staff generally supports the changes to section v. Language shall be added restricting the garages to be oriented to the rear of the apartments.  
**Response: Language has been adjusted per direction provided on March 10<sup>th</sup>.**
- g. Off-Street Parking and Loading:
  - i. The addition of 10.6.6.D.1.c.vii is not necessary. As long as the spaces are striped they are covered under section (A) for surface parking. If desired, tandem parking in front of garages can be added along with the detached garages and carports.  
**Response: Language has been revised.**
- h. Perimeter Fencing and Walls:
  - i. It is assumed the 6-foot request for private amenity areas would be for a pool or activity area for the apartment complex. If so, this type of fencing is not considered under the perimeter fencing and walls section of the UDC. Non-perimeter fencing is covered under Section 10.6.4.H.5.  
**Response: Language has been removed.**
  - ii. Staff would be supportive of allowing a 6-foot fence around a pool area. Please note the UDC restricts pools/hot tubs from being located within front or side yards abutting a street. Pools may not be located closer than 10 feet to any side or rear lot line.  
**Response: Language has been removed.**
  - iii. What is the purpose for the proposed change to Section 10.6.4.H.9.b.xii? In addition, what would be the design alternative for alleviating strict adherence to the code? Staff is hesitant to support this change.
    - 1. This change would seem to impact both Colliers Parkway and County Road 5 both of which would be required to have paved trails along them.



2. Also, is this proposing changes to both 10.6.4.H.5.b & 10.6.4.H.9.vi (they would be in conflict with each other)?

***Response: Language has been removed.***

iv. Bicycle Spaces:

1. Staff does not support changing the bike parking requirement. The parking is provided for not only residents, but for visitors from the greater community who visit the property.

***Response: Language has been removed.***

**Comments Received by LuAnn Penfold, Mountain View Fire Rescue**

I have reviewed the submitted materials pertaining to the amendment and have no comments at this time.

***Response: Noted. Thank you.***



June 26, 2020

Town of Erie  
Christopher LaRue  
645 Holbrook St.  
Erie, CO 80516

Re: Bridgewater PUD Overlay Map – Amendment No. 5

Dear Mr. La Rue:

Thank you for taking the time to review the Bridgewater PUD Overlay Map – Amendment 5 application. Valuable feedback was received by Town staff on May 7, 2020. Please see the following pages for responses to staff comments. If you have any questions or concerns, feel free to reach out by phone at 303-892-1166 or by email, [scrowder@norris-design.com](mailto:scrowder@norris-design.com).

Sincerely,  
Norris Design

Samantha Crowder  
Senior Associate



## Planning Comments:

### PUD Amendment No. 5 Comments

1. Page 2:
  - a. Village 14 states SFA and MF. Please change this to only MF, since that is what is proposed.  
**Response: Label will remain as SFA/MF for Village 14 with this PUD Amendment No.5. Additional revisions to this village may be needed for future applications, however for this application it is preferred to leave this Village with flexibility for future residential products, unknown at this time.**
  - b. Village 15 states SFA and MF. Please change this to only MF, since that is what is proposed.  
**Response: Label has been revised to reflect "MF".**
2. Page 4:
  - a. Dimensional Standards
    - i. Change "LR (with MF)" to "LR (Village 15 Apartments)".
      1. Add a note to the side setback that the apartments do not have an interior lot setback.  
**Response: District name has been revised and the interior lot setback for MF has been changed to reflect "none" as requested.**
    - ii. Change "LR (Townhome Motor Court)" to LR (Village 14 Motor Court with Townhomes).  
**Response: The LR (Townhome) District has been removed from this PUD Amendment No.5 application. An additional PUD Amendment will be required with the development of future SFA products.**
    - iii. The Townhome Motor Court section of the chart may need revisions to accommodate these comments.  
**Response: The LR (Townhome) District has been removed from this PUD Amendment No.5 application. An additional PUD Amendment will be required with the development of future SFA products.**
3. Page 7:
  - a. 10.6.7.F.1c.ii.B: Please list the items 1 through 7 from 10.6.7.F.1.d.ii.d
    - i. Delete the sentence in parenthesis.  
**Response: Items are now listed for reference.**
  - b. Architectural Character:
    - i. Please list the items 1 through 7 from 10.6.7.F.1.d.ii.d  
**Response: Items are now listed for reference.**
    - ii. With respect to the building relief, how will this be applied? Staff assumes it will extend the entire height of the buildings. This should be added to the design standards.  
**Response: Building relief will be carried through the full height of the building. Language has been adjusted.**
    - iii. With respect to the total building length diagram, the diagram should be labeled as illustrative. Preferably, the diagram would be an exhibit in the overall submittal, so none of these features of the drawing are misconstrued as zoning design mandates.  
**Response: A label has been added indicating the exhibit is for illustrative purposes only.**



- iv. The distance between buildings may not be enough, and the PC and BOT may have concerns with creating large “walls” of buildings along roads. This is especially true along Weld County Road 5. Building separations should be increased to 25 to 30 feet.  
**Response: Building separation has been increased to 30’.**
- c. Parking and Garage Placement:
  - i. Remove the language “To the maximum extent reasonably feasible”. This language is vague and is difficult to define. The old language could be changed by adding language: “to maximize views of garages from streets”.  
**Response: Language has been revised to read “minimize views of garage from the street”.**
  - d. It was thought that further commitment should be added regarding materials, colors, etc in exchange for the overall changes to the UDC being proposed. Additional architecture enhancements and designs should be proposed consistent with the overall design. For example, commitments on a certain percentage of stone cladding could be listed.  
**Response: Additional commitments have been included.**
  - e. The overall concept is acceptable; however, staff requests some typical color elevations of what the development will look like, and how the proposed requirements are to be met. This will be especially helpful in depicting the PUD requirements to both the Planning Commission and the Board of Trustees.  
**Response: The Applicant has prepared conceptual elevations for staff reference. These are subject to change as the design progresses.**
- 4. Page 8:
  - a. Staff has concerns regarding the motor-court concept. As designed, it is more of an alley loaded type of system, as opposed to how motor courts have previously been approved within the Town.
    - i. Based on the current design / layout, the product should be changed to the traditional rear loaded alley system that has been development in the Town.
      - 1. The architectural character section needs to reflect more of what is contained within Erie Highlands.  
**Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.**
    - ii. If motor courts are to be utilized:
      - 1. The architectural character section needs to reflect more of what is contained within Erie Highlands.
        - a. For example, wall plane changes shall be at least 6 feet in width and have a minimum project of at least 1 foot.  
**Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.**
      - b. For a material to count as another cladding material it must cover a minimum of 15% of the façade.  
**Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.**



2. Motor courts should be limited in length and should not serve as through streets/alleys.
  - a. Motor courts are accessed by a normal public street system, and are utilized as a limited and highly designed alternative. Create a residential enclave – little community.

***Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.***

- b. In the Parkdale Subdivision, the motor courts were limited in length by incorporating landscaping to prevent through traffic. In Erie Highlands, the motor court lengths were limited by the number of units allowed access onto the court.

***Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.***

3. Dwelling units on Motor Courts should be clustered around the court, with limits on number of units on any given court.
  - a. For example, the Parkdale duplexes limited the number of units on a court to eight (four on each side of the court). Erie Highlands limited the number of units on a court to a maximum of six units.

***Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.***

- b. Garage widths should not exceed a certain percentage. In Erie Highlands they were limited to 67%. Parkdale also had similar limitations consistent with the UDC. Please review Section 10.6.7.F.2.b of the UDC and ensure the proposed product can comply with the listed requirements. These requirements include either:
    - i. Garages must be recessed a minimum of 4 feet behind the front façade of the dwelling unit portion of the structure, or a front porch that is at a minimum of 5 feet X 8 feet; or
    - ii. Recessed a minimum of 2 feet beneath a second-floor bay.
    - iii. In addition, garages shall not compromise more than 45% of the front façade of the principal dwelling unit structure for 1 or 2 garages.

***Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.***

4. Elevations facing motor courts shall be well articulated and detailed with a high level of design. It appears there are standards written to try to address this, however, an elevation typical should be provided.

***Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.***



- b. Orientation of Dwellings to the Street should just be renamed to Orientation of Dwellings.
  - i. PUD language shall be added allowing frontage onto public open space, as many of the units are proposed to do so. Currently, the UDC does not allow frontage onto off-site open space, therefore this provision shall be added to the document.

***Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.***

- c. The overall concept is difficult to envision. Staff requests some typical color elevations in order to see what the development will look like, and how the proposed requirements are to be met. This will be especially helpful in depicting the PUD requirements to both the Planning Commissions and the Board of Trustees.

***Response: Sheet 8 (specific townhome design standards) will be removed from PUD Amendment No.5. An additional PUD Amendment will be proposed with future SFA townhome product proposals.***



1101 Bannock Street  
Denver, Colorado 80204  
303.892.1166



September 17, 2015

Town of Erie  
Community Development Department – Planning Division  
645 Holbrook Street  
PO Box 750  
Erie, Colorado 80516

Re: Colliers Hill Planning and Entitlements

This letter is being submitted on behalf of Daybreak Recovery Acquisition LLC, the "Property Owner," at your request, and hereby authorizes RainTree Investment Corporation and its representative, Jerry B. Richmond III, to submit planning and entitlement documents on our behalf.

Please note that, upon completion of the appropriate reviews and prior to submittal of a final plat, the Property Owner will sign the formal documents before any recordation of these documents will occur.

Please feel free to contact me if you have any questions or concerns.

Sincerely,

Mr. Jon Shumaker  
Authorized Signatory for Daybreak Recovery Acquisition LLC  
Cc: Michael McDonnell  
Jerry B. Richmond III



515

2807515 11/17/2000 09:32A JA Suki Tsukamoto  
1 of 28 R 140.00 D 0.00 Weld County COC  
11/17/00

## AGREEMENT FOR COMPATIBLE DEVELOPMENT

THIS AGREEMENT FOR COMPATIBLE DEVELOPMENT is made and entered into this 14th day of November, 2000, among UNION PACIFIC RESOURCES COMPANY, a Delaware corporation ("UPRC"), and UNION PACIFIC LAND RESOURCES CORPORATION, a Nebraska corporation ("UPLRC"), both with an address for business of P.O. Box 1330, Houston, Texas 77251-1330 and referred to hereinafter alone or together, as appropriate, as the "UP Entities" and WELD COUNTY LAND COMPANY, LLC, a Colorado limited liability company, with an address for business of 2500 Arapahoe, Suite 220, Boulder, Colorado 80302 ("Developer").

### RECITALS

- A. Community Development Group of Erie, LLC ("CDG") and UPLRC have entered into an Offer to Purchase and Agreement of Sale ("Sales Agreement") that covers the sale by UPLRC to CDG of portions of the surface estate and certain mineral interests in Weld County, Colorado, for the property that is described in Exhibit "A" hereto (the "Property").
- B. CDG has assigned all of its interests in the Sales Agreement to Developer.
- C. Developer intends to purchase the Property in order to develop the surface in the future.
- D. The UP Entities, or either of them, own and will reserve to themselves the oil and gas estate for the Property in any deed or deeds issued pursuant to the Sales Agreement.
- E. The UP Entities, as owners of the oil and gas estate, or other companies or entities pursuant to oil and gas leases or other agreements or assignments, have the right to explore for and develop the oil and gas under the Property.
- F. Oil and gas well sites and production sites and access roads and pipelines currently are located on the Property.
- G. Current Colorado Oil and Gas Conservation Commission ("COGCC") rules and regulations would allow the owners and/or lessees of the oil and gas for the Property to locate drillsites, one each in approximately the center of each quarter section and one in the center of each quarter quarter section.
- H. The parties enter into this Agreement for Compatible Development ("Agreement") to provide for the coexistence and joint development of the surface estate and the oil and gas estate and to delineate the process with which the parties shall comply with respect to the development of the two estates.

115963





2807515 11/17/2000 09:32A JA Suki Tsukamoto  
2 of 28 R 140.00 D 0.00 Weld County CO

NOW, THEREFORE, in consideration of the covenants and the mutual promises set forth in the Sales Agreement and in this Agreement, including the representations set forth in the recitals, the parties agree as follows:

1. THIS AGREEMENT SUPERCEDES EARLIER AGREEMENT.

This Agreement supercedes and replaces in its entirety the Agreement for Compatible Development dated September 18, 1998 among UPLRC, UPRC, and CDG.

2. DEFINITIONS.

(a) Application for Development includes a proposed subdivision plat, a planned unit development, a special use permit application, an application for a preliminary or final plat or plan, or any other designation for a surface development application used by a local jurisdiction, and any annexation request and any application for zoning or rezoning.

(b) Oil and Gas Interest Owners include the UP Entities and the lessees identified in oil and gas leases which have been recorded in the land records of Weld County, Colorado, or the assignees of recorded oil and gas leases where a notice of the assignment has been recorded in the land records of Weld County, Colorado and any other person or entity which a UP Entity identifies in writing to Developer as having an interest in the Property.

(c) Oil and Gas Well Operator means any individual or entity which operates an oil and gas well or other oil and gas facility on a Production Site or Well Site and whose identity, address, and phone number is displayed on a sign situated at the Well Site or Production Site.

(d) Applicable Oil and Gas Interest Owners refers to those Oil and Gas Interest Owners who have an interest in the parcel of property that is the subject of an Application for Development.

(e) Oil and Gas includes all oil, gas and associated liquid hydrocarbons, coal gas, coalbed methane, nitrogen, carbon dioxide, helium and all other natural gases.

(f) Production Site means that area surrounding proposed or existing production pits or other accessory equipment required in oil and gas production, at which may also be located tanks and tank batteries, exclusive of transmission and gathering pipelines.

(g) Proposed Production Site or Well Site means a site that is set aside as a future location pursuant to Section 4.

(h) Surface Use Agreement means a surface use agreement referred to herein to be entered into between Developer and the applicable Oil and Gas Interest Owners.





2807515 11/17/2000 09:32A JA Suki Tsukamoto  
3 of 28 R 140.00 D 0.00 Weld County CO

(i) Well Site means that area surrounding a proposed or existing well or wells and accessory structures and equipment necessary for drilling, completion, recompletion, workover, development and production activities.

3. EXISTING WELL SITE AND PRODUCTION SITE LOCATIONS. The following terms shall apply to all Well Sites and Production Sites that are in existence at the time Developer files an Application for Development:

(a) Lot lines for surface development shall be platted no closer than 200 feet from wellheads and from oil and gas facilities, including tank batteries, meter stations and separators, or any greater distance as is required by local regulations.

(b) Oil and Gas Interest Owners may continue to use their historic access to existing Well Sites and Production Sites and other oil and gas facilities and their historic easements for pipelines; provided, however, Developer and the operator of a Well Site or Production Site or pipeline may mutually agree upon alternate access routes and pipeline easements, all costs and expenses of relocations to be borne by Developer.

(c) Developer shall give advance notice to and meet at the site with representatives of the Oil and Gas Well Operator or the affected Oil and Gas Interest Owners to locate existing pipelines and to coordinate proposed surface construction activities with current and prospective oil and gas operations.

4. PROPOSED WELL SITE AND PRODUCTION SITE LOCATIONS. The following terms shall apply to proposed Production Sites and Well Sites:

(a) Prior to the approval of an Application for Development, other than for annexation and rezoning requests, Developer shall use its best efforts to meet with the applicable Oil and Gas Interest Owners to agree upon the number and location of future Well Site and Production Site locations to be installed on the Property. In the event an agreement is reached, the parties shall enter into a Surface Use Agreement specific to the parcel to be developed. In the event Developer and the applicable Oil and Gas Interest Owners cannot reach an agreement upon the number and location of future Well Sites and Production Sites or on the terms of a Surface Use Agreement, Developer shall, in connection with its Application for Development, include proposed Production Sites and Well Sites in the center of each quarter section and in the center of each quarter quarter section that conform to the locations identified in COGCC Rule 318A.a (1) and (2), a copy of which is attached to this Agreement as Exhibit B; provided, however, the size of the Well Sites and Production Sites shall conform to the description in Subsection 4.(b)(i).

(b) In locating Well Sites and Production Sites, access and pipeline easements, the parties shall include in the Surface Use Agreement, or if no Surface Use Agreement is entered





2807515 11/17/2000 09:32A JA Suki Tsukamoto  
4 of 28 R 140.00 D 0.00 Weld County CO

into, Developer shall, in providing for such proposed Production Sites and Well Sites, provide at a minimum, as follows:

(i) Each location shall include at least enough acreage to equal either approximately a square of four acres or a circle with a diameter of 467 feet, which acreage shall be reserved exclusively for oil and gas operations, so that surface property lines may abut, but may not be included within such acreage.

(ii) More than one well with attendant facilities may be located at both existing and proposed Well Sites and Production Sites subject to COGCC rules and regulations.

(iii) Routes to access each Well Site And Production Site and the location of pipeline easements shall be identified.

(iv) Subject to clause 4(b)(i), sufficient setbacks between buildings, building units and lot lines and Well Sites and Production Sites or wellheads and production facilities shall be provided to allow the Oil and Gas Interest Owners to comply with local setback regulations to drill a well and to conduct subsequent oil and gas operations.

5. IMPACT MITIGATION. Developer shall bear all costs to install such noise and visual impact mitigation measures it desires or the local jurisdiction or Weld County requires at or around existing and proposed Well Sites and Production Sites which are in excess of or in addition to those measures which are required by COGCC regulations for areas which are not high density; provided, however, the operator of the Well Site or Production Site shall have reasonable discretion to veto or protest the types and location of impact mitigation measures in order to allow for safe oil and gas operations. To the extent required by law or regulation, the UP Entities shall bear the cost of other impact mitigation measures, including environmental or hazardous materials cleanup, remediation or mitigation for any of its operations on the Property.

6. ACCESS AND PIPELINE EASEMENTS. All existing and future access roads and pipeline easements shall comply, at a minimum, as follow:

(a) Roads used for access shall be at least thirty (30) feet in width .

(b) Developer shall keep access that is jointly used by both surface occupants and the public and the Oil and Gas Interest Owners in good condition and repair once Developer has commenced development of the applicable parcel and until they are dedicated to a local jurisdiction. With respect to any roads that are jointly used by both the surface owner and the UP entities which are damaged as a result of actions or use by the UP entities or Developer, the cost of such repair of such damage shall be paid by the party causing the damage.



(c) Neither the UP Entities nor Developer shall unreasonably interfere with the use by the other of access roads.

(d) All pipeline easements shall be fifty (50) feet in width during construction, and thirty (30) feet in width during operations, transportation and maintenance activities. Developer shall grant the pipeline easements (for production from the property and other lands) to the Oil and Gas Interest Owners at the time they request them. It is the intention of the parties that pipeline easements be located in the most reasonably direct routes and, to the extent practicable, within dedicated rights-of-way and open space areas.

(e) Oil and Gas Interest Owners may install one or more pipelines within the easements.

7. PLAT AND LOCAL APPLICATIONS. Developer shall identify on plats and in Applications for Development (other than for annexation and rezoning requests) the locations and size of all existing and proposed Well Sites and Production Sites and other oil and gas facilities and existing and future access roads and pipeline easements, as well as the setbacks between existing and proposed Well Sites and Production Sites and planned and existing lot lines. Developer shall record a plat or other Application for Development which reflects the foregoing in the office of the Clerk and Recorder of Weld County after it is approved by the local jurisdiction.

8. NOTICE OF HEARINGS. Developer shall provide to each applicable Oil and Gas Interest Owner and Oil and Gas Well Operators written notice fifteen (15) days before each hearing on an Application for Development which affects such Oil and Gas Interest Owner's property.

9. WAIVER OF CERTAIN REQUIREMENTS AND OBJECTIONS. Developer hereby waives state and local setback regulations and other requirements that are inconsistent with this Agreement or a Surface Use Agreement and also agrees to not object in any forum to the use by Oil and Gas Interest Owners of the surface of the Property consistent with this Agreement or a Surface Use Agreement. At the request of an Oil and Gas Interest Owner, Developer shall provide such other written approvals and waivers which are reasonably requested and consistent with this Agreement or an applicable Surface Use Agreement, including, but not limited to, all approvals and waivers to drill a well or to conduct oil and gas operations on the Property because of any law or regulation, including any local ordinance and regulations of the COGCC and including, for example, waivers to the setback requirements in the current COGCC Rule 603, if applicable, or any successor state or local setback regulation and to any state setback requirement from a surface property line or for an exception location request.





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10. COMPLIANCE WITH RULES AND REGULATIONS. Except as may be otherwise provided in Section 9, Developer and the UP Entities agree to comply with all valid and applicable federal, state and local regulations that pertain to the development of the surface estate and the exploration and development of Oil and Gas on the Property. The UP Entities shall make reasonable efforts to persuade Oil and Gas Interest Owners to enter into Surface Use Agreements with Developer.

11. NO OBJECTION TO DEVELOPMENT. The UP Entities agree that they will not object to a request by Developer to annex, rezone, plat or replat all or any portion of the Property to the extent such request is consistent with the use by the Oil and Gas Interest Owners of the surface of the Property in the manner identified in this Agreement and any applicable Surface Use Agreement; provided, however, neither of the UP Entities shall be required to incur any expenses in connection with such request.

12. UPRC OR UPLRC A PARTY TO SURFACE USE AGREEMENTS. UPRC or UPLRC shall be a party to each Surface Use Agreement that is entered into between Developer and other applicable Oil and Gas Interest Owners.

13. OIL AND GAS INTEREST OWNERS WHICH ARE KNOWN TO THE UP ENTITIES. Attached as Exhibit C is a list of those entities which the UP Entities believe own a leasehold or other Oil and Gas interest in the Property as of the date of this Agreement. The Developer may not rely on this list, and is required to perform an independent investigation as provided in Section 2(b) and provide notice to the applicable Oil and Gas Interest Owners and Oil and Gas Well Operators.

14. WAIVER OF SURFACE DAMAGE PAYMENTS. In the event that Developer and the applicable Oil and Gas Interest Owners do not enter into a Surface Use Agreement and Developer is required under Section 4(a) to preserve drillsite locations at the locations identified in COGCC Rules 318A ("Legal Locations"), Developer hereby agrees to waive all surface damage payments for each and every well that is drilled at a Legal Location. Oil and Gas Interest Owners may provide a copy of this Agreement to the COGCC as evidence of this waiver. The term "surface damage payments" as used herein shall be given the meaning commonly used in the oil and gas industry.

15. ACKNOWLEDGMENT OF TITLE TO THE OIL AND GAS. As between the parties, Developer specifically acknowledges the title of the UP Entities to the Oil and Gas reserved and relinquishes all rights and claims thereto.

16. SURFACE OWNER CONSENT. Developer, for itself and its successors and assigns, agrees that it will not withhold its consent as surface owner of the Property (if the UP Entities, in their sole discretion, require such consent) to the exercise by the Oil and Gas Interest



Owners of their rights to explore for and develop the Oil and Gas under the Property in accordance with this Agreement or any applicable Surface Use Agreement and all applicable laws and regulations.

17. CONFLICT IN AGREEMENTS. In the event of a conflict between this Agreement and a Surface Use Agreement, the terms of the Surface Use Agreement shall control. The provisions in a Surface Use Agreement shall supersede any inconsistent provisions in this Agreement.

18. OIL AND GAS INTEREST OWNERS ARE BENEFICIARIES. The benefits of the terms of this Agreement shall extend to the Oil and Gas Interest Owners, and any of them may bring an action directly against Developer for damages or injuries sustained resulting from a breach of this Agreement by Developer; however, nothing in this Agreement is intended to create a cause of action by any Oil and Gas Interest Owner against either of the UP Entities or to enlarge any right or interest created by any agreement or lease between a UP Entity and an Oil and Gas Interest Owner.

19. RIGHTS OF OIL AND GAS LESSEES AND THEIR ASSIGNEES. Developer understands and acknowledges that the UP Entities, or either of them, have entered into leases and agreements with various entities for portions of the Property and that the UP Entities have granted their lessees the exclusive right to explore for and develop the Oil and Gas that underlies the property that is the subject of a lease. Developer further recognizes that the UP Entities enter into this Agreement in their capacity as the owners of the Oil and Gas and to protect their reversionary interest to explore for and develop the Oil and Gas at such time as a lease terminates. In this regard, Developer is aware that the applicable Oil and Gas lessees or their assignees have rights to explore for and develop the Oil and Gas that are not affected by this Agreement.

20. NO LIMITATION ON RIGHTS. Except as provided herein with respect to the Oil and Gas Interests of the UP Entities only, nothing in this Agreement is intended to limit the rights of the Oil and Gas Interest Owners under the terms of their oil and gas leases and pursuant to state law.

21. SUCCESSORS AND ASSIGNS. This Agreement and all of the covenants in it shall be binding upon the personal representatives, heirs, successors and assigns of all of the parties, and the benefits of this Agreement shall inure to their personal representatives, heirs, successors and assigns; provided, however, this Agreement is not intended to bind Oil and Gas Interest Owners other than the UP Entities and reference herein to the obligations of one or both of the UP entities is strictly limited to such entities. This Agreement and all of the covenants in it shall be covenants running with the land.





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22. RECORDING. This Agreement shall be recorded with the Clerk and Recorder of Weld County at any time after Developer closes on the sale of all or any portion of the Property.

23. APPLICABILITY TO PROPERTY PURCHASED BY DEVELOPER. This Agreement shall apply only to that portion of the Property that Developer purchases.

24. GOVERNING LAW. The validity, interpretation and performance of this Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

25. SEVERABILITY. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it conflicts with such laws; however, the remainder of this Agreement shall be in full force and effect. 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.

26. NOTICES. Any notice or communication required or permitted by this Agreement shall be given in writing either by (a) personal delivery; (b) expedited delivery service with proof of delivery; (c) United States mail, postage prepaid, and registered or certified mail with return receipt requested; or (d) prepaid telecopy or fax, the receipt of which shall be acknowledged, addressed as follows:

UP Entities: Union Pacific Resources Company  
c/o Anadarko Petroleum Corporation  
Attention: Manager Western U.S. Land  
P.O. Box 1330  
17001 North Chase Drive  
Houston, Texas 77251-1330

Developer: Weld County Land Company, LLC  
2500 Arapahoe, Suite 220  
Boulder, Colorado 80302  
Attention: Jon Lee

with a copy to: Alan Lottner, Esq.  
Lottner Rubin Fishman Brown & Saul, P.C.  
633 17th Street, Suite 2700  
Denver, Colorado 80202-3635





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27. INCORPORATION BY REFERENCE. Exhibits A and B, and C are incorporated herein by this reference.

28. COUNTERPART EXECUTIONS. This Agreement may be executed in counterparts, each of which shall be deemed an original.

29. ENTIRE AGREEMENT. This Agreement sets forth the entire understanding among the parties and supersedes any previous communications, representations or agreements, whether oral or written. No change of any of the terms or conditions herein shall be valid or binding on any party unless in writing and signed by an authorized representative of each party.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by a duly authorized representative on the date and year first above written.

**UP ENTITIES:**

UNION PACIFIC RESOURCES COMPANY,  
a Delaware corporation

By: 

Its: Attorney-in-Fact

mdj

UNION PACIFIC LAND RESOURCES  
CORPORATION, a Nebraska corporation

By: 

Its: Attorney-in-Fact

mdj

**DEVELOPER:**

WELD COUNTY LAND COMPANY, LLC,  
a Colorado limited liability company

By: 

Its: MANAGER

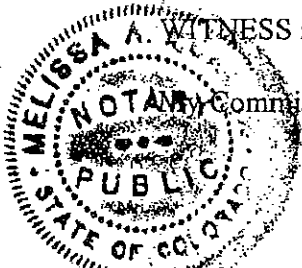




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STATE OF COLORADO                    )  
CITY AND                                ) ss.  
COUNTY OF DENVER                 )

The foregoing instrument was acknowledged before me this 14th day of November, 2000,  
by G. E. Peters, as Attorney-in-Fact of Union Pacific Land Resources  
Corporation, a Nebraska corporation.



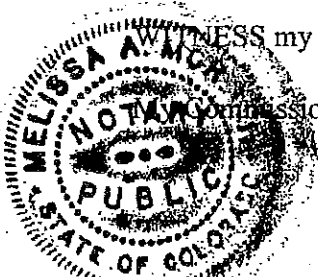
WITNESS my hand and official seal.

Commission expires: 8/29/01

Melissa S. Norman  
Notary Public

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

The foregoing instrument was acknowledged before me this 14th day of November, 2000,  
by James L. Newcomb, as Attorney-in-Fact of Union Pacific Resources Company, a  
Delaware corporation.



WITNESS my hand and official seal.

Commission expires: 8/29/01

Melissa S. Norman  
Notary Public

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

The foregoing instrument was acknowledged before me this 14th day of November, 2000,  
by Charles R. Bullock, as manager of Weld County Land Company,  
LLC, a Colorado limited liability company.

WITNESS my hand and official seal.



Commission expires: 8/29/01

Melissa S. Norman  
Notary Public



## EXHIBIT A

Attached to and made part of Agreement for Compatible Development  
dated November 14, 2000, by and among  
UNION PACIFIC LAND RESOURCES CORPORATION,  
UNION PACIFIC RESOURCES COMPANY, and  
WELD COUNTY LAND COMPANY, LLC

A parcel of land situate in Section 4, Township 1 North, Range 68 West of the 6th P.M.,  
Weld County, more particularly described as follows:

### PARCEL A

Commencing at the Southwest corner of Section 4, Township 1 North, Range 68 West, 6th  
P.M., from whence the West 1/4 corner of said Section lies N00°02'03" E, 2682.02 feet;  
Thence N44°47'52" E, 42.60 feet to the point of beginning, 30.00 feet easterly of the West  
line of the SW1/4 of Section 4;

Thence N00°02'03" E, 2651.78 feet parallel with and 30.00 feet East of West line of the  
SW1/4 of Section 4;

Thence N00°01'00" E, 2418.32 feet parallel with and 30.00 feet East of the West line of  
the NW1/4 of Section 4 to a point on the South right-of-way line of State Highway 52  
recorded in Book 491, Reception No. 1413164 and along said right of way the following two  
courses:

1. N55°55'30" E, 60.40 feet;

2. N88°34'43" E, 5153.37 feet, to a point 30.00 feet westerly of the East line of the  
NE1/4 of Section 4;

Thence S00°05'46" E, 2568.01 feet parallel with and 30.00 feet West of the East line of  
the NE1/4 of Section 4;

Thence S00°08'21" E, 2632.37 feet parallel with and 30.00 feet West of the East line of  
the SE1/4 of Section 4 to a point 30.00 feet northerly of the South line of the SE1/4 of  
Section 4;

Thence S89°44'56" W, 2608.67 feet parallel with and 30.00 feet North of the South line of  
the SE1/4 of Section 4;

Thence S89°33'41" W, 2606.23 feet parallel with and 30.00 feet North of the South line of  
the SW1/4 of Section 4 to the point of beginning.

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Two parcels of land situate in the SE1/4 of Section 8, Township 1 North, Range 68 West of the 6th P.M., Weld County, more particularly described as follows:

PARCEL B

Commencing at the Southeast corner of Section 8, Township 1 North, Range 68 West, 6th P.M., from whence the East 1/4 corner of said section lies N00°49'09" E, 2674.68 feet; Thence N45°04'48" W, 41.78 feet to the point of beginning, 30.00 feet North of the South line of said section; Thence S89°01'14" W, 2618.83 feet parallel with and 30.00 feet North of the South line of said section to a point on the North-South centerline of Section 8; Thence N00°01'31" E, 1579.23 feet along said North-South centerline to a point on the South right of way line of the Union Pacific Railroad, said right-of-way conveyed to the Union Pacific Railroad by a deed recorded June 13, 1912, in Book 359 at Page 418, said right-of-way line being 50.00 feet distant southerly as measured at right angles or radially from the existing main track centerline; Thence along said right of way the following three courses:

- 1) N42°43'40" E, 467.34 feet,
- 2) 1735.43 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 1858.50 feet, a central angle of 53°30'06", and a chord bearing N69°28'43" E, 1673.07 feet,
- 3) S83°46'14" E, 772.36 feet to a point 30.00 feet West of the East line of the S1/2 of the section;

Thence S00°49'09" W, 2380.71 feet parallel with and 30.00 feet West of the East line of the S1/2 to the point of beginning.

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PARCEL B-1

Commencing at the East 1/4 corner of Section 8, Township 1 North, Range 68 West, 6th P.M. from whence the Southeast corner of said section lies S00°49'09" W, 2674.68 feet; Thence along the East-West centerline S89°35'35" W, 30.00 feet to the point of beginning; Thence S00°49'09" W, 163.81 feet parallel with and 30.00 feet West of the East line of the S1/2 of Section 8 to a point on the northerly right-of-way line of the Union Pacific Railroad, said right of way conveyed to the Union Pacific Railroad by a deed recorded Jan 13, 1912, in Book 359 at Page 418, said right-of-way line being 50.00 feet distant northerly as measured at right angles or radially from the existing main track centerline;

Thence following said northerly right of way the following three courses:

- 1) N83°46'14" W, 762.89 feet;
- 2) 1828.81 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 1958.50 feet, a central angle of 53°30'06", and a chord bearing S69°28'43" W, 1763.09 feet;
- 3) S42°43'40" W, 358.98 feet to a point on the North-South centerline of Section 8; Thence N00°01'31" E, 943.91 feet along said North-South centerline to a point on the East-West centerline of said Section 8; Thence N89°35'35" E, 2655.15 feet along the East-West centerline to the point of beginning.

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Three parcels of land situate in Section 10, Township 1 North, Range 68 West of the 6th P.M., Weld County, more particularly described as follows:

PARCEL C

Commencing at the Northwest corner of Section 10, Township 1 North, Range 68 West, 6th P.M., from whence the West 1/4 corner of said section lies S00°24'43" W, 2669.01 feet;  
Thence N89°45'35" E, 30.00 feet;  
Thence S00°08'14" E, 30.00 feet to the point of beginning;  
Thence parallel with and 30.00 feet South of the North line of the NW1/4 of Section 10 N89°45'35" E, 2627.62 feet to a point on the West line of said NE1/4;  
Thence parallel with and 30.00 feet South of the North line of the NE1/4 of Section 10 N89°45'48" E, 2408.00 feet to a point on the West right-of-way line of Interstate Highway 25, as recorded in Book 1519 at Page 241;  
Thence along said West right-of-way line the following two courses:  
1) S00°23'52" E, 2628.85 feet;  
2) S00°22'56" E, 2628.28 feet to a point 30.00 feet northerly of the South line of the SE1/4 of Section 10;  
Thence parallel with and 30.00 feet North of said South line S89°37'55" W, 2446.01 feet to a point on the West line of SE1/4 of Section 10;  
Thence parallel with and 30.00 feet North of the South line of the SW1/4 of Section 10 S89°43'33" W, 844.10 feet to a point on the northeasterly line of a parcel recorded in Book 359 at Page 418, being 50.00 feet northeasterly, as measured radially, from the centerline of the main track of the Boulder branch of the Union Pacific Railroad as now constructed and operated;

Thence along said line the following two courses:

- 1) 969.32 feet along the arc of a non-tangent curve to the left, said arc subtended by a radius of 2857.50 feet, a central angle of 19°26'45", and a chord bearing N57°09'36" W, 965.16 feet;
- 2) N66°52'53" W, 372.83 feet to a point on the southerly line of a parcel recorded in Book 847 at Page 316 and described as "60 feet in width and eight tenths (0.8) of an acre";

Thence along said line the following twelve courses:

- 1) 239.36 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 974.72 feet, a central angle of 14°04'55", and a chord bearing N81°58'35" E 238.96 feet;
- 2) N74°56'08" E, 244.90 feet (14.1' beyond the beginning of a 43.5' wide strip, 2.5 acre in area described in Book 847 at Page 316);
- 3) 80.62 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 727.80 feet, a central angle of 06°20'49", and a chord bearing N78°06'32" E 80.58 feet;
- 4) N81°16'57" E, 7.90 feet;

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- 5) 22.90 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 727.80 feet, a central angle of  $01^{\circ}48'10''$ , and a chord bearing  $N82^{\circ}11'02''$  22.90 feet;
- 6)  $N83^{\circ}05'07''$  E, 599.90 feet;
- 7) 217.92 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 727.80 feet, a central angle of  $17^{\circ}09'20''$ , and a chord bearing  $S38^{\circ}20'13''$  217.11 feet;
- 8)  $S79^{\circ}45'33''$  E, 394.90 feet;
- 9) 125.19 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 797.80 feet, a central angle of  $08^{\circ}53'27''$ , and a chord bearing  $S84^{\circ}15'17''$  125.06 feet;
- 10)  $S88^{\circ}45'00''$  E, 447.00 feet;
- 11) 113.58 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 797.80 feet, a central angle of  $08^{\circ}09'26''$ , and a chord bearing  $N87^{\circ}10'17''$  E, 113.49 feet;
- 12)  $N83^{\circ}05'34''$  E, 463.60 feet to the southwesterly corner of a parcel of land recorded Book 1003 at Page 464;

Thence along boundary of said parcel the following three courses:

- 1)  $N83^{\circ}05'34''$  E, 200.00 feet;
- 2)  $N06^{\circ}54'26''$  W, 108.50 feet;
- 3)  $S83^{\circ}05'34''$  W, 200.00 feet to the northeasterly corner of the previous parcel recorded in Book 847 at Page 316;

Thence along northerly line of said parcel the following five courses:

- 1)  $S83^{\circ}05'34''$  W, 336.10 feet;
- 2)  $S06^{\circ}54'26''$  E, 23.50 feet;
- 3)  $S83^{\circ}05'34''$  W, 133.50 feet;
- 4) 101.48 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 712.80 feet, a central angle of  $08^{\circ}09'26''$ , and a chord bearing  $S87^{\circ}10'17''$  101.40 feet;
- 5)  $N88^{\circ}45'00''$  W, 293.50 feet to the easterly corner of a parcel recorded in Book 934 at Page 209;

Thence along northerly line of said parcel the following two courses:

- 1)  $N79^{\circ}31'35''$  W, 534.21 feet;
- 2)  $S88^{\circ}19'28''$  W, 364.79 feet to a point on the northerly line of the previous parcel recorded in Book 847 at Page 316;

Thence along northerly line of said parcel the following eight courses:

- 1)  $S83^{\circ}05'07''$  W, 585.80 feet;
- 2) 26.47 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 812.80 feet, a central angle of  $01^{\circ}51'58''$ , and a chord bearing  $S82^{\circ}09'07''$  W 26.47;

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- 3) 6.10 feet along the arc of a compound curve to the left, said arc subtended by a radius of 2755.00 feet, a central angle of  $00^{\circ}07'37''$ , and a chord bearing  $S81^{\circ}16'57''$  W, 6.10 feet;
- 4) 90.94 feet along the arc of a compound curve to the left, said arc subtended by a radius of 812.80 feet, a central angle of  $06^{\circ}24'37''$ , and a chord bearing  $S78^{\circ}08'26''$  W, 90.89 feet;
- 5)  $S74^{\circ}56'08''$  W, 14.10 feet;
- 6)  $S15^{\circ}03'52''$  E, 25.00 feet;
- 7)  $S74^{\circ}56'08''$  W, 230.80 feet;
- 8) 395.38 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 914.72 feet, a central angle of  $24^{\circ}45'57''$ , and a chord bearing  $S87^{\circ}19'06''$  W, 392.31 feet to a point on the northeasterly line of the parcel recorded at Book 512 Page 418, being 50.00 feet northeasterly, as measured radially from the main track of the Boulder branch of the Union Pacific Railroad as now constructed and operated; Thence along said Northeasterly line of parcel  $N66^{\circ}52'58''$  W, 485.14 feet; Thence  $N00^{\circ}08'27''$  W, 1683.89 feet to a point on the South line of the NW1/4 of Section 10; Thence  $N00^{\circ}08'14''$  W, 2638.73 feet to the point of beginning.

Except portions conveyed to the Department of Transportation, State of Colorado by Rule and Order recorded June 23, 2000 at Reception No. 2776783

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PARCEL C-1

Commencing at the Southwest corner of Section 10, Township 1 North, Range 68 West, 6th P.M., from whence the West 1/4 corner of said Section lies N00°31'01" E, 2635.71 feet;  
Thence N89°43'33" E, 86.08 feet;  
Thence N00°08'27" W, 30.00 feet to the point of beginning  
Thence continuing N00°08'27" W, 634.18 feet to a point on the southerly line of a parcel recorded in Book 512 at Page 337;  
Thence along said Southerly line of parcel 408.40 feet along the arc of a non-tangent curve to the right, said arc subtended by a radius of 963.02 feet, a central angle of 24°10'22", and a chord bearing S85°43'12" E, 405.18 feet to the northeasterly corner of a parcel recorded in Book 333 at Page 482;

Thence around said parcel the following three courses:

- 1) S23°07'02" W, 44.34 feet;
- 2) S66°52'58" E, 545.00 feet;
- 3) N23°07'02" E, 50.00 feet; to a point on the southwesterly line of a parcel recorded in Book 359 at Page 413, being 50.00 feet southwesterly of the centerline of the main track of the Boulder branch of the Union Pacific Railroad as now constructed and operated;

Thence along line of said parcel the following two courses:

- 1) S66°52'58" E, 13.41 feet;
- 2) 825.61 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 2757.50 feet, a central angle of 17°09'17", and a chord bearing S58°18'19" E, 822.53 feet to a point 30.00 feet northerly of the South line of the SW1/4 of Section 10;

Thence parallel with and 30.00 feet North of said South line S89°43'33" W, 1618.24 feet to the point of beginning.

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PARCEL C-2

Commencing at the Southwest corner of Section 10, Township 1 North, Range 68 West, 6th P.M., from whence the West 1/4 corner of said section lies N00°31'01" E, 2655.71 feet;  
Thence N89°43'33" E, 86.08 feet;  
Thence N00°08'27" W, 815.00 feet to the point of beginning;  
Thence continuing N00°08'27" W, 47.81 feet to a point on the southwesterly line of a parcel recorded in Book 359 at Page 418, being 50.00 feet southwesterly, as measured perpendicularly, from the centerline of the main track of the Boulder branch of the Union Pacific Railroad as now constructed and operated;  
Thence along said southwesterly line S66°52'58" E, 102.58 feet to a point on the northerly line of a parcel recorded in Book 512 at Page 337;  
Thence along said northerly line 94.64 feet along the arc of a non-tangent curve to the left, said arc subtended by a radius of 1063.02 feet, a central angle of 05°04'38", and a chord bearing S85°27'14" W, 94.61 feet to the point of beginning.

(continued)



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A parcel of land situate in the E1/2 of Section 18, Township 1 North, Range 68 West of the 6th P.M., Weld County, more particularly described as follows:

PARCEL D

Commencing at the Northeast corner of Section 18, Township 1 North, Range 68 West, 6th P.M., from whence the East 1/4 corner of said section lies S00°02'28" E, 2678.62 feet; Thence N89°14'48" W, 30.07 feet to the point of beginning; Thence S00°02'28" E, 1897.89 feet parallel with and 30.00 feet distant West of the East line of the NE1/4 of Section 18 to a point on the North line of the Erie Cemetery, partially described in a deed recorded on May 23, 1963, as Reception No. 1516751; Thence N89°59'20" W, 640.42 feet to the Northwest corner of said cemetery; Thence S00°03'40" W, 404.65 feet to the North line of a parcel recorded in Book 30, Page 483; Thence N89°34'58" W, 163.67 feet to the Northwest corner of said parcel; Thence S00°04'57" E, 417.42 feet to the Southwest corner of said parcel; Thence S89°34'58" E, 804.84 feet to a point 30.00 feet westerly of the East line of the SE1/4 of Section 18; Thence S00°25'10" E, 1450.65 feet parallel with and 30.00 feet distant westerly of the East line of said SE1/4 to a point on the North line of a parcel recorded as Reception No. 1516751;

Thence along boundary of said parcel the following three courses:

- 1) S89°40'50" W, 658.56 feet;
- 2) S00°19'10" E, 253.00 feet;
- 3) N89°40'50" E, 639.00 feet to a point 30.00 feet westerly of the East line of the SE1/4 of Section 18;

Thence S00°25'10" E, 825.08 feet to a point 30.00 feet northerly of the South line of said SE1/4 of Section 18, said point also being the northerly right-of-way line of Weld County Road 8;

Thence N89°31'17" W, 258.53 feet, along said northerly right of way, parallel with and 30.00 feet North of the South line of said SE1/4;

Thence N86°54'04" W, 1098.49 feet along the northerly line of Weld County Road 8, as described in Book 15551, Pages 39-43, Reception Nos. 2495437-41 to a point on the easterly line of property described in Book 754 at Reception No. 1676471;

Thence along said property the following three courses:

- 1) N00°29'16" E, 49.80 feet;
- 2) 453.09 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 440.00 feet, a central angle of 59°00'00", and a chord bearing N29°00'44" W 433.33 feet;
- 3) N58°30'44" W, 204.67 feet to a point 50.00 feet distant southeasterly, measured at right angles, from the centerline of the main track of the Boulder branch of the Union

(continued)



Pacific Railroad Company as presently constructed and operated, said right of way conveyed to the Union Pacific Railroad by deed recorded in Book 359 at Page 418; Thence northerly along a line drawn parallel and/or radially with said centerline of main track the following nine courses:

- 1) 629.21 feet along the arc of a non-tangent curve to the left, said arc subtended by radius of 1007.50 feet, a central angle of  $35^{\circ}46'57''$ , and a chord bearing  $N07^{\circ}31'37''$  E, 619.03 feet;
- 2) Thence  $N10^{\circ}21'32''$  W, 694.70 feet;
- 3) 894.20 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 1287.50 feet, a central angle of  $39^{\circ}47'36''$ , and a chord bearing  $N09^{\circ}31'57''$  E, 876.34 feet;
- 4)  $N29^{\circ}25'45''$  E, 224.87 feet;
- 5) 463.85 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 1673.50 feet, a central angle of  $15^{\circ}52'51''$ , and a chord bearing  $N21^{\circ}29'13''$  E, 462.36 feet;
- 6)  $N13^{\circ}32'54''$  E, 421.72 feet;
- 7) 966.21 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 2957.50 feet, a central angle of  $13^{\circ}43'06''$ , and a chord bearing  $N04^{\circ}11'21''$  E, 961.91 feet;
- 8)  $N05^{\circ}10'12''$  W, 351.67 feet;
- 9) 165.08 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 1575.00 feet, a central angle of  $06^{\circ}00'20''$ , and a chord bearing  $N02^{\circ}10'02''$  W, 165.01 feet to a point on the North line of the NE1/4 of Section 18;

Thence along said North line  $S89^{\circ}14'48''$  E, 1206.77 feet to the point of beginning, EXCEPTING THEREFROM a "road right of way 9 feet in width leading to said cemetery from Erie", so described in Book 30 at Page 483.



A parcel of land situate in Section 17, Township 1 North, Range 68 West of the 6th P.M., Weld County, more particularly described as follows:

PARCEL E

Commencing at the Northeast corner of Section 17, Township 1 North, Range 68 West, 6th P.M., from whence the East 1/4 corner of said Section lies S00°12'52" E, 2631.66 feet; Thence S44°24'11" W, 42.71 feet to the point of beginning, 30.00 feet westerly of the East line of the N1/2 of Section 17; Thence S00°12'52" E, 2601.26 feet parallel with and 30.00 feet West of the East line of the N1/2 of Section 17; Thence S00°13'30" E, 2602.21 feet parallel with and 30.00 feet West of the East line of the SE1/4 of Section 17 to a point 30.00 feet northerly of the South line of the SE1/4 of Section 17; Thence S88°48'09" W, 2618.87 feet parallel with and 30.00 feet North of the South line of the SE1/4 of Section 17; Thence S88°48'45" W, 2617.65 feet parallel with and 30.00 feet North of the South line of the SW1/4 of Section 17 to a point 30.00 feet easterly of the West line of the SW1/4 of Section 17; Thence N00°29'10" W, 2573.96 feet parallel with and 30.00 feet East of the West line of the SW1/4 of Section 17; Thence N00°02'28" W, 2649.01 feet parallel with and 30.00 feet East of the West line of the NW1/4 of Section 17 to a point 30.00 feet southerly of the North line of Section 17; Thence N89°01'14" E, 5236.94 feet parallel with and 30.00 feet South of the North line of Section 17 to the point of beginning.

(continued)



A parcel of land situate in the E1/2 of Section 33, Township 2 North, Range 68 West of the 6th P.M., Weld County, more particularly described as follows:

PARCEL F

Commencing at the Northeast corner of said Section 33 from whence the East 1/4 corner is S00°02'01" E, 2661.98 feet;

Thence along the East line of the NE1/4 of said Section 33 S00°02'01" E, 30.00 feet;  
Thence along a line parallel with and 30.00 feet southerly, measured at right angles, from the North line of the NE1/4 of said Section 33, S89°08'30" W, 150.02 feet to the point of beginning;

Thence continuing along said line parallel with and 30.00 feet distant southerly from the North line of the NE1/4 of Section 33, S89°08'30" W, 2491.97 feet to a point on the West line of the NE1/4 of said Section 33;

Thence S00°02'38" E, 2594.11 feet along West line to the SW1/4 corner of the NE1/4 of Section 33;

Thence S00°02'52" E, 2648.52 feet along the West line of the SE1/4 of said Section 33 to a point that is 30.00 feet distant northerly from the South 1/4 corner of said Section 33;

Thence N89°37'29" E, 487.95 feet along a line parallel with and 30.00 feet distant northerly from the South line of the SE1/4 of said Section 33 to a point on the East line of a parcel recorded in Book 1506, Reception No. 2451280;

Thence along East line of said parcel N03°40'23" E, 2651.19 feet to a point on the South line of the NE1/4 of said Section 33;

Thence N89°57'46" E, 1951.25 feet along the South line of the NE1/4 of Section 33 to a point that is 30.00 feet distant westerly from the East 1/4 corner of said Section 33;

Thence N00°02'01" W, 722.66 feet along a line parallel with and 30.00 feet distant westerly from the East line of the NE1/4 of Section 33 to the Southeast corner of the parcel recorded May 13, 1998, at Reception No. 2612563;

Thence along said parcel the following three courses:

1. S89°57'59" W, 363.76 feet;

2. N00°02'01" W, 240.00 feet;

3. N89°57'59" E, 363.76 feet;

Thence N00°02'01" W, 449.60 feet along a line parallel with and 30.00 feet distant westerly from the East line of the NE1/4 of Section 33 to a point on the South line of the parcel recorded at Reception No. 2288334;

Thence along the South line of said parcel S89°57'59" W, 250.00 feet to the Southwest corner of parcel;

Thence along the West line of said parcel N00°02'01" W, 120.00 feet to a point on the South line of that parcel owned by Nick Harkales in the year 1948;

Thence along South line of said parcel S89°57'59" W, 10.00 feet to the Southwest corner of the parcel;

Thence along West line of said parcel N00°02'01" W, 110.00 feet to a point on the South

(continued)





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line of a parcel recorded January 29, 1993, in Book 1368 at Reception No. 2319926;

Thence along said parcel the following three courses:

1. S89°57'59" W, 3.30 feet;
2. N00°02'01" W, 56.21 feet;
3. N89°57'59" E, 263.30 feet;

Thence N00°02'01" W, 353.51 feet along a line parallel with and 30.00 feet distant westerly from the East line of the NE1/4 of Section 33 to the Southeast corner of a parcel recorded April 12, 1945, in Book 1153, Page 15;

Thence along the South line of said parcel S89°57'59" W, 130.00 feet;

Thence N00°02'01" W, 150.00 feet to the Northwest corner of a parcel recorded April 24, 1926, in Book 788, Page 400;

Thence along North line of said parcel N89°57'59" E, 150.00 feet;

Thence N00°02'01" W, 304.55 feet along a line parallel with and 30.00 feet distant westerly from the East line of the NE1/4 of Section 33;

Thence S89°08'30" W, 120.01 feet;

Thence N00°02'01" W, 125.01 feet to the point of beginning.

(continued)

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Three parcels of land situate in Section 19, Township 1 North, Range 68 West of the 6th P.M., Weld County, More particularly described as follows:

PARCEL G

Commencing at the Northeast corner of the NW1/4 of the NE1/4 of Section 19, Township 1 North, Range 68 West, 6th P.M., from whence the Northeast corner of Section 19 lies

S89°31'17" E, 1298.14 feet;

Thence S00°24'57" E, 24.66 feet along the East line of the W1/2 of the NE1/4 of Section 19 to the point of beginning;

Thence continuing along line S00°24'57" E, 2609.86 feet to a point on the South line of NE1/4 of Section 19;

Thence along East line of the W1/2 of the SE1/4 of Section 19 S00°25'02" E, 2604.36 feet to a point 30.00 feet northerly of the South line of the SE1/4 of Section 19;

Thence S89°56'56" W, 1292.51 feet parallel with and 30.00 feet North of the South line of the SE1/4 of Section 19;

Thence S89°57'02" W, 1267.09 feet parallel with and 30.00 feet North of the South line of the SW1/4 of Section 19;

Thence N00°33'50" W, 2616.47 feet along the West line of the E1/2 of the SW1/4 to the South line of the NW1/4 of Section 19;

Thence along the South line of said NW1/4 S89°46'26" E, 1.97 feet to a point on the easterly line of a parcel of land recorded at Reception No. 2633609;

Thence along the easterly line of said parcel the following five courses:

- 1) 94.67 feet along the arc of a non-tangent curve to the left, said arc subtended by a radius of 340.00 feet, a central angle of 15°57'12", and a chord bearing N22°39'50" W, 94.36 feet,
- 2) 29.56 feet along the arc of a reverse curve to the right, said arc subtended by a radius of 20.00 feet, a central angle of 84°40'19", and a chord bearing N11°41'44" E, 26.94 feet,
- 3) 236.41 feet along the arc of a reverse curve to the left, said arc subtended by a radius of 950.00 feet, a central angle of 14°15'29", and a chord bearing N46°54'09" E, 235.80 feet,
- 4) N39°46'24" E, 2542.95 feet,
- 5) 888.62 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 1030.00 feet, a central angle of 49°25'52", and a chord bearing N64°29'20" E, 861.31 feet, to the point of beginning.

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PARCEL G-1

Commencing at the N 1/4 corner of Section 19, Township 1 North, Range 68 W, 6th P.M., from whence the Northwest corner of said section lies N89°30'18" W, 2543.60 feet;  
Thence along the North line of the NW1/4 of Section 19 N89°30'18" W, 1108.21 feet to the point of beginning;

Thence S56°52'34" E, 304.45 feet parallel with and 100.00 feet distant, southwesterly, from the centerline of the Boulder branch of the main track of the Union Pacific Railroad Company, as presently constructed and operated;

Thence continuing parallel with and 100.00 feet distant, measured radially, from the centerline of said railroad track, 1393.34 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 1050.98 feet, a central angle of 75°57'37", and a chord bearing N85°08'37" E, 1293.52 feet, bounded northerly, in part, by a parcel of land recorded in Book 1453, Reception No. 2400985, to a point on the boundary of a parcel of land recorded at Reception No. 2633609;

Thence along westerly boundary of said parcel the following four courses:

- 1) S00°17'05" E, 242.48 feet,
- 2) 36.04 feet along the arc of a non-tangent curve to the left, said arc subtended by a radius of 1170.00 feet, a central angle of 01°45'34", and a chord bearing S40°39'21" W, 36.04 feet,
- 3) S39°46'24" W, 2542.95 feet,
- 4) 492.51 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 810.00 feet, a central angle of 34°50'17", and a chord bearing S57°11'33" W 484.96 feet, to a point on the East line of a parcel of land recorded in Book 1623, Reception No. 2566192;

Thence along said easterly line the following three courses:

- 1) N01°09'00" E, 63.08 feet,
  - 2) 242.86 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 5679.65 feet, a central angle of 02°27'00", and a chord bearing N02°12'02" E, 242.84 feet,
  - 3) N03°35'48" E, 2245.72 feet to the northerly line of the NW1/4 of Section 10;
- Thence S89°30'18" E, 361.43 feet along said northerly line to the point of beginning.

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PARCEL G-2

Commencing at the Northwest corner of Section 19, Township 1 North, Range 68 W, 6th P.M. from whence the W1/4 corner of said section lies S00°30'22" E, 2652.75 feet;  
Thence along the North line of the NW1/4 of Section 19 S89°30'18" E, 30.00 feet to the point of beginning;

Thence continuing along said North line, S89°30'18" E, 943.81 feet to a point on the West line of a parcel of land described in Book 1623, Reception No. 2566192,

Thence along said West line the following three courses:

- 1) S03°35'48" W, 2240.30 feet,
- 2) 247.14 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 5779.65 feet, a central angle of 02°27'00", and a chord bearing S02°12'31" W, 247.11 feet,
- 3) S01°08'50" W, 86.00 feet, to a point on the North line of a parcel of land recorded as Reception No. 2633609;

Thence along North line of said parcel the following two courses:

- 1) 118.06 feet along the arc of a non-tangent curve to the right, said arc subtended by radius of 810.00 feet, a central angle of 08°21'05", and a chord bearing S86°03'02" W, 117.96 feet,
- 2) N89°46'26" W, 651.49 feet to a point 30.00 feet easterly of the West line of the NW1/4 of Section 19;

Thence N00°30'22" W, 2582.61 feet parallel with and 30.00 feet East of West line of the NW1/4 of Section 19 to the point of beginning.





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## EXHIBIT B

Attached to and made a part of Agreement for Compatible Development  
dated November 14, 2000, by and among  
UNION PACIFIC LAND RESOURCES CORPORATION,  
UNION PACIFIC RESOURCES COMPANY, and  
WELD COUNTY LAND COMPANY, LLC

### 318A. Greater Wattenberg Area Special well location rule.

a. The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6<sup>th</sup> P.M. In GWA, operators may utilize the following described drilling locations to drill or twin a well, deepen a well, or recomplate a well and to commingle any or all of the Cretaceous Age formations from the base of the Dakota to the surface ("GWA wells"):

(1) a square with sides four hundred (400) feet in length, the center of which is the center of any quarter/quarter section; and,

(2) a square with sides eight hundred (800) feet in length, the center of which is the center of any quarter section.

b. Any GWA well in existence prior to the effective date of this rule, which is not located as described above, may also be utilized for deepening to or recompletion in any Cretaceous Age formation, and for the commingling of production therefrom.

c. Where an existing well cannot be utilized for deepening or recompletion, for reasons including, but not limited to, differing ownership or wellbore limitations, any new, twinned well shall be located as close to such existing well as is practicable, consistent with sound engineering practice.

d. This rule does not alter the size or configuration of drilling units for GWA wells in existence prior to its effective date. Where deemed necessary an operator for purposes of allocating production, such operator may allocate production to an expanded drilling unit with respect to a particular Cretaceous Age formation consistent with the provisions of this rule.

e. This rule shall not serve to bar the granting of relief to owners who file an application alleging abuse of their correlative rights to the extent that such owners can demonstrate that their opportunity to produce the Cretaceous Age formations from the drilling locations herein authorized does not provide an equal opportunity to obtain their just and equitable share of oil and gas from such formations.

f. Subject to Paragraph d. above, this rule supersedes all prior Commission drilling and spacing orders affecting the GWA wells. Well location exceptions to this rule shall be subject to the provisions of Rule 318.c.





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### EXHIBIT C

Attached to and made a part of Agreement for Compatible Development  
dated November 14, 2000, by and among  
UNION PACIFIC LAND RESOURCES CORPORATION,  
UNION PACIFIC RESOURCES COMPANY, and  
WELD COUNTY LAND COMPANY, LLC

#### Probable Owners of Oil and Gas Leasehold Interests:

HS Resources, Inc.  
1999 Broadway, Suite 3600  
Denver, Colorado 80202

United States Exploration, Inc.  
1560 Broadway, Suite 1900  
Denver, Colorado 80202

Patina Oil & Gas Corporation ("Patina")  
1625 Broadway, Suite 2000  
Denver, Colorado 80202

North American Resources Company ("NARCO")  
1700 Broadway, Suite 508  
Denver, Colorado 80290

#### 2. Probable Oil and Gas Interests as Follows:

Township 2 North, Range 68 West  
Section 33: NE4 and part of W2SE4

UXP, HS and Patina

Township 1 North, Range 68 West

Section 4: All

HS and UXP

Section 8: SE4

HS and UXP

Section 10: All

HS and UXP

Section 17: All

HS and UXP

Section 18: E2 east of RR r/w

NARCO, HS, Thomas S.

Morton and James G. Norton

Section 19: W2E2, E2SW4 and NW4

NARCO and HS



## AMENDMENT OF RIGHT-OF-WAY GRANT

PARAGRAPH G

17<sup>th</sup> THIS AMENDMENT OF RIGHT-OF-WAY GRANT ("Amendment") is entered into this 17<sup>th</sup> day of April, 2014, by and between **Daybreak Metropolitan District No. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado, with an address of c/o White, Bear & Ankele, 2154 E. Commons Avenue, Suite 2000, Centennial, Colorado 80122 and **Daybreak Recovery Acquisition LLC**, a Delaware limited liability company, with an address of 1251 Avenue of the Americas, 50<sup>th</sup> Floor, New York, New York 10020 (together the "Grantors") and **Kerr-McGee Gathering LLC**, a Colorado limited liability company ("KMGG"), with an address of 1099 18<sup>th</sup> Street, Denver, Colorado 80202. Grantors and KMGG are sometimes referred to hereinafter alone or together as a "Party" or the "Parties."

## RECITALS

A. Tallgrass Investors, LLC, a Colorado limited liability company granted, conveyed and warranted a Right-of-Way Grant to KMGG dated August 20, 2007 and recorded in the Office of the Clerk and Recorder of Weld County on September 20, 2007 at Reception No. 3505741 and re-recorded on January 21, 2009 at Reception No. 3600584 ("Easement") granting and conveying a perpetual right-of-way and easement for purposes of surveying, constructing, operating, replacing and maintaining (among other purposes) one (1) four inch (4") pipeline and appurtenances in, over and across a portion of the SE/4 of Section 8, Township 1 North, Range 68 West of the 6th P.M., Weld County, Colorado ("Property"), all as specifically described in the Easement, copies of the recorded duplicate Easements being attached hereto as Exhibit 1.

B. Grantors are successors in interest to Tallgrass Investors, LLC.

C. KMGG has constructed a pipeline within the Easement, and KMGG now desires, among other things, to construct, operate and maintain an additional pipeline (the "Additional Pipeline") within the Easement.

D. Purposes of this Amendment are: i) to provide for and allow the Additional Pipeline within the Right-of-Way Lands; ii) to amend the property description of the Right-of-Way Lands to extend the Easement to run the full length north to south along the east boundary of the SE/4 of Section 8; iii) to provide for a temporary easement on the Property as described herein; iv) to include certain agreed upon landscaping provisions in the Easement; and v) to allow KMGG to change the size of the existing four-inch pipeline.

**NOW, THEREFORE**, in consideration of Ten Dollars (\$10) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantors and KMGG hereby agree to amend the Easement as follows:

1. Each of Grantors, for itself, represents and warrants to KMGG that (i) it is the sole owner in fee simple of that portion of the Right-of-Way Lands to which it holds title, subject to the burden of current taxes, the Easement and any prior recorded easements, public dedications and other matters of record, and (ii) it has full right, power and authority to enter into this Amendment.

2. The description of the Right-of-Way Lands as described on Exhibit A to the Easement is hereby amended to be the description on Exhibit 2 to this Amendment. Exhibit 2 to this Amendment replaces Exhibit A to the Easement. A reference herein and in the Easement to the "Right-of-Way Lands" shall be a reference to the property described in the attached Exhibit 2.

3. Paragraph 2 of the Easement is amended to allow for one (1) four-inch (4") pipeline and one additional pipeline not to exceed sixteen inches (16").

4. KMGG may elect to change the size of the existing four-inch (4") pipeline to any size up to twelve inches (12").

5. Prior to any landscaping activities on the Right-of-Way Lands, Grantors shall prepare and submit a landscape plan to KMGG for the review and consent of KMGG, such consent not be unreasonably withheld; provided, however, it shall not be unreasonable for KMGG to withhold consent to the installation of trees, bushes or other landscape improvements on a case by case basis for safety reasons related to a pipeline or a portion of a pipeline or because of the



type of bush, tree or other landscape improvement proposed by Grantors. If KMGG withholds its consent, KMGG shall propose reasonable solutions to Grantors. KMGG shall be liable for damages to landscaping within the Right-of-Way Lands to the extent caused by the construction or operation of pipelines constructed within the Right-of-Way Lands, but only for landscaping that is installed pursuant to a landscape plan approved by KMGG as provided herein.

6. Grantors hereby grant and convey unto KMGG a temporary construction easement for a term of eighteen (18) months from the date of this Amendment for purposes of surveying, accessing, staging and storing materials and equipment necessary or convenient for the construction of the Additional Pipeline. The temporary construction easement shall be adjacent to and west of the Right-of-Way Lands, as depicted on the attached Exhibit 3 as "Temporary Work Space".

7. KMGG shall not bring onto or permit to be brought onto the Right-of Way Lands or Temporary Work Space, any hazardous or toxic substance or material (including petroleum) regulated by the State of Colorado, the United States government, or any other government authority with applicable jurisdiction ("Hazardous Materials"), without the express written permission of Grantor. Grantor does acknowledge that the Easement as hereby amended, is granted to KMGG for the installation and operation of pipelines for the transportation or transmission of oil, gas, petroleum products, water, hydrocarbons or mixtures of any of the foregoing and Grantor does hereby grant to KMGG express written permission to transport said products across the Right-of-Way Lands.

8. The Easement, as amended by this Amendment ("Amended Easement"), cannot be modified except by a written agreement signed by the Parties.

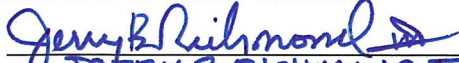
9. Except as modified herein, and except to the extent necessary to conform to and incorporate the provisions of this Amendment, all other terms, covenants and obligations of the Easement shall remain in full force and effect and are hereby affirmed by the Parties. In the event of a conflict between this Amendment and the Easement for a matter specifically covered herein, this Amendment shall control.

10. Exhibits 1, 2 and 3 are incorporated into this Amendment by reference.

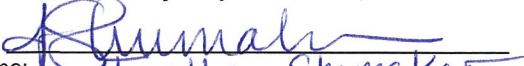
11. The rights granted herein may be assigned in whole or in part, and the terms, conditions and provisions of the Amended Easement shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of Grantors and KMGG.

**IN WITNESS WHEREOF**, the Parties have executed this Amendment as of the date first above written.

**Daybreak Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado**

By:   
Name: JERRY B. RICHMOND III  
Title: BOARD PRESIDENT

**Daybreak Recovery Acquisition LLC, a Delaware limited liability company**

By:   
Name: Jonathan Shumaker  
Title: Authorized Signatory

**KERR-MCGEE GATHERING LLC, a Colorado limited liability company**

By: \_\_\_\_\_  
, Agent and Attorney-in-Fact



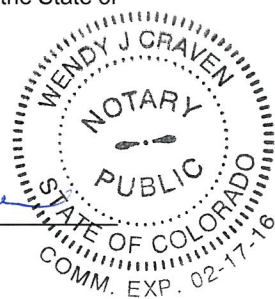
STATE OF Colorado )  
 )ss.  
COUNTY OF Arapahoe )

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of April, 2014, by Terry R. Richmond, as Board President of Daybreak Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado.

Witness my hand and official Seal.

My Commission Expires: 2/17/16

Wendy J. Craven  
Notary Public



(SEAL)

STATE OF New York )  
 )ss.  
COUNTY OF New York )

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of April, 2014, by Jonathan Shumaker, as Authorized Signatory of Daybreak Recovery Acquisition LLC, a Delaware limited liability.

Witness my hand and official Seal.

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

**STEPHANIE SCHULMAN**  
Notary Public, State of New York  
No. 02SC6258887  
Qualified in Westchester County  
Commission Expires April 9, 2016

Stephanie Schulman  
Notary Public

(SEAL)

STATE OF COLORADO )  
 )ss.  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, as Agent and Attorney-in-Fact for Kerr-McGee Gathering LLC, a Colorado limited liability company, on behalf of such company.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

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



Notary Public

(SEAL

Exhibits

Exhibit 1--duplicate original recorded Easements

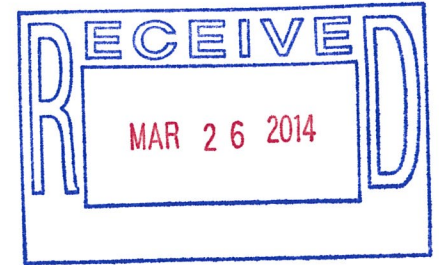
Exhibit 2---description of right-of way lands

Exhibit 3---depiction of temporary construction easement



Rec No. 3654328  
UP CO V7/4 Pcl 2.

Daybreak Metro  
District No. 3  
Rec No. 3955791



**100'x100'  
Temporary  
Work Space**

Northerly Line  
Rec No. 3505741  
Rec No. 3600584

50' Easement  
Vessels Oil & Gas  
Rec No. 2042899

**REQUESTED ROW**

**SE 1/4 SECTION 8  
T1N R68W 6th PM**

30' Right of Way  
Rec No. 3505741  
Rec No. 3600584

Daybreak Recovery Acquisition LLC  
Rec No. 3955792

East Line  
Tract 18

**Tract 18 Bridgewater  
Master Subdivision  
Rec No. 3811552**

WCR 5

90' WCR 5  
Right of Way

**20' Temporary  
Work Space**

50' Easement  
Vessels Oil & Gas  
Rec No. 2042899

**CURRENT ROW**

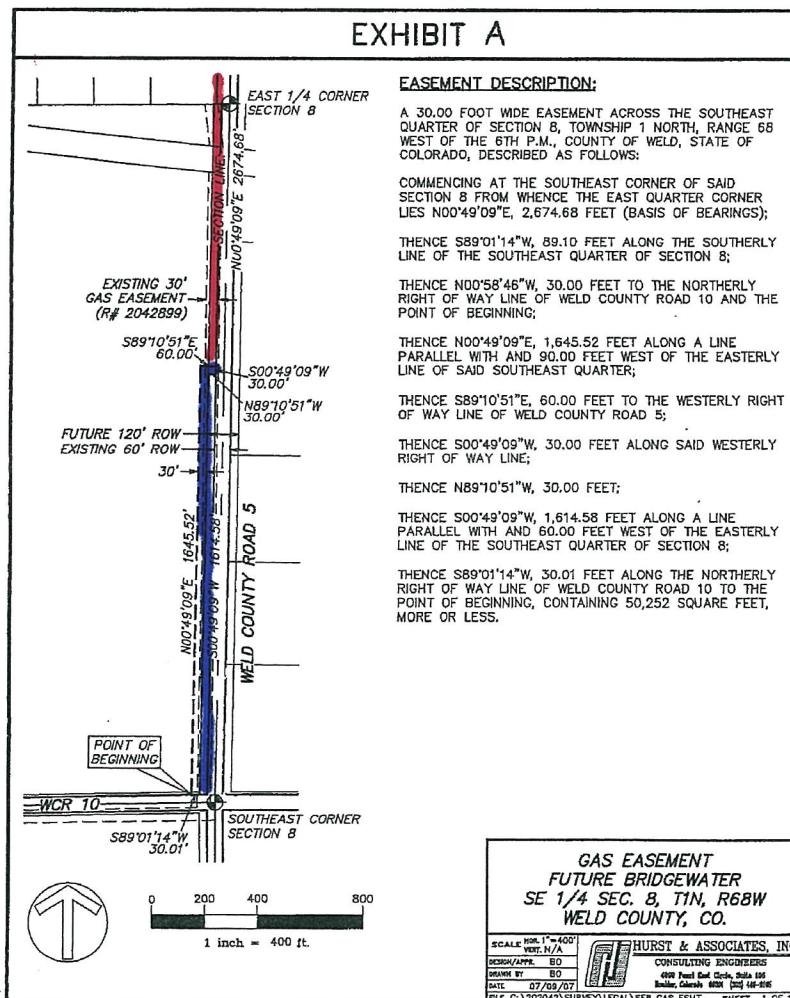
South Line  
Tract 18



# **EXHIBIT 1** **Of Amendment of Right-of-Way Grant**

3505741 09/20/2007 05:20P Weld County, CO  
 3 of 3 R 16.00 D 0.00 Steve Moreno Clerk & Recorder

Attached to and made a part of that certain Right-of-Way Grant dated August 20, 2007,  
 from Tallgrass Investors LLC, to Kerr-McGee Gathering LLC.

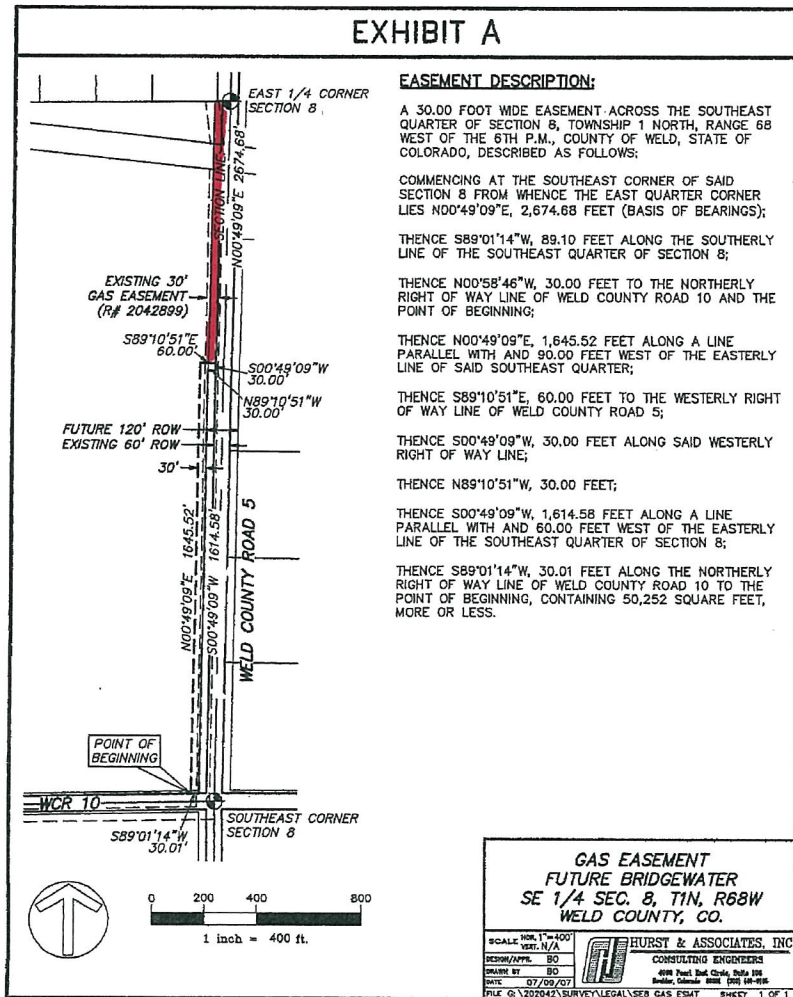




**EXHIBIT 1**  
**Of Amendment of Right-of-Way Grant**

Exhibit "A"

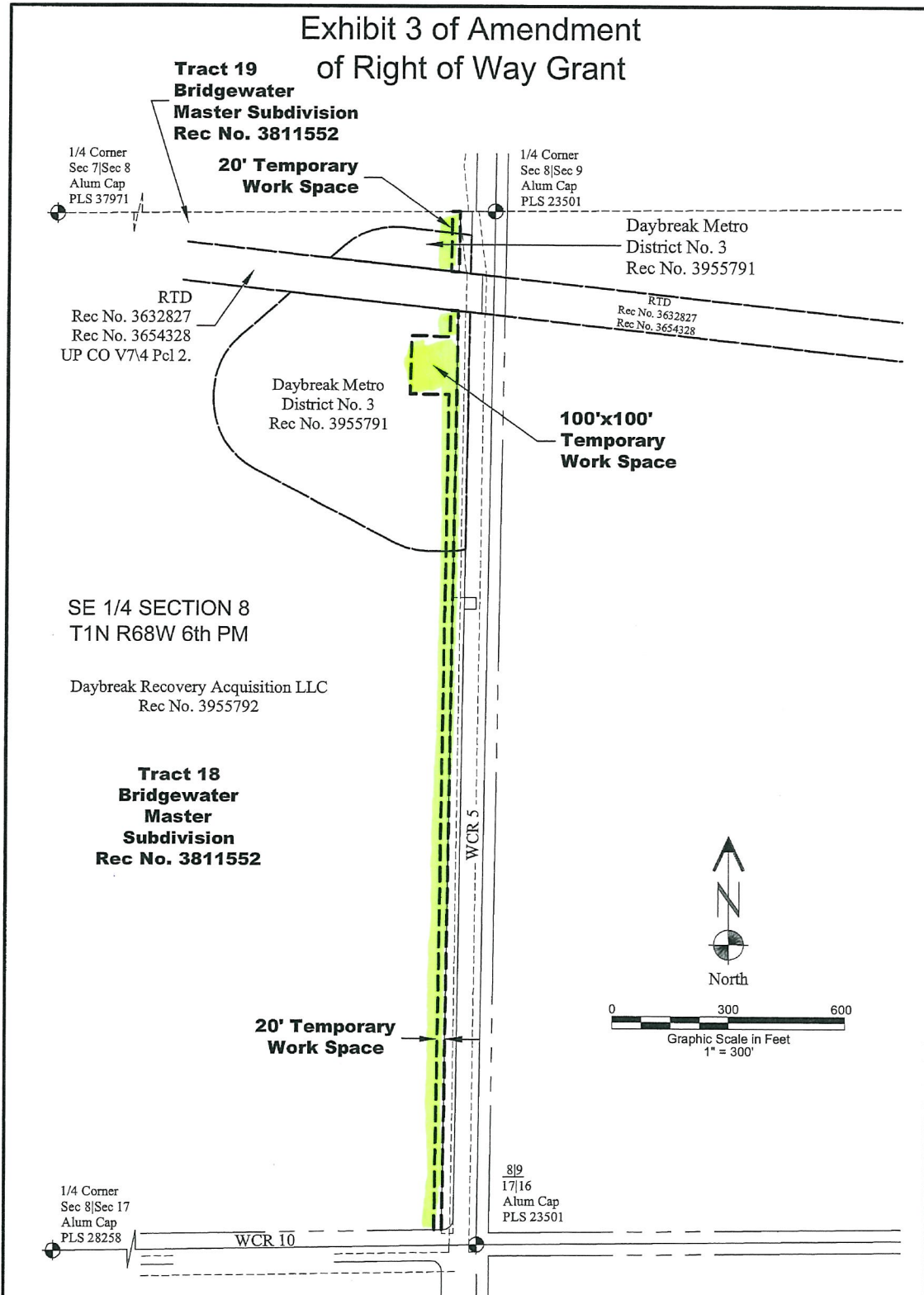
Attached to and made a part of the certain Right-of-Way Grant dated August 20, 2007  
between Tallgrass Investors LLC, Grantor(s) and Kerr-McGee Gathering, LLC, Grantee.



3600584 01/21/2009 11:28A Weld County, CO  
3 of 3 R 16.00 D 0.00 Steve Moreno Clerk & Recorder



# Exhibit 3 of Amendment of Right of Way Grant



1 OF 1 SHEET NO.		KERR-McGEE Right of Way Survey		TOWNSHIP: 1 North	1"= 300'	SAP AFE: 2075225
				RANGE: 68 West 6th PM	12/23/2013	TRACKING: 9412021
				COUNTY: Weld	BY: jtv	REVISIONS:
				STATE: Colorado		



## Abstract of Surface Use Agreement

DayBreak Community, Weld County, Colorado  
N/2 of Section 17, T1N, R68W

Effective Date: October 10, 2011

Recording Date/Info: November 14, 2011, Reception No. 3805168, Weld County, Colorado

Property: N/2 of Section 17, T1N, R68W

### Parties:

Surface Owner: Tallgrass Investors, LLC

Oil and Gas Mineral Interest  
Owners/Lessors:

Anadarko E&P Company LP, fka Union Pacific Resources  
Company, and  
Anadarko Land Corp., fka Union Pacific Land Resources  
Corporation (together, the **Anadarko Entities**)

Pipeline/Gas Gathering  
Company:

Kerr-McGee Gathering LLC (or **KMGG**)

Oil and Gas Mineral  
Interest Lessee:

Noble Energy, Inc. (**Noble**)

SUA Supplemented by: Letter Agreement dated October 10, 2011, among Surface Owner and  
Oil Companies

### Abbreviations and Notes:

All number references in parentheses identify the sections of the Surface Use Agreement (**SUA**) under discussion. Consistent with the SUA, the abstract defines the Anadarko Entities and Noble, collectively, as the **Oil Companies**; and the Colorado Oil and Gas Conservation Commission as the **COGCC**.

### SUA Summary:

#### I. O&G Activity Areas

The SUA identifies various areas of the Property according to the types of O&G activity allowed in the particular areas.



a. **Oil and Gas Operations Areas.**

i. O&G Companies' Permitted Uses/Restrictions.

1. O&G Wells: The Oil and Gas Operations Areas define the locations of certain Existing Wells (listed in subpart ii of this subpart I.a below) and any future O&G wells that may be developed on the Property. (1.a ; 1.b.(i); 1.f)
2. Exclusive Use: The Oil and Gas Operations Areas are designated for the exclusive use of the Oil Companies. (1.a and 1.f)
3. Permitted Uses: The location of Existing Wells and future wells and the conduct of oil and gas drilling, exploration, completion, recompletion, work-overs, fractures, refractures, plugging and abandonment activities; production and maintenance operations; the location, operation, maintenance and repair of associated oil field exploration and production equipment and facilities, including flowlines, pipelines and meters; and tanks, separators, dehydrators and compressors as necessary or convenient for the operation of (i) Existing Wells and future wells located within the Oil and Gas Operations Area and (ii) Production Facility Locations. (1.a, 1.f and 1.g)

ii. Site Locations and Sizes. The SUA describes **four** Oil and Gas Operations Areas, all shown on **Exhibit 2**, a copy of which is attached to this summary.

1. Center of the NE/4, which is the site of the Existing Well operated by Noble and called "East Erie #1-17," sized as shown on **Exhibit 2**. This Oil and Gas Operations Area includes (a) an "Oil and Gas Well Area," marking the site of the Existing Well and any future well, and (b) an "Oil and Gas Permanent Facilities Area," marking the location for permanent production facilities. (Recital F; 1.a; 1.b.(ii))
2. Center of the NW/4, which is the site of the Existing Well operated by Noble and called "East Erie 2-17 #1," sized as shown on **Exhibit 2**. (Recital F; 1.a)
3. Center of the NW/4 NE/4, which is the site of the Existing Well operated by Noble and called "Tallgrass 31-17" encompassing a circle with a radius of 200 feet. *Noble agreed that it will not drill new wells or locate new additional permanent production facilities within this Oil and Gas Operations Area.* In addition, at the written request of Surface Owner, the Oil Companies agree to negotiate in good faith regarding the plugging and abandonment of the Tallgrass 31-17 Well, provided that Noble determines in its sole discretion, and in consultation with the Anadarko Entities, the terms under



which it will agree to plug and abandon the Tallgrass 31-17 Well. (Recital F, 1.a, and 1.d; Supplemental Letter Agreement dated October 10, 2011)

4. **"Northeast Location,"** along east section line of the NE/4, measuring 660 by 660 feet. This particular Oil and Gas Operations Area includes (a) an **Oil and Gas Permanent Facilities Area** for wells and equipment and (b) a **Temporary Drilling Area** (depicted on **Exhibit 2**) for operations related to the preparation, drilling and completion of horizontal wells and for the temporary location of production facilities for horizontal wells. (Recital F; 1.b.(ii) and (iii))

iii. Surface Owner's Restrictions and Covenants Regarding Oil and Gas Operations Areas.

1. Prohibited: Surface Owner may not plat lot lines for surface development, or construct or install any permanent or temporary building, structure or other improvement within or under the Oil and Gas Operations Areas.
2. Permitted: Surface Owner may install berms, screening, shrubs, perimeter fencing and irrigation systems adjacent to (but not within) the perimeter of the Oil and Gas Operations Areas, provided that (a) in the reasonable opinion of the Oil Company, the improvements do not impede present or future O&G operations, and (b) the Oil Companies aren't liable for damage to such installations because of the O&G operations on the Property.
3. No Public Access: Surface Owner is to cooperate with the Oil Companies to restrict public access during O&G operations in an Oil and Gas Operations Area. (1.e)

**b. Temporary Drilling Area.**

- i. Location: Within the Oil and Gas Operations Area called the "Northeast Location."
- ii. Use: No wells or permanent production facilities are allowed. The SUA permits only temporary uses relating to the drilling and completion of horizontal wells and the temporary location of production facilities.
- iii. Expiration: The Oil Companies' right to use the Temporary Drilling Area expires on the later of (a) October 10, 2021, or (b) the commencement of construction on a building within a platted lot within the Northeast Location (NE/4 of Section 17). If the construction commencement milestone in clause (b) is the later date, Surface Owner must give the Oil Companies 90 days' advance written notice that construction will begin, and the Oil Companies shall move any production facilities located within the



Temporary Drilling Area within 60 days after that notice. (1.b.(iii) and 1.e(ii))

- iv. Surface Owner's Use and Development: Surface Owner may plat the surface of the Temporary Drilling Area. However, until the expiration of the Oil Companies' right to use the Temporary Drilling Area (as explained in paragraph iii immediately above), Surface Owner may not construct or install permanent or temporary buildings or other improvements, or berms, screening, shrubs, perimeter fencing or irrigation systems within the Temporary Drilling Area.

**c. Production Facility Locations (1.c and 1.g).**

- i. O&G Companies' Permitted Uses: For the construction, operation, location, maintenance and repair of drilling and production facilities and equipment, including tanks, separators, dehydrators, compressors, pipelines, flowlines and meters and other associated oil field equipment necessary or convenient for the operation and production of Existing Wells and future wells. (This use is also permitted in the four Oil and Gas Operations Areas described above.)
- ii. Locations: The SUA describes two separate Production Facility Locations by reference to **Exhibit 2**. Each location consists of a circle with a radius of 200 feet.
- iii. O&G Operator's Development of Production Facility Locations.
  - 1. Existing Facilities: Noble may replace and maintain existing facilities in a Production Facility Location.
  - 2. New Facilities: In developing any new wells in any location *other than* the Northeast Location, Noble may install new facilities in a Production Facility Location.
  - 3. Restrictions on Noble's Development of Production Facility Locations at Requirement and Cost of Surface Owner:
    - a. New Facilities. Surface Owner may require that new production facilities be installed within an Oil and Gas Operations Area, as opposed to a Production Facility Location, *only if Surface Owner undertakes the following obligations*:
      - i. *Surface Owner pays Noble and/or KMGG, as the case may be, all costs associated with the installation of the facilities in the Oil and Gas Operations Area that Noble or KMGG would not*



*have incurred had the facilities been installed in a Production Facility Location (including, without limitation, costs for gathering lines, meter stations and hook-up fees); and*

ii. *Surface Owner grants KMGG a pipeline right-of-way at the location depicted on Exhibit 2 and in the form of Exhibit 3 to the SUA.*

b. Relocating Facilities. Surface Owner may require that facilities within a Production Facility Location be relocated to any Oil and Gas Operations Area (selected in Noble's discretion) following 60 days' advance notice to Noble and *the payment by Surface Owner of all relocation costs, including (without limitation) costs of gathering lines, meter stations and hook-up fees.*

iv. Surface Owner's Restrictions and Covenants Regarding Use of Production Location Facilities. The same prohibitions, permitted uses and covenants that apply to Surface Owner's use of Oil and Gas Operations Areas also apply to Production Facility Locations. (1.e)

II. **Access to Oil and Gas Operations Areas and Production Facility Locations.**

a. **Oil Companies' Access Rights.** The Oil Companies have the right to access Oil and Gas Operations Areas and Production Facility Locations as shown on **Exhibit 2**, (i) over existing routes currently in use, and (ii) over future access routes, when and if constructed. (2.a)

b. **Changes in Routes During Surface Development.** The parties may agree to different access routes on temporary or permanent bases, *provided that Surface Owner pays all costs and expenses of relocating the routes.* (2.a and 2.b)

c. **Other Obligations and Costs for Surface Owner.**

i. Joint Access Roads. (2.c and 2.d(1))

1. Construction. *Surface Owner must construct or improve all paved or improved access roads that are jointly used by both Surface Owner or its subdivision occupants and the Oil Companies to be 30 feet or more in width, and to withstand the weight of oil field equipment (104,000 pounds, and 26,000 pounds per axle).*

2. Maintenance. *Surface Owner must maintain jointly used roads in good condition and repair until they are dedicated, but if an Oil Company causes damage to a road built to the specifications above, the Oil Company must pay for the repairs.*



- ii. Curb Cuts. Surface Owner must obtain and pay the cost of obtaining permits for curb cuts, 40 feet in width, as deemed necessary by the Oil Companies. (2.e)

- d. **Oil Companies' Obligations for Oil Company Roads**. The Oil Companies must maintain any access roads reserved and used for their exclusive access, according to standards imposed by the COGCC. (2.d(2))

### III. Pipelines, Flowlines and Pipeline Easements.

- a. **Existing Lines**. The Oil Companies have the right to continue use, maintenance, repair and replacement of existing lines and easements, as shown on **Exhibit 2**. (3.a)
- b. **Lines for Future Wells**. The oil companies have the right to use lines as shown on **Exhibit 2** that will serve future wells, and Surface Owner must grant written easements for such use on the form of **Exhibit 3** without cost to the Oil Companies. That form of Right-of-Way Grant (i) requires the grantee to lay pipe at a depth of at least 36 inches, (ii) prohibits the grantor from constructing on the easements without the grantee's consent, and (iii) obligates the grantee to indemnify the grantor for claims arising from the grantee's activities on the easement areas. (3.b)
- c. **Relocation of Lines**. The Oil Companies and Surface Owner may agree to relocate lines and easements, but if Surface Owner requests the relocation, Surface Owner must pay the associated costs. (3.c)
- d. **Surface Owner's Installations Underground**. Surface Owner may cross the Oil Companies' pipeline easements at approximately right angles and install and maintain access to those easements for (i) utility lines and (ii) other purposes with the applicable Oil Company's permission, not to be unreasonably withheld. The SUA includes minimum distance requirements between the Oil Company's installations and Surface Owner's installations underground. (3.e)
- e. **Surface Owner's Installations on the Surface**. Surface Owner may install grasses (but not trees or shrubs) and non-permanent soft surface trails over and across pipeline easements, and paved surface trails that cross pipeline easements at generally right angles, subject to the following conditions:
  - i. Landscaping Along County Roads. The Town of Erie may request Surface Owner to install trees or bushes within the pipeline easements located on the Property and adjacent to Weld County Road 3 or Weld County Road 5, and Surface Owner must prepare a landscape plan for review and reasonable approval by KMGG (based on considerations such as safety issues and KMGG's ability to access the pipelines). Bushes will be preferred over trees; and trees and bushes may not be located on the surface of the pipeline easement area within 10 feet of a pipeline.



- ii. Oil Companies' Liability Disclaimer. The Oil Companies will not be liable for damages to the trails, grasses, bushes or trees caused in whole or in part by their O&G operations. (3.f)

**f. Oil Companies' Safety and Continued Use Requirements.**

- i. Safety/Security Priority. The Oil Companies may limit the use of pipeline easements by Surface Owner and its grantees for safety or security reasons.
  - ii. Surface Owner's Costs. Surface Owner must pay the Oil Companies all costs and expenses incurred to encase or lower pipelines and flowlines, as the Oil Companies determine reasonably necessary, to the extent those lines intersect and underlie any improvement permitted on the surface.
  - iii. No Interference with Pipeline Use. The Oil Companies' use of the flowlines and pipelines may not be prohibited at any time.
  - iv. Oil Companies' Liability Disclaimer. The Oil Companies shall not be liable for damage caused by O&G operations to improvements, landscaping, utilities or facilities permitted to be installed within or adjacent to pipeline easements. (3.g)
- g. Specifications.** The SUA includes specifications for pipeline and flowlines easements and installations, including installations by Surface Owner within the vicinity of the Oil Companies' lines. (3.d, 3.e and 3.h)

**IV. Surface Development Requirements and Restrictions.**

- a. Notice of Public Hearings.** Surface Owner must give the Oil Companies at least 30 days' notice before each hearing in the Town of Erie or in Weld County for the approval of a plat application or other land use application. (18)
- b. Notices by Surface Owner.** Surface Owner must give the Oil Companies at least 14 days' advance notice before beginning to pave current and future streets and access routes, so that the Oil Companies may lay new lines that cross under the streets or other routes. If Surface Owner fails to give the notice, the Oil Companies may bore under the paved street or route, **at the cost of Surface Owner.** Surface Owner must also give advance notice to and meet with representatives of the appropriate Oil Companies to locate existing lines and coordinate surface construction activities with then current and future O&G operations. (3.i and 4)
- c. Notices by Oil Companies** An Oil Company proposing drilling activities on the Property must give Surface Owner advance notice in accordance with the rules of the COGCC. (4)
- d. Subdivision Plat Requirements.** Surface Owner must identify the Oil and Gas Operations Areas, Production Facility Locations and all present and future access routes and pipeline easements on Surface Owner's subdivision plats and



applications for development. The plats must recite certain restrictions regarding the improvements allowed around those areas, as set forth in the SUA. (6)

- e. **Waiver of Setback and Other Requirements.** Acknowledging that the COGCC has rules and regulations regarding the distance between a wellhead and other installations and improvements, Surface Owner has waived all setback requirements in COGCC Rule 603 and other state or local setback requirements that are inconsistent with the SUA or the exercise of the rights of the Oil Companies under it. (8)
- f. **Pipeline Depth Investigation.** If the surface development plans call for roadways to cross over existing pipelines, Surface Owner must pothole or request the Oil Companies to pothole the existing and future pipelines to check the line depth. Surface Owner must pay the Oil Companies the reasonable cost of inspecting, and if necessary, lowering the pipelines, and the reasonable cost of any sub-grade work required to meet the road construction specifications. (3.j)
- g. **Kerr-McGee Guidelines.** Surface Owner is to comply with “General Guidelines for Design and Construction Activities On or Near Kerr-McGee Gathering LLC and Kerr-McGee Rocky Mountain Corporation Pipelines and Related Facilities,” attached as Exhibit 4 to the SUA. (14)
- h. **Shut-In Production Payments.**
  - i. Notice Requirement. Surface Owner must notify the applicable Oil Company at least 20 days before beginning construction activities with heavy equipment that crosses flowlines or pipelines or in locations adjacent to an Oil and Gas Operations Area. (5.a)
  - ii. Payment Requirement. If an Oil Company reasonably decides for safety reasons to shut-in a line over which heavy equipment will be operated, or if Surface Owner requests such a shut-in, Surface Owner must pay the Oil Company the following:
    - 1. an amount for each day of the shut-in equal to the average daily production of the affected well for the preceding six months calculated on the basis of the days the well actually produced during the six-month period;
    - 2. any costs to rework the well in order to place it back in production; and
    - 3. any costs to replace pipelines and flowlines damaged by the surface construction activities. (5.a)
- i. **Electrical Equipment Change Costs.** Surface Owner must pay any costs incurred by an Oil Company to change electrical equipment for an Oil and Gas Operations Area or Production Facility Location because of the surface development. (5.b)



- j. **Road / Pipeline Relocation Costs.** If Surface Owner requests an Oil Company to relocate an access road or pipeline easement as allowed under Sections 2.b and 3.c of the SUA, Surface Owner must give the Oil Company at least 30 days' notice before the relocation. The Oil Company will provide Surface Owner with an estimate of the relocation costs within 30 days after that notice, **and Surface Owner must pay the estimated costs within the next 10 days.** Within a reasonable time after receipt of that payment and execution of a separate relocation agreement, the Oil Company will perform the relocation work. Upon completion, the Oil Company will provide Surface Owner with an accounting of the actual relocation costs, and the parties will true-up any shortfall or excess payment within 10 days after the accounting. (9)
- k. **Impact Mitigation.**
- i. **Oil Companies' Obligations.** The Oil Companies must install, maintain and repair, at their sole cost, such fences, gates and locks around wells and production facilities as required by COGCC or the Town of Erie as a condition for a special use permit to drill wells. To the extent required by law, the Oil Companies must pay for impact mitigation measures, including environmental and hazardous materials clean-up and remediation, in connection with their operations. (12.a)
  - ii. **Surface Owner's Obligations.** **Surface Owner must pay all costs to install such noise and visual impact mitigation measures required by Surface Owner, the Town of Erie or other local jurisdictions at or around the Oil and Gas Operations Areas and Production Facility Locations, to the extent those measures exceed COGCC regulations for areas which are not high density and which are required at the time of Surface Owner's application for development approval.** The operator of a well within the particular Oil and Gas Operations Area or Production Facility may veto or protest the types and locations of impact mitigation measures for safety reasons. (12.b)

**V. Surface Damage.**

- a. **Waiver by Surface Owner Regarding O&G Areas.** Surface Owner has waived all surface damage payments and other such payments for use of the Property pursuant to any current or future COGCC or local regulation, statute, common law or prior agreement, for every well drilled and every well site constructed within an Oil and Gas Operations Area and for all production facilities within an Oil and Gas Operations Area or a Production Facilities Location, for pipeline easements and access routes as depicted on **Exhibits 2A and 2B** (or relocated), and for the use of the Temporary Oil and Gas Operations Area. (7)
- b. **Limited Use and Obligations for Other Surface Use by Oil Companies.** Apart from the Oil and Gas Operations Areas, the Production Facility Locations and the access roads and easements provided in the SUA, the use of the Property is off limits to the Oil Companies except in the event of an emergency or for reasonable, incidental, temporary and non-damaging activities. The particular Oil Company shall be strictly



and solely responsible for any damages that may occur in those limited, permitted uses. (13)

VI. **Development Agreement.**

The Union Pacific entities listed with the Anadarko Entities at the beginning of this summary (as predecessors in interest to the Anadarko Entities) and Weld county Land Company, LLC, executed an Agreement for Compatible Development dated November 14, 2000, and recorded November 17, 2000 at Reception No. 280715 (the **Development Agreement**). The Development Agreement contemplated that the owner of the surface of the Property might enter into surface use agreements in the future, and this SUA has been executed pursuant to the Development Agreement. If a provision of the SUA conflicts with the Development Agreement, the SUA controls the rights and obligations of the parties. To the extent the Development Agreement is not inconsistent with the SUA, the Development Agreement still applies to the parties. (Recitals; 17)

VII. **Governmental Proceedings.**

- a. **No Objection by Surface Owner.** Surface Owner (i) must not object, and waives the right to object, in any forum to the use by the Oil Companies of the surface of the Property consistent with the SUA and the Development Agreement; (ii) must provide the Oil Companies with such waivers and approvals that are requested and consistent with the SUA; (iii) has waived any rights to require or request a surface inspection for proposed wells for the purpose of requesting that conditions be attached to the permit for the well; (iv) consents to multiple wells within an Oil and Gas Operations Area; and (v) has waived its rights to object or request conditions to a well permit or to request a hearing before the COGCC or to allege potential adverse impacts with respect to the wells allowed under the SUA. (10.a)
- b. **No Objection by Oil Companies.** The Oil Companies have waived their right to object in any forum to a request by Surface Owner to zone or plat any of the Property, to the extent the request is consistent with the SUA. (10.b)

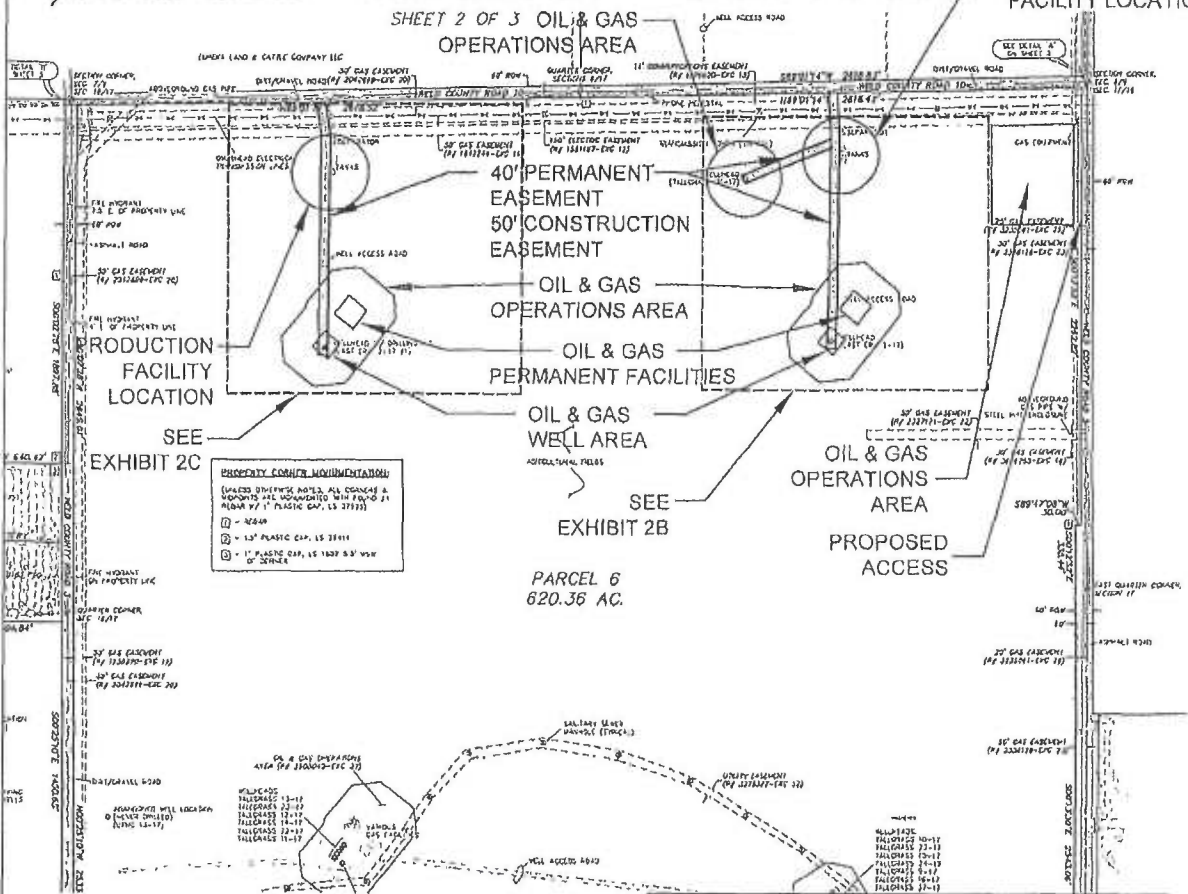
VIII. **Notice to Homebuilders and Home Buyers.**

Surface Owner must furnish all purchasers of any portion of the Property with an exhibit showing the location of the Oil and Gas Operations Areas, the Production Facility Locations, existing and future pipeline easements, and existing and future access routes. In addition, Surface Owner must provide all buyers with notice regarding the O&G operations on the Property and the binding effect of certain portions of the SUA, as particularly detailed in the SUA. (11)



\_\_\_\_\_

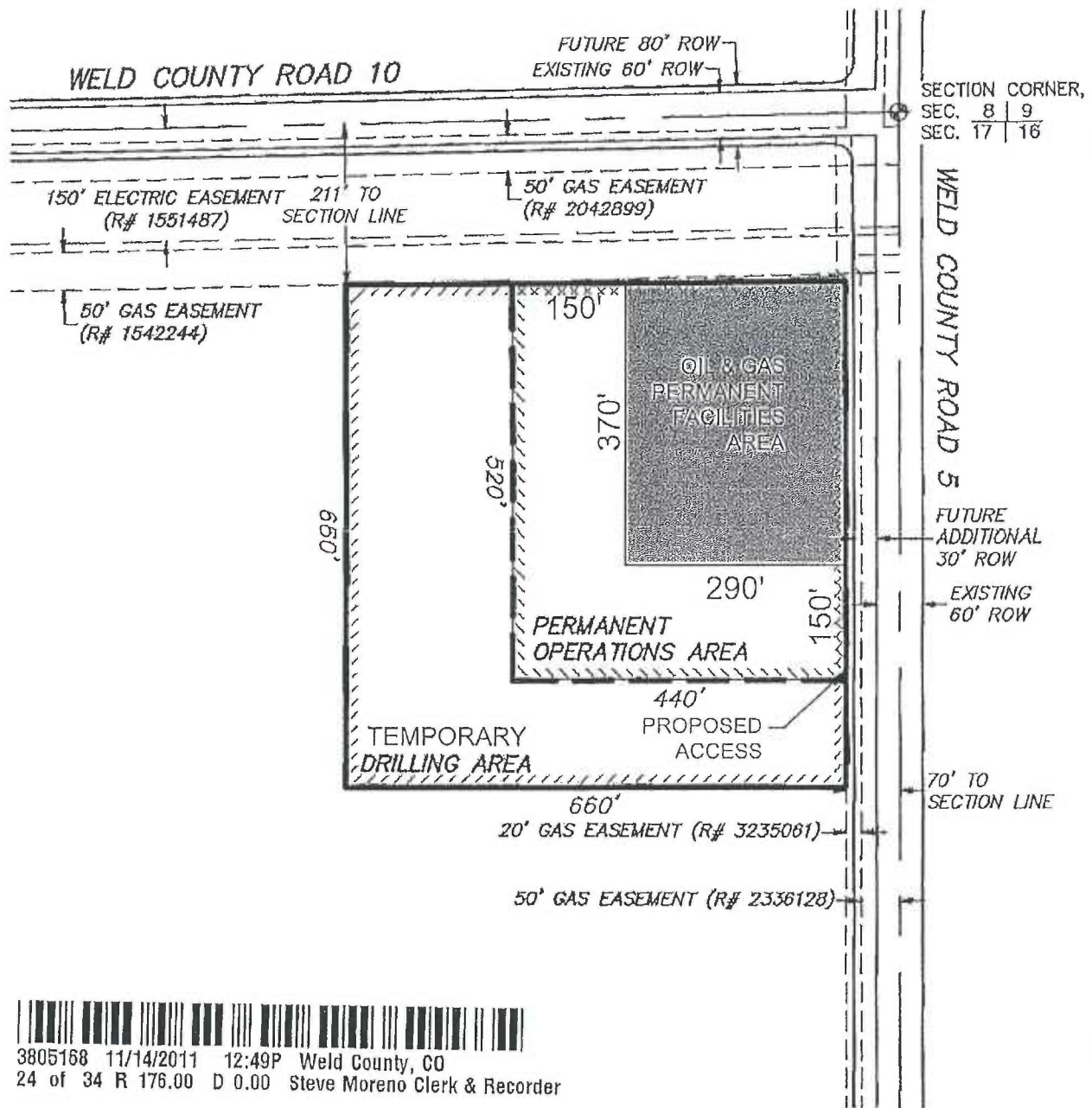
TA/ACSM LAND TITLE SURVEY - BRIDGEWATER



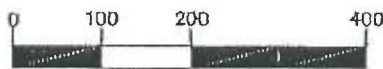
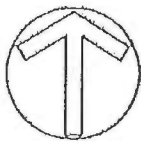
NOVEMBER 02, 2011



# EXHIBIT 2A



3805168 11/14/2011 12:49P Weld County, CO  
24 of 34 R 176.00 D 0.00 Steve Moreno Clerk & Recorder



1 inch = 200 ft.

PROPOSED NOBLE  
OIL & GAS OPERATIONS AREA  
NE 1/4, SEC. 17, T1N, R68W  
ERIE, COLORADO

HURST

4000 E. WASHINGTON  
WILSONVILLE  
OREGON 97150

FILE # 202042

1350 Hite Street, Suite  
Boulder, CO 80302  
303.449.9105  
WWW.HURST-ASSOCIATES.COM

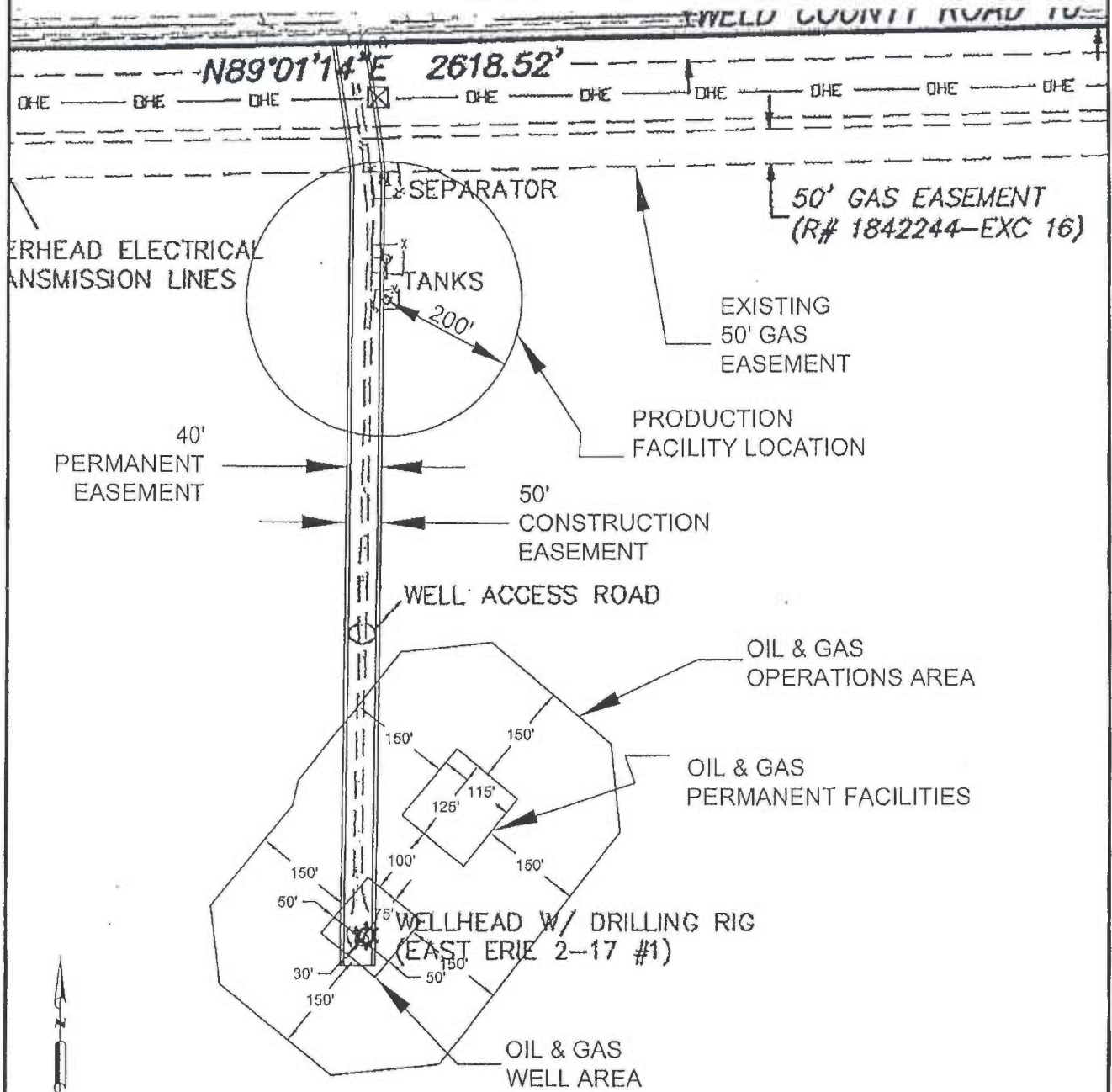
SCALE	HOR. 1"=200'
	VERT. N/A
DESIGN/APPR.	JJ
DRAWN BY	GO
DATE	09/20/11
SHEET	1 OF 1







# EXHIBIT 2C



TOWNSHIP 1 NORTH, RANGE 68 WEST  
SECTION 8: NW¼

WELD COUNTY, COLORADO

SCALE: 1" = 200'

OCTOBER 24, 2011



3805168 11/14/2011 12:49P Weld County, CO  
26 of 34 R 176.00 D 0.00 Steve Moreno Clerk & Recorder



## SURFACE USE AGREEMENT

**THIS SURFACE USE AGREEMENT** ("Agreement") is effective this 27th day of September, 2011, by and among ANADARKO E&P COMPANY LP, formerly known as Union Pacific Resources Company, and ANADARKO LAND CORP., formerly known as Union Pacific Land Resources Corporation (together the "Anadarko Entities"), both with an address of Post Office Box 1330, Houston, Texas 77251-1330; KERR-McGEE OIL & GAS ONSHORE LP ("Kerr-McGee") with an address of 1099 18<sup>th</sup> Street, Suite 1800, Denver, Colorado 80202; KERR-McGEE GATHERING LLC ("KMGG"), also with an address of 1099 18<sup>th</sup> Street, Denver, Colorado 80202; and ENCANA OIL & GAS (USA) INC. ("Encana") with an address of 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202 (the Anadarko Entities, Kerr-McGee and Encana are sometimes referred to hereinafter separately as an "Oil Company" or collectively as the "Oil Companies") and TALLGRASS INVESTORS, LLC ("Surface Owner") with an address of 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado 80302.

A. Surface Owner owns the surface estate for property located within the Town of Erie ("Erie") in Weld County, Colorado, described as the E/2 of Section 18, Township 1 North, Range 68 West, which is more specifically described in the attached Exhibit 1A and hereinafter referred to as the "Section 18 Property."

B. Surface Owner also owns the surface estate for property located in Erie described as the SE/4 of Section 8, Township 1 North, Range 68 West, which is more specifically described in the attached Exhibit 1B and hereinafter referred to as the "Section 8 Property."

C. The Section 18 Property and the Section 8 Property are hereinafter referred to together as the "Property."

D. The Anadarko Entities own all of the oil and gas that underlies the Property, and either the Anadarko Entities, or their predecessors, have granted oil and gas leasehold rights in the Property. Interests in such leasehold rights have been assigned to Encana and Kerr-McGee, among other parties.

E. Union Pacific Land Resources Corporation and Union Pacific Resources Company (together the "Union Pacific entities") entered into an agreement with Weld County Land Company, LLC dated November 14, 2000, entitled "Agreement for Compatible Development" ("Development Agreement") pursuant to which the parties set forth minimum standards with which Surface Owner is required to comply to protect existing oil and gas wells on the Property and for the location of future oil and gas wells on the Property, among other things.

F. The Development Agreement was recorded in the Weld County Clerk and Recorder's Office on November 17, 2000, at Reception No. 280715.

G. The Development Agreement contemplated that Surface Owner might enter into surface use agreements in the future with the parties which own oil and gas leasehold interests in the Property to which the Union Pacific entities were required to be signatory parties.



H. Encana owns certain oil and gas leasehold interests in the Section 18 Property that it derived through the Union Pacific entities and operates two oil and/or gas wells on the Section 18 Property, one identified as the Erie Champlin B Unit #1 well, generally in the center of the NE/4, and the other identified as the Erie Champlin B Unit #2 well, generally in the center of the SE/4.

I. Predecessors to Encana and Kerr-McGee entered into a joint operating agreement pursuant to which Encana, as operator, drilled and operates five oil and/or gas wells on the Section 8 Property identified as the Woolley #43-8 in the NE/4SE/4, the Woolley #33-8 in the NW/4SE/4, the Woolley #34-8 in the SW/4SE/4, and the Woolley K Unit #1 and Woolley #44-8 in the center of the SE/4.

J. The wells identified in Recitals H. and I. are hereinafter referred to alone or together as an "Existing Well" or the "Existing Wells."

K. Kerr-McGee owns certain oil and gas leasehold interests in both the Section 18 Property and the Section 8 Property that it derived through the Union Pacific entities.

L. Encana and Kerr-McGee have rights to drill additional wells on the Property.

M. KMGG is an affiliate of the Anadarko Entities and Kerr-McGee and signs this Agreement only in its capacity as a party which gathers or may gather gas produced from the Property.

N. KMGG and Surface Owner shall enter into a letter agreement that is effective the same date as this Agreement in which KMGG and Surface Owner shall agree upon certain amendments to existing pipeline easements and right-of-way grants that cover portions of the Property and property adjacent to the Property in Section 17 and within the proposed Bridgewater development and hereinafter referred to as the "Letter Agreement."

O. This Agreement provides for the compatible development of the surface estate and the oil and gas estate for the Property and, with respect to each of the Oil Companies, applies only to the oil and gas interests and/or the oil and gas leasehold interests that each owns.

NOW THEREFORE, in consideration of the covenants and mutual promises set forth in this Agreement, including in the recitals, the parties agree as follows:

1. Oil and Gas Operations Areas.

a. Existing, Proposed, and Future Wellsite Locations. With respect to the Section 18 Property, the Oil Companies agree to locate future oil and gas wells only within the two areas that are identified on Exhibit 2A as the Oil and Gas Operations Areas and located generally in the centers of the NE/4 and the SE/4 of Section 18. With respect to the Section 8 Property, the Oil Companies agree to locate future oil and gas wells only within the four areas that are identified on Exhibit 2B as the Oil and Gas Operations Areas and located generally in the centers of the SE/4, NE/4SE/4, NW/4SE/4 and SW/4SE/4. The locations identified on Exhibit 2A and Exhibit 2B are hereinafter referred to separately or together as an "Oil and Gas Operations Area"





or the "Oil and Gas Operations Areas." The Oil and Gas Operations Areas shall be made available to the Oil Companies and their designated gas gatherer by Surface Owner for their exclusive use in their present condition for their oil and gas operations and the location of wells and equipment, flowlines and pipeline easements, as specifically provided for herein.

b. The Oil and Gas Operations Areas in Section 18 and the NE/4SE/4 of Section 8. Each Oil and Gas Operations Area in Section 18 and the Oil and Gas Operations Area in the NE/4SE/4 of Section 8 includes the property specifically identified and depicted on Exhibit 2A and Exhibit 2B as the: (aa) Oil and Gas Operations Area; (bb) Oil and Gas Well Area; (cc) Facilities Location; and (dd) Temporary Easement Area adjacent to the Oil and Gas Operations Area. The Temporary Easement Area and the areas within Oil and Gas Operations Areas are for oil and gas operations and the location of wells and equipment as follows:

(i) The Oil Companies may use the Temporary Easement Area for operations related to the preparation, drilling and completion of horizontal wells to be drilled at locations within an Oil and Gas Well Area within the Oil and Gas Operations Area and for the temporary location of production facilities for horizontal wells up until and only prior to the time that construction begins on a building within a platted lot within the quarter section where the Oil and Gas Operations Area is located (NE/4 or SE/4 of Section 18 or SE/4 of Section 8, as the case may be). The Oil Companies may not locate wells or permanent production facilities within the Temporary Easement Area, but may use the Temporary Easement Area only for temporary uses relating to the drilling and completion of horizontal wells and the temporary location of production facilities. The Oil Companies shall not use the Temporary Easement Area (except as provided herein) after construction begins on a building within a platted lot within the quarter section for the particular Oil and Gas Operations Area.

(ii) The Oil and Gas Operations Areas shall be the locations for oil and gas operations, Existing Wells and future wells and production facilities and flowlines and pipeline easements.

(iii) The Oil and Gas Well Areas shall be the locations for Existing Wells and additional future wells.

(iv) The Facilities Locations shall be the locations for permanent productions facilities that service the wells described in section 1.e.

(v) For each Temporary Easement Area, Surface Owner shall give the Oil Companies ninety (90) days advance written notice that it will commence the construction of a building within the applicable quarter section for the particular Oil and Gas Operations Area. The Oil Companies shall relocate any production facilities that are located within the Temporary Easement Area within sixty (60) days from the date of the notice.

(vi) In consideration of the covenants and promises contained in this Agreement and without in any way limiting section 1.e, Surface Owner specifically agrees that wells may be drilled by the Oil Companies from the Oil and Gas Operations Area in the SE/4 of Section 18 to bottomhole locations in the SW/4 of Section 18 and production facilities to service such wells located within the Oil and Gas Operations Area in the SE/4 of Section 18.





c. The Oil and Gas Operations Areas in Section 8 Other than the NE/4SE/4 Location. Each Oil and Gas Operations Area in Section 8 other than the Oil and Gas Operations Area in the NE/4SE/4 of Section 8 shall be the size and configuration depicted on Exhibit 2B and shall be available for oil and gas operations and the location of wells and production facilities, flowlines and pipeline easements.

d. Surface Lot Line Requirements. Lot lines for surface development shall not be platted anywhere within the Oil and Gas Operations Areas, and Surface Owner shall not construct or install any permanent or temporary building, structure or other improvement within or under the Oil and Gas Operations Areas; provided, however, Surface Owner may install berms, screening, shrubs, perimeter fencing and irrigation systems adjacent to (but not within) the perimeter of the Oil and Gas Operations Areas; provided that, in the reasonable opinion of the Oil Company, such improvements do not in any way impede or interfere with present or future oil and gas operations; and, provided, further, that the Oil Companies shall not be liable for damage or injury to such berms, screening, shrubs, perimeter fencing or irrigation systems that in any way occurs because of or results from oil and gas operations on the Property. Further, upon prior notice from the Oil Company, Surface Owner shall cooperate with the applicable Oil Company to insure that improvements are restricted from public access during oil and gas operations within an Oil and Gas Operations Area that require the use of heavy equipment by the Oil Company.

e. Multiple Wells within Oil and Gas Operations Areas. The Oil Companies shall continue to have the right to operate and maintain the Existing Wells and to drill, complete, operate and maintain additional wells within the Oil and Gas Operations Areas (as described herein), including vertical, twinned, replacement, directional and horizontal wells (with bottomhole locations within and outside the Property) that produce from and drain the Property as well as lands other than the Property. The Oil Companies shall have the right to deepen, complete, recomple, workover, fracture, refracture and plug and abandon the Existing Wells and any well that is drilled in the future; provided, however, Encana agrees to permanently plug and abandon the Existing Erie Champlin B Unit #2 Well on the Section 18 Property prior to commencing drilling operations for any future well within the Section 18 Property. The Oil and Gas Operations Areas shall be for the exclusive use of oil and gas drilling, exploration, completion, recompletion, production and maintenance operations and for the location of associated oil field exploration and production equipment and facilities (including pipelines and flowlines) necessary or convenient for the operation of a well or wells located within an Oil and Gas Operations Area. Surface Owner acknowledges and understands that: i) any wells shown on the exhibits are those existing or currently planned; ii) the Oil Companies shall not be limited or restricted to the drilling of only the depicted wells or types of wells; and (iii) the actual wells drilled, including the number and their type, may differ from those shown, as may be determined by the Oil Companies in their discretion.

f. Associated Drilling and Production Equipment. The Oil Companies shall have the right to construct, operate, locate, maintain and repair such associated drilling and production equipment, including tanks, separators, dehydrators, compressors, pipelines, flowlines and meters, and also any other associated oil field equipment necessary or convenient for the operation and production of the Existing Wells, proposed wells, and future wells within the Oil and Gas Operations Areas in the Section 8 Property and within the Facility Locations within the



Oil and Gas Operations Areas in the Section 18 Property and the NE/4SE/4 of the Section 8 Property. The Oil Companies agree to install low profile tanks for future operations; provided, however, Encana shall not be required to replace the equipment that is currently located on the Property that services the Existing Wells.

2. Access to Oil and Gas Operations Areas.

a. Access to Oil and Gas Operations Areas. Surface Owner acknowledges and understands that the Oil Companies have the right to continue to use the existing access routes that they are currently utilizing and the additional proposed access (when and if constructed) to access the Oil and Gas Operations Areas as identified on Exhibit 2A and Exhibit 2B. During surface construction by Surface Owner on pertinent portions of the Property, the parties may mutually agree upon different access routes to an Oil and Gas Operations Area and thereafter to permanent access routes; provided, however, all costs and expenses for a relocation to temporary access routes and permanent access routes shall be borne by Surface Owner; and provided, further, the Oil Companies shall at all times have access to the Oil and Gas Operations Areas and pipeline easements.

b. Relocation of Access. Access to an Oil and Gas Operations Area may be changed in the future by mutual agreement of the affected parties or their successors in interest; provided however, all costs and expenses for such relocations shall be borne by Surface Owner, if the relocation is requested by Surface Owner.

c. Maintenance and Use of Joint Access Roads. Surface Owner shall keep roads jointly used by both Surface Owner or its subdivision occupants and one or more of the Oil Companies in good condition and repair until they are dedicated to a local jurisdiction; provided, however, if an Oil Company causes damage to a road that is built to the specifications in section 2.d.(1), it agrees to promptly repair any damage that it causes that is a direct result of its use of the road. No party shall unreasonably interfere with the use by the other of an access road.

d. Construction and Width of Access Roads.

(1) Access roads that are jointly used by the Oil Companies and Surface Owner shall be thirty (30) feet or more in width, and Surface Owner shall construct or improve all paved or improved access roads so as to withstand the weight of oilfield equipment. Specifically, Surface Owner shall construct the roads so that they can be used to withstand the weight of 104,000 pounds and 26,000 pounds per axle.

(2) Access roads that are used exclusively by the Oil Companies shall be generally thirty (30) feet in width, and the Oil Companies shall install and maintain them to applicable standards of the Colorado Oil and Gas Conservation Commission ("COGCC"). The Oil Companies shall be solely responsible for the maintenance of those portions of access roads that are used exclusively by the Oil Companies.

e. Surface Owner agrees that it will obtain and pay the costs to obtain from the local jurisdiction, permits for curb cuts as deemed necessary by the Oil Companies. Said curb cuts shall be forty (40) feet in width.



3. Pipelines, Flowlines and Pipeline Easements.

a. Pipelines, Flowlines and Pipeline Easements for Existing Wells. Surface Owner acknowledges and understands that the Oil Companies and their affiliates have the right to continue to use the flowlines, pipelines and pipeline easements that they are currently utilizing to service the Existing Wells and to construct, repair, maintain and replace the flowlines and pipelines. The locations for pipelines and flowlines that service Existing Wells that are located outside Oil and Gas Operations Areas are depicted on Exhibit 2A and Exhibit 2B.

b. Relocation or Abandonment of Existing Pipelines within Section 18 Property. With respect to the Section 18 Property, KMGG agrees to abandon in place, in accordance with COGCC Rules and Regulations, the pipeline that currently gathers the gas from the Erie Champlin B Unit #1 Well ("Champlin #1 Well") in the NE/4 of Section 18 and labeled as "proposed NE/4 abandoned gathering line" on Exhibit 2A. The parties acknowledge and understand that the proposed NE/4 abandoned gathering line will not be abandoned until the pipeline is constructed and operational on the Section 18 Property in the west portion of the property and depicted on Exhibit 2A as the "Future Pipeline Easement." KMGG also agrees to abandon in place or to relocate, as provided herein, the pipeline that currently gathers gas from the Erie Champlin B Unit #2 Well ("Champlin #2 Well") in the SE/4 of Section 18 and labeled as "proposed SE/4 abandoned or relocated gathering line" on Exhibit 2A. The parties acknowledge and understand that the proposed SE/4 abandoned or relocated gathering line will not be abandoned or relocated until Encana plugs and abandons the Champlin #2 Well and the initial pipeline is constructed and in operation in the Future Pipeline Easement. The proposed abandoned gathering lines and any relocated pipeline shall be abandoned and installed by KMGG pursuant to a separate pipeline relocation agreement in the form attached hereto as Exhibit 3.

c. Pipelines, Flowlines and Pipeline Easements for Future Wells. Pipelines and pipeline easements and also flowlines (to the extent located outside Oil and Gas Operations Areas) that service future wells shall be at the locations identified on Exhibit 2A and Exhibit 2B, or as the parties may otherwise agree, and Surface Owner shall grant the Oil Companies, or KMGG, as directed by the Oil Companies, written pipeline easements for production from the Property and other lands upon the request of the Oil Companies and at no cost to them in the form of right-of-way grant attached hereto as Exhibit 4.

d. Relocation of Pipelines and Pipeline Easements. Locations of pipelines and pipeline easements may be changed by mutual agreement of Surface Owner and the appropriate Oil Company pursuant to a separate pipeline relocation agreement; provided, however, all costs and expenses of such relocations shall be borne by Surface Owner, if the relocation is requested by Surface Owner.

e. Width and Grant of Pipeline and Flowline Easements. Pipeline easements may be nonexclusive as provided in Section 3.f. For pipeline easements in Section 8, if pipelines are relocated, and for initial installation, pipeline easements shall in all cases be fifty (50) feet in width during construction activities and reduced to thirty (30) feet in width for all operations, maintenance and transportation activities. For pipeline easements in Section 18, if pipelines are relocated, and for initial installation, pipeline easements shall in all cases be seventy-five (75)



feet in width during construction activities and reduced to fifty (50) feet in width for all operations, maintenance and transportation activities.

f. Uses Within the Pipeline Easements. Pipeline easements shall be for the use of pipelines for oil and gas production and operations; provided, however, the Oil Companies may install one or more pipelines within the same easement, and provided further, Surface Owner shall be entitled to cross such easements at approximately right angles and to install and maintain access to such easements for: i) utility lines, including those for water, gas, sewer, electric, telephone, cable, television and fiber optic; and ii) other purposes with the permission of the applicable Oil Companies, which permission shall not be unreasonably withheld; provided, however, any new underground facilities which travel along or within a pipeline easement identified herein shall be located at a distance horizontally of at least ten (10) feet from parallel existing oil and gas pipelines and flowlines, and such facilities shall have at least twenty-four (24) inches of vertical clearance between the new facility and an oil and gas pipeline or flowline provided for herein, and any overhead power lines shall be at least twenty (20) feet above the ground.

g. Surface Uses Over Pipeline Easements. In all cases, Surface Owner may install grasses (no trees or shrubs) and non-permanent soft surface trails that meander over and across pipeline easements, and it may also install paved surface trails, but only that cross pipeline easements at generally right angles. In cases where pipeline easements are located on the Property and adjacent to Weld County Road 3 or Weld County Road 5 and for the pipeline easement that runs north and south to the Oil and Gas Operations Area in the center of the SE/4 of Section 8 as depicted on Exhibit 2B for the Section 8 Property, Erie may request that Surface Owner install trees or bushes within the pipeline easement. In the event of such a request, Surface Owner shall prepare a landscape plan for review and the consent of KMGG, such consent not to be unreasonably withheld; provided however: i) installation of bushes shall be preferred to trees; and ii) trees and bushes shall not be located on the surface of the pipeline easement area within ten (10) feet of a pipeline. It shall not be unreasonable for KMGG to withhold consent to the installation of trees and bushes on a case by case basis for safety reasons or for the convenient installation and maintenance by KMGG of a pipeline or a portion of the pipeline or because of the type of bush or tree proposed by Surface Owner or the practical width of the pipeline easement given the installation of other pipelines, utilities or improvements within the same easement or proposed to be installed within the same easement, among other considerations. In all cases the Oil Companies shall not be liable for damages to the trails (both hard and soft surface), grasses, bushes or trees that are caused in whole or in part by their oil and gas operations.

h. Use of Pipeline Easements. The Oil Companies shall have the right to limit or restrict use of pipeline easements by Surface Owner and its other grantees for safety or security reasons. Surface Owner shall pay the Oil Companies all costs and expenses they incur to encase or lower pipelines and flowlines, as they determine to be reasonably necessary, to the extent that such pipelines and flowlines intersect and underlie any improvement permitted under this section. Under no circumstances shall Surface Owner prohibit the Oil Companies from the use of the flowlines and pipelines at any time. In addition, the Oil Companies shall have no liability to Surface Owner or any other parties for damage to improvements, landscaping, utilities or



facilities permitted to be installed by Surface Owner or such other parties within or adjacent to pipeline easements for damage caused by the oil and gas operations of the Oil Companies.

i. Minimum Ground Cover to be Maintained. Surface Owner shall maintain a minimum ground cover of 48 inches and not more than 72 inches over pipelines and flowlines in the conduct of its operations and its construction activities on the Property.

j. Road and Pipeline Construction/Coordination. Surface Owner will provide the Oil Companies with at least fourteen (14) days advance written notice before it begins to pave current and future streets and access routes, as applicable, in order to allow the Oil Companies the opportunity to lay new flowlines or pipelines that cross underneath the streets or access routes. If Surface Owner does not give the notice required herein, the Oil Companies may bore underneath the paved streets and access routes, such costs and expenses for the boring to be paid by Surface Owner.

k. Pipeline Depth Investigation. If Surface Owner's development plans anticipate that roadways will or may in the future cross over existing pipelines, Surface Owner will pothole or request that the Oil Companies pothole the existing and future pipelines to check the depth of such pipelines. Prior to Surface Owner's installation of a new roadway, the Oil Companies will lower, as required, the affected pipelines to sufficient depth for the road elevations. Surface Owner agrees to pay the Oil Companies the reasonable cost of inspecting and lowering the pipelines, as well as the reasonable cost of any sub-grade work required to achieve the road construction specifications.

4. Notice of Commencement of Surface Construction and Drilling Activities.

a. Surface Owner Notice. Surface Owner shall give advance notice to and meet at the site with representatives of the appropriate Oil Companies to locate existing pipelines and flowlines and to coordinate proposed surface construction activities with current and prospective oil and gas operations.

b. Oil Company Notice. The applicable Oil Company shall give notice to Surface Owner of proposed drilling activities on the Property in accordance with the rules and regulations of the COGCC, but in no event less than ten (10) days advance notice.

5. Surface Construction Activities.

a. Shut-In Production Payments. Surface Owner shall notify the applicable Oil Company at least twenty (20) days before Surface Owner intends to commence construction activities where it will utilize heavy equipment or other equipment that crosses flowlines or pipelines or that will occur adjacent to an Oil and Gas Operations Area. An Oil Company may, in its reasonable discretion, for safety purposes, shut in any pipeline or flowline over which Surface Owner's heavy earth moving equipment is to be run. Further, Surface Owner may request, or an Oil Company may elect, in its reasonable discretion, to shut in one or more of its wells during Surface Owner's construction activity on the surface of the Property. During the period of shut-in of any well, pipeline or flowline (either at the request of Surface Owner or at the discretion of the Oil Company as herein provided), Surface Owner shall pay the applicable





Oil Company an amount for each day of the shut-in equal to the average daily production of the affected well for the preceding six months calculated on the basis of the days that the well actually produced during the six month period.

Surface Owner shall also pay the Oil Company any costs to rework the well in order to place the well in production status after the shut-in and costs to replace pipelines and flowlines that are damaged by the surface construction activities of Surface Owner.

b. Electrical Equipment. Surface Owner shall pay the applicable Oil Company all costs that the Oil Company incurs to change electrical equipment for an Oil and Gas Operations Area where the Oil Company is required to make the change because of actual surface development of the Property.

6. Subdivision Plat and Local Regulations. Surface Owner shall identify the Temporary Easement Areas and the Oil and Gas Operations Areas and all present and future access routes and pipeline easements on its subdivision plats and in all applications for development that it files with a local jurisdiction. Plats shall include restrictions that no property line, permanent or temporary building, structure or other improvement, landscaping or sprinkler systems shall be located, constructed or installed within the Oil and Gas Operations Areas and pipeline easements, except as otherwise expressly permitted in sections 1.d. and 3.g. Except as expressly permitted under this Agreement, Surface Owner shall not locate temporary or permanent buildings, structures, improvements or landscaping or sprinkler systems within the Oil and Gas Operations Areas or upon or within the pipeline easements, and it shall not locate structures, improvements and equipment under the surface of the Oil and Gas Operations Areas, including but not limited to, sewer lines, gas pipelines or water lines.

7. Waiver of Surface Damage Payments. Surface Owner hereby waives all surface damage payments or other such payments for the use of the Property or portions thereof pursuant to any current or future COGCC or local regulation, state statute, common law or prior agreement for each and every well and related wellsite that is drilled and constructed within an Oil and Gas Operations Area and for all production facilities and for the pipeline easements and access routes as depicted on Exhibit 2A and Exhibit 2B (or relocated area) and for the use of the Temporary Easement Area as provided for herein. The Oil Companies may provide a copy of this Agreement to the COGCC or to any local jurisdiction, person or entity or any court of law as evidence of this waiver. The term "surface damages" shall be given the meaning commonly used in the oil and gas industry, but is not intended to be a waiver of damages caused by the negligence of the Oil Companies or their unreasonable use of the surface.

8. Waiver of Setback and Other Requirements. Surface Owner understands and acknowledges that the COGCC has rules and regulations that apply to the distance between a wellhead and public roads, production facilities, building units and surface property lines, among other things. Surface Owner hereby waives all setback requirements in COGCC Rule 603 (including the high density setback rules), or any successor rule or amendment to the COGCC setback rules, and to any other state or local setback requirements that are or become inconsistent with this Agreement or that would prohibit or interfere with the rights of the Oil Companies to explore for and produce the oil and gas in accordance with this Agreement. Surface Owner understands (and shall notify parties who purchase all or portions of the Property from Surface





Owner) that the Oil Companies may cite the waiver in this section 8 in order to obtain a location requirement exception or variance under COGCC rules or from a local jurisdiction; provided, any such request for an exception location or variance is consistent with the terms of this Agreement.

9. Payment of Relocation Costs. Surface Owner shall give advance written notice to the applicable Oil Company at least thirty (30) days prior to the time that Surface Owner requests that an Oil Company relocate an access road or pipeline pursuant to sections 2.b. or 3.d. The applicable Oil Company shall thereafter provide Surface Owner with an estimate of the costs for the relocation within thirty (30) days after receipt of the notice. Surface Owner shall pay the full amount of the estimate of relocation costs to the Oil Company within ten (10) days from the date it receives the estimate. Upon receipt of the estimate of costs by Surface Owner and the execution of a separate relocation agreement, the Oil Company will within a reasonable time commence the relocation of the applicable access road or pipeline, install the same in a good and workmanlike manner, and diligently pursue such relocation work to completion within a reasonable time. Upon completion of the relocation, the Oil Company shall give Surface Owner an accounting of the costs and expenses of the relocation. If the amount of such costs exceeds the amount of the estimate, Surface Owner shall pay the Oil Company the amount of the shortfall within ten (10) days from the receipt of the accounting. If the amount of such costs is less than the amount of the estimate, the Oil Company shall reimburse the difference to Surface Owner at the time it provides the accounting to Surface Owner.

10. Governmental Proceedings.

a. Surface Owner Will Not Object. Surface Owner agrees that: i) it will not object in any forum to the use by the Oil Companies of the surface of the Property consistent with this Agreement and the Development Agreement, to the extent not inconsistent with this Agreement, and hereby waives any such right to object or to request a hearing; ii) it will provide such other written approvals and waivers which are requested and consistent with this Agreement, including, but not limited to, all approvals and waivers to drill a well or to conduct oil and gas operations on the Property because of any law or regulation, including any local ordinance and regulations of the COGCC, and including, for example, waivers to state and local setback requirements and to any setback requirement from a surface property line or for an exception location; iii) it waives any rights it has to require or request a surface inspection for wells proposed to be drilled on the Property for the purpose of requesting that conditions be attached to a permit to drill a well and waives its right to request such conditions; iv) it consents to the location of multiple wells within an Oil and Gas Operations Area (as provided herein) that are greater or less than fifty feet apart so long as all such wells are located within the Oil and Gas Operations Area (as provided herein); and v) it waives its rights to object, request a hearing before the COGCC or that conditions be attached to a COGCC permit to drill, and to allege noncompliance with COGCC rules or applicable statutes, or to allege potential adverse impacts to public health, safety, and welfare, including the environment and wildlife resources, that are within the jurisdiction of the COGCC with respect to COGCC Applications for Permit to Drill ("Form 2") and COGCC Oil and Gas Location Assessments ("Form 2A").

b. Oil Companies Will Not Object. Except as provided in section 28.c. with respect to the Anadarko Entities, the Oil Companies agree that they will not object in any forum to a





request by Surface Owner to zone, rezone, plat or replat all or any portion of the Property to the extent such request is consistent with this Agreement and the Development Agreement, to the extent not inconsistent with this Agreement.

11. Notice to Home Builders and Homeowners. Surface Owner shall furnish all persons or entities that have a contract to purchase or that purchase all or any portion of the Property from Surface Owner with an exhibit that shows the locations of all Oil and Gas Operations Areas, existing and future pipeline easements and existing and proposed access routes. In addition, Surface Owner shall provide written notice to all such purchasers that includes as follows:

- i. such buyers are not purchasing and will not own any interest in the oil and gas mineral estate;
- ii. there may be ongoing oil and gas operations and production on the surface of the Property within the Oil and Gas Operations Areas, pipeline easements and access routes;
- iii. additional oil and gas wells are likely to be drilled and oil and gas operations and production will likely take place on the Property, including the construction of oil and gas facilities, pipelines and flowlines, which will affect the surface of the Property within the Oil and Gas Operations Areas, pipeline easement(s) and access road(s);
- iv. heavy equipment will be used by the oil and gas interest owners from time to time for oil and gas drilling and production operations, and such operations may be conducted on a 24 hour basis;
- v. future purchasers of all or a portion of the Property, as successors in interest, will be bound by the covenants and provisions in this Agreement and subject to the waivers and covenants (i) included in sections 1.d., 2.a., 3.c., 7, 8, 10 and 21, among others; (ii) prohibiting the location of any building, structure, or other improvement by the purchaser within the Oil and Gas Operations Areas and pipeline easement areas; (iii) waiving objections to the drilling of wells, the construction of facilities, and the conduct of oil and gas operations on the Property consistent with this Agreement; and (iii) waiving objections to the setback requirements under the rules of the COGCC or any local jurisdiction.

12. Impact Mitigation.

a. Oil Company Mitigation. The Oil Companies agree that they shall install and maintain and repair at their sole cost and expense such fences, gates and locks around the wells and production facilities as are required by the COGCC or Erie or Weld County as a condition for a special use permit to drill wells. To the extent required by law or regulation, the Oil Companies shall bear the costs of impact mitigation measures, including environmental or hazardous materials cleanup, remediation or mitigation for their individual operations on the Property.

b. Surface Owner Mitigation. Except as provided in section 12.a., Surface Owner shall bear all costs and expenses to install such noise and visual impact mitigation measures it desires or Erie or Weld County or other applicable local jurisdiction requires at or around the Oil





shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including, without limitation.

23. Successors and Assigns. This Agreement and all of the covenants in it shall be binding upon the personal representatives, heirs, successors and assigns of all of the parties, and the benefits of this Agreement shall inure to their personal representatives, heirs, successors and assigns. This Agreement and all of the covenants in it shall be covenants running with the land.

24. Recording. The Oil Companies shall record this Agreement with the Clerk and Recorder of Weld County promptly after it is executed by all of the parties and provide evidence to the other parties of the recording.

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

26. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it conflicts with such laws; however, the remainder of this Agreement shall be in full force and effect. 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.

27. Incorporation by Reference. Exhibits 1A, 1B, 2A, 2B, 3, 4 and 5 are incorporated into this Agreement by reference.

28. Entire Agreement and Conflicts in Agreements.

a. Entire Agreement. With respect to the matters included in them, this Agreement, the Development Agreement and the Letter Agreement set forth the entire understanding among the parties or the particular parties to the specific agreement and supersede any previous communications, representations or agreements, whether oral or written. No change of any of the terms or conditions herein shall be valid or binding on any party unless in writing and signed by an authorized representative of each party.

b. Conflicts Between Particular Agreements. In the event of a conflict between this Agreement and the Development Agreement for a matter specifically covered in this Agreement, this Agreement shall control. In the event of a conflict between this Agreement and the Letter Agreement for a matter specifically covered in the Letter Agreement, the Letter Agreement shall control.

c. Anadarko Entities Agreement Conditional. The agreement herein of the Anadarko Entities is conditioned upon the execution by Surface Owner of: i) the Letter



and Gas Operations Areas which are in excess of or in addition to those measures which are required by COGCC regulations for areas which are not high density and which are required at the time Surface Owner applies for surface development approvals; provided, however, the operator of the well within the particular Oil and Gas Operations Area shall have reasonable discretion to veto or protest the types and locations of impact mitigation measures in order to allow for safe oil and gas operations.

13. Limited Surface Use By Oil Companies. Except for the Oil and Gas Operations Areas and the access roads and easements associated with flowlines, gathering lines and pipelines as provided for in this Agreement, and the use of the Temporary Easement Areas as provided herein, the Oil Companies shall not occupy the surface of the Property except in the event of an emergency or for reasonable incidental, temporary and non-damaging activities, for which the particular Oil Company shall be strictly and solely responsible for any damages that may occur.

14. Compliance with Kerr-McGee's General Guidelines. Surface Owner acknowledges that it has received a copy of a document from Kerr-McGee titled "General Guidelines for Design and Construction Activities On or Near Kerr-McGee Gathering LLC and Kerr-McGee Rocky Mountain Corporation Pipelines and Related Facilities" (Revision 1/2010) with which Surface Owner agrees to comply and which is attached as Exhibit 5.

15. Individual Liability of Oil Companies. Nothing in this Agreement is intended to create a cause of action by any Oil Company against any other Oil Company or to enlarge or diminish any right or interest created by any agreement or lease or assignment of lease between or among the Oil Companies. The liability of the Oil Companies to perform any obligation or to comply with any agreement hereunder or to comply with any state or local rule or regulation is individual and several and not joint or collective. No Oil Company shall be liable or responsible for the acts, omissions, performance, obligations or duties of the other Oil Companies under this Agreement. Surface Owner shall look solely to the applicable Oil Company for the performance by such Oil Company of its obligations under this Agreement and compliance with applicable laws and regulations with respect to its respective oil and gas operations on the Property. The agreements herein of a particular Oil Company apply only to the extent of the oil and gas interests in the Property that are now owned or that may be owned in the future by that Oil Company. This Agreement does not create a joint venture or partnership between or among any of the Oil Companies or the Anadarko Entities. The Anadarko Entities shall in no event be liable for the acts or omissions of their lessees, assignees of such lessees or farmoutees or the contractors and subcontractors of any of them.

16. No Waiver of Rights. The Oil Companies do not waive the rights they have pursuant to each of their respective oil and gas interests to explore for, drill and produce the oil and gas for the Property or for ingress and egress to any Oil and Gas Operations Area, except as specifically provided in this Agreement.

17. Conflict in Agreements. In the event of a conflict between this Agreement and the Development Agreement, this Agreement shall control; provided, however, the terms of the Development Agreement shall continue to apply to the extent that they are not inconsistent with this Agreement.





18. Notice of Hearings. Surface Owner shall provide the Oil Companies with written notice not less than thirty (30) days before each hearing for approval of a plat application or other land use application for the Property that is to be held before Erie or Weld County.

19 Notices. Any notice or other communication required or permitted under this Agreement shall be given in writing by any of: i) personal delivery; ii) expedited delivery service with proof of delivery; iii) United States mail, postage prepaid, and registered or certified mail with return receipt requested; or iv) prepaid telecopy or fax, the receipt of which shall be acknowledged, addressed as follows:

Surface Owner: Tallgrass Investors, LLC  
2500 Arapahoe Avenue, Suite 220  
Boulder, Colorado 80302  
Attention: Jon Lee  
Fax: (303) 442-1241

Anadarko Entities Anadarko Petroleum Corporation  
Kerr-McGee 1099 18<sup>th</sup> Street, Suite 1800  
and KMGG: Denver, Colorado 80202

Encana: Encana Oil & Gas (USA) Inc.  
370 17<sup>th</sup> Street, Suite 1700  
Denver, Colorado 80202  
Attn: DJ Land Team Lead

Any party may, by written notice as provided in this section, change the address of the individual to whom delivery of notices shall be made thereafter.

20. Acknowledgment of Title to Oil and Gas. Surface Owner specifically acknowledges the title of Anadarko E&P and Anadarko Land to the oil and gas reserved for the Property and relinquishes all rights and claims thereto, and it also acknowledges the oil and gas leasehold rights that Kerr-McGee and Encana own for the Property and relinquishes all rights and claims thereto.

21. Compliance with Common Law and Statutory and Regulatory Requirements. Surface Owner expressly acknowledges that this Agreement satisfies the obligations and requirements of the Oil Companies pursuant to COGCC rules and regulations and Colorado statutes to consult in good faith with Surface Owner regarding existing and proposed oil and gas operations on the Property, including pursuant to COGCC Rules 305 and 306, as amended. Surface Owner further expressly acknowledges that this Agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligations of the Oil Companies to accommodate the use of the surface of the Property by Surface Owner, existing and future, and Surface Owner waives any statutory and common law claims to the contrary, including, but not limited to, any claims pursuant to C.R.S. 34-60-127.

22. Construction. The parties have participated jointly in the negotiating and drafting of this Agreement. In the event ambiguity or question of intent or interpretation arises, this Agreement



Agreement; and ii) a separate letter agreement among the Anadarko Entities, Noble Energy, Inc. and Surface Owner for property included in the Bridgewater development described as the N/2 of Section 17, Township 1 North, Range 68 West.

29. Counterpart Executions. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by duly authorized representatives on the dates set forth in the acknowledgements, but to be effective on the date first above written.

ANADARKO E&P COMPANY LP

By: [Signature]  
Name: David Bell  
Its: Agent and Attorney-In-Fact

nm3

ENCANA OIL & GAS (USA) INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ANADARKO LAND CORP.

By: [Signature]  
Name: David Bell  
Its: Agent and Attorney-In-Fact

nm3

TALLGRASS INVESTORS, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

KERR-McGEE OIL & GAS ONSHORE LP

By: [Signature]  
Name: David Bell  
Its: Agent and Attorney-In-Fact

nm3  
TDE

Kerr-McGee Gathering LLC signs this Agreement as the entity which gathers and may in the future gather gas from wells drilled on the Property or on lands near the Property and in no other capacity. KMGG is not otherwise bound by the obligations in this Agreement, but shall have the right to enforce the provisions in section 3.

KERR-McGEE GATHERING LLC

By: [Signature]  
Name: Ronald H. Olsen  
Title: Agent & Attorney-in-Fact

nm3  
CUE





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Agreement; and ii) a separate letter agreement among the Anadarko Entities, Noble Energy, Inc. and Surface Owner for property included in the Bridgewater development described as the N/2 of Section 17, Township 1 North, Range 68 West.

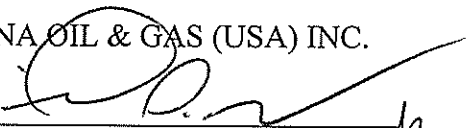
29. Counterpart Executions. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by duly authorized representatives on the dates set forth in the acknowledgements, but to be effective on the date first above written.

ANADARKO E&P COMPANY LP

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ENCANA OIL & GAS (USA) INC.

By:   
Name: Ricardo D. Gallegos  
Its: Attorney In Fact

ANADARKO LAND CORP.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

TALLGRASS INVESTORS, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

KERR-McGEE OIL & GAS ONSHORE LP

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Kerr-McGee Gathering LLC signs this Agreement as the entity which gathers and may in the future gather gas from wells drilled on the Property or on lands near the Property and in no other capacity. KMGG is not otherwise bound by the obligations in this Agreement, but shall have the right to enforce the provisions in section 3.

KERR-McGEE GATHERING LLC

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



Agreement; and ii) a separate letter agreement among the Anadarko Entities, Noble Energy, Inc. and Surface Owner for property included in the Bridgewater development described as the N/2 of Section 17, Township 1 North, Range 68 West.

29. Counterpart Executions. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by duly authorized representatives on the dates set forth in the acknowledgements, but to be effective on the date first above written.

ANADARKO E&P COMPANY LP

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ENCANA OIL & GAS (USA) INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ANADARKO LAND CORP.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

TALLGRASS INVESTORS, LLC

By: Jon R Lee  
Name: Jon R LEE  
Its: AUTHORIZED REPRESENTATIVE

KERR-McGEE OIL & GAS ONSHORE LP

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Kerr-McGee Gathering LLC signs this Agreement as the entity which gathers and may in the future gather gas from wells drilled on the Property or on lands near the Property and in no other capacity. KMGG is not otherwise bound by the obligations in this Agreement, but shall have the right to enforce the provisions in section 3.

KERR-McGEE GATHERING LLC

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





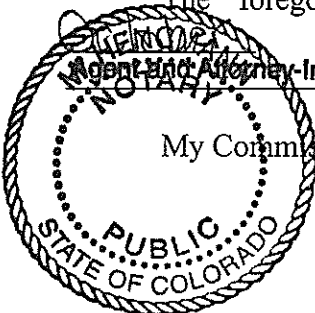
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# ACKNOWLEDGMENTS

STATE OF Colorado )  
 ) ss.  
COUNTY OF Adams )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of October, 2011, by David Bell, as Agent and Attorney-In-Fact for ANADARKO E&P COMPANY LP.

My Commission expires: 9/27/2015:



My Commission Expires 9-27-2015

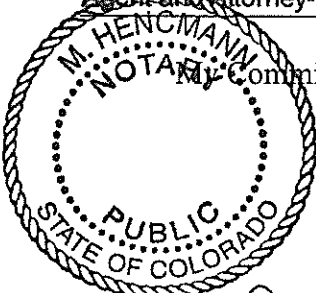
Witness my hand and official seal.

[Signature]  
Notary Public

STATE OF Colorado )  
 ) ss.  
COUNTY OF Adams )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of October, 2011, by David Bell, as Agent and Attorney-In-Fact for ANADARKO LAND CORP.

My Commission expires: 9/27/2015:



My Commission Expires 9-27-2015

Witness my hand and official seal.

[Signature]  
Notary Public

STATE OF Colorado )  
 ) ss.  
COUNTY OF Adams )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of October, 2011, by David Bell, as Agent and Attorney-In-Fact for KERR-McGEE OIL & GAS ONSHORE LP.

My Commission expires: 9/27/2015:

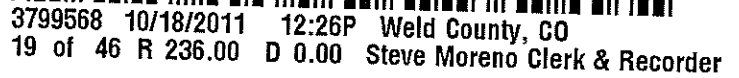


My Commission Expires 9-27-2015

Witness my hand and official seal.

[Signature]  
Notary Public





The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of October, 2011, by Ronald H. Olsen, as Agent and Attorney-In-Fact for KERR-McGEE GATHERING LLC.

*Witness my hand and official seal.*

**My Commission Expires 9-27-2015**

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ for ENCANA OIL & GAS (USA) INC.

*Witness my hand and official seal.*

Notary Public

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ for TALLGRASS INVESTORS, LLC

*Witness my hand and official seal.*

Notary Public





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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ for KERR-McGEE GATHERING LLC.

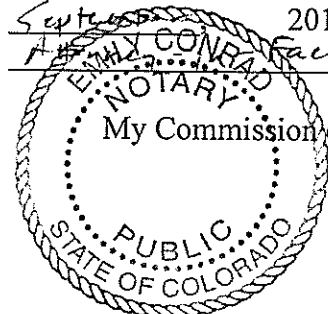
My Commission expires: \_\_\_\_\_:

*Witness my hand and official seal.*

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

STATE OF COLORADO )  
 ) ss.  
City and County of Denver )

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of September, 2011, by Rick Gallegos, as Secretary for ENCANA OIL & GAS (USA) INC.



My Commission expires: 11/30/2011:

*Witness my hand and official seal.*

[Signature]  
Notary Public

My Commission Expires 11/30/2011

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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ for TALLGRASS INVESTORS, LLC

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

*Witness my hand and official seal.*

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





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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ for KERR-McGEE GATHERING LLC.

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

*Witness my hand and official seal.*

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

STATE OF COLORADO )  
 ) ss.  
City and County of Denver )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ for ENCANA OIL & GAS (USA) INC.

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

*Witness my hand and official seal.*

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

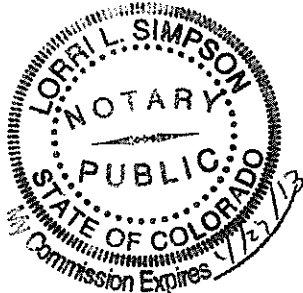
STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of October, 2011, by Jon R. Lee, as Authorized Representative for TALLGRASS INVESTORS, LLC

My Commission expires: 4/27/2013:

*Witness my hand and official seal.*

Lorri L. Simpson  
Notary Public







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**Exhibit 1A**

to

**Surface Use Agreement effective September 27, 2011  
by and among Anadarko Land Corp., Anadarko E&P Company LP, Kerr-McGee Oil &  
Gas Onshore LP, Kerr-McGee Gathering LLC (for the limited purposes described herein),  
Encana Oil & Gas (USA) Inc. and Tallgrass Investors, LLC**

**Legal Description of the Section 18 Property**

**Township 1 North, Range 68 West  
Section 18: metes and bounds description  
Weld County, Colorado**

**See attached legal description consisting of two (2) pages.**





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**Exhibit 1B**

to

**Surface Use Agreement effective September 27, 2011  
by and among Anadarko Land Corp., Anadarko E&P Company LP, Kerr-McGee Oil &  
Gas Onshore LP, Kerr-McGee Gathering LLC (for the limited purposes described herein),  
Encana Oil & Gas (USA) Inc. and Tallgrass Investors, LLC**

**Legal Description of the Section 8 Property**

**Township 1 North, Range 68 West  
Section 8: metes and bounds description  
Weld County, Colorado**

**See attached legal description consisting of two (2) pages.**



## Section 18 Property

A parcel of land situate in the E1/2 of Section 18, Township 1 North, Range 68 West of the 6th P.M., Weld County, more particularly described as follows:

### PARCEL D

Commencing at the Northeast corner of Section 18, Township 1 North, Range 68 West, 6th P.M., from whence the East 1/4 corner of said section lies S00°02'28" E, 2678.62 feet; Thence N89°14'48" W, 30.07 feet to the point of beginning; Thence S00°02'28" E, 1897.89 feet parallel with and 30.00 feet distant West of the East line of the NE1/4 of Section 18 to a point on the North line of the Erie Cemetery, partially described in a deed recorded on May 23, 1963, as Reception No. 1516751; Thence N89°59'20" W, 640.42 feet to the Northwest corner of said cemetery; Thence S00°03'40" W, 404.65 feet to the North line of a parcel recorded in Book 30, Page 483; Thence N89°34'58" W, 163.67 feet to the Northwest corner of said parcel; Thence S00°04'57" E, 417.42 feet to the Southwest corner of said parcel; Thence S89°34'58" E, 804.84 feet to a point 30.00 feet westerly of the East line of the SE1/4 of Section 18; Thence S00°25'10" E, 1450.65 feet parallel with and 30.00 feet distant westerly of the East line of said SE1/4 to a point on the North line of a parcel recorded as Reception No. 1516751;

Thence along boundary of said parcel the following three courses:

- 1) S89°40'50" W, 658.56 feet,
- 2) S00°19'10" E, 253.00 feet,
- 3) N89°40'50" E, 659.00 feet to a point 30.00 feet westerly of the East line of the SE1/4 of Section 18;

Thence S00°25'10" E, 825.08 feet to a point 30.00 feet northerly of the South line of said SE1/4 of Section 18, said point also being the northerly right-of-way line of Weld County Road 3;

Thence N89°31'17" W, 258.53 feet, along said northerly right of way, parallel with and 30.00 feet North of the South line of said SE1/4;

Thence N86°54'04" W, 1098.49 feet along the northerly line of Weld County Road 8, as described in Book 15551, Pages 39-43, Reception Nos. 2495437-41 to a point on the eastern line of property described in Book 754 at Reception No. 1676471;

Thence along said property the following three courses:

- 1) N00°29'16" E, 49.80 feet;
- 2) 453.09 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 440.00 feet, a central angle of 59°00'00", and a chord bearing N29°00'44" W 433.33 feet;
- 3) N58°30'44" W, 204.67 feet to a point 50.00 feet distant southeasterly, measured at right angles, from the centerline of the main track of the Boulder branch of the Union

(continued)





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Pacific Railroad Company as presently constructed and operated, said right of way conveyed to the Union Pacific Railroad by deed recorded in Book 359 at Page 413; Thence northerly along a line drawn parallel and/or radially with said centerline of ma- track the following nine courses:

- 1) 629.21 feet along the arc of a non-tangent curve to the left, said arc subtended by radius of 1007.50 feet, a central angle of  $35^{\circ}46'57''$ , and a chord bearing  $N07^{\circ}31'37''$  E, 619.03 feet;
- 2) Thence  $N10^{\circ}21'52''$  W, 694.70 feet;
- 3) 894.20 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 1287.50 feet, a central angle of  $39^{\circ}47'36''$ , and a chord bearing  $N09^{\circ}31'57''$  E, 876.34 feet;
- 4)  $N29^{\circ}25'45''$  E, 224.87 feet;
- 5) 463.85 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 1673.50 feet, a central angle of  $15^{\circ}52'51''$ , and a chord bearing  $N21^{\circ}29'19''$  E, 462.36 feet;
- 6)  $N13^{\circ}32'54''$  E, 421.72 feet;
- 7) 966.31 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 2957.50 feet, a central angle of  $13^{\circ}43'06''$ , and a chord bearing  $N04^{\circ}11'21''$  E, 961.91 feet;
- 8)  $N05^{\circ}10'12''$  W, 351.67 feet;
- 9) 165.08 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 1575.00 feet, a central angle of  $06^{\circ}00'20''$ , and a chord bearing  $N02^{\circ}10'02''$  W, 165.01 feet to a point on the North line of the NE1/4 of Section 18;

Thence along said North line  $S89^{\circ}14'48''$  E, 1206.77 feet to the point of beginning, EXCEPTING THEREFROM a "road right of way 3 feet in width leading to said cemetery from Erie", so described in Book 30 at Page 483.



## Section 8 Property

Two parcels of land situate in the SE1/4 of Section 8, Township 1 North, Range 68 West of the 6th P.M., Weld County, more particularly described as follows:

### PARCEL B

Commencing at the Southeast corner of Section 8, Township 1 North, Range 68 West, 6th P.M., from whence the East 1/4 corner of said section lies N00°49'09" E, 2674.68 feet; Thence N45°04'48" W, 41.78 feet to the point of beginning, 30.00 feet North of the South line of said section;

Thence S89°01'14" W, 2618.93 feet parallel with and 30.00 feet North of the South line of said section to a point on the North-South centerline of Section 8;

Thence N00°01'31" E, 1579.23 feet along said North-South centerline to a point on the South right of way line of the Union Pacific Railroad, said right-of-way conveyed to the Union Pacific Railroad by a deed recorded June 13, 1912, in Book 359 at Page 418, said right-of-way line being 50.00 feet distant southerly as measured at right angles or radially from the existing main track centerline;

Thence along said right of way the following three courses:

- 1) N42°43'40" E, 467.34 feet,
- 2) 1735.43 feet along the arc of a tangent curve to the right, said arc subtended by a radius of 1858.50 feet, a central angle of 53°30'06", and a chord bearing N69°28'43" E, 1673.07 feet,
- 3) S83°46'14" E, 772.36 feet to a point 30.00 feet West of the East line of the S1/2 of the section;

Thence S00°49'09" W, 2380.71 feet parallel with and 30.00 feet West of the East line of the S1/2 to the point of beginning.

(continued)



PARCEL B-1

Commencing at the East 1/4 corner of Section 8, Township 1 North, Range 68 West, 6th P.M. from whence the Southeast corner of said section lies S00°49'09" W, 2674.68 feet; Thence along the East-West centerline S89°35'35" W, 30.00 feet to the point of beginning; Thence S00°49'09" W, 163.81 feet parallel with and 30.00 feet West of the East line of the S1/2 of Section 8 to a point on the northerly right-of-way line of the Union Pacific Railroad, said right of way conveyed to the Union Pacific Railroad by a deed recorded June 13, 1912, in Book 359 at Page 418, said right-of-way line being 50.00 feet distant northerly as measured at right angles or radially from the existing main track centerline;

Thence following said northerly right of way the following three courses:

- 1) N83°46'14" W, 762.89 feet,
- 2) 1828.81 feet along the arc of a tangent curve to the left, said arc subtended by a radius of 1958.50 feet, a central angle of 53°30'06", and a chord bearing S63°29'43" W, 1763.09 feet;
- 3) S42°43'40" W, 358.98 feet to a point on the North-South centerline of Section 8; Thence N00°01'31" E, 943.91 feet along said North-South centerline to a point on the East-West centerline of said Section 8; Thence N89°35'35" E, 2655.15 feet along the East-West centerline to the point of beginning.

(continued)





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**Exhibit 2A**

to

**Surface Use Agreement effective September 27, 2011  
by and among Anadarko Land Corp., Anadarko E&P Company LP, Kerr-McGee Oil &  
Gas Onshore LP, Kerr-McGee Gathering LLC (for the limited purposes described herein),  
Encana Oil & Gas (USA) Inc. and Tallgrass Investors, LLC**

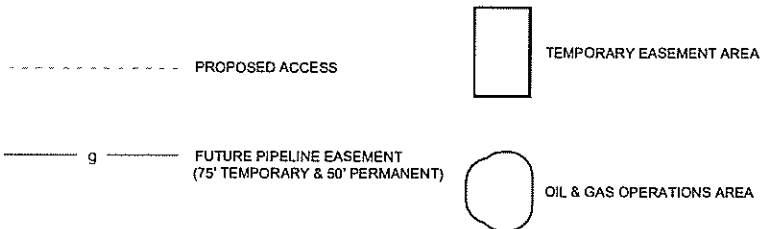
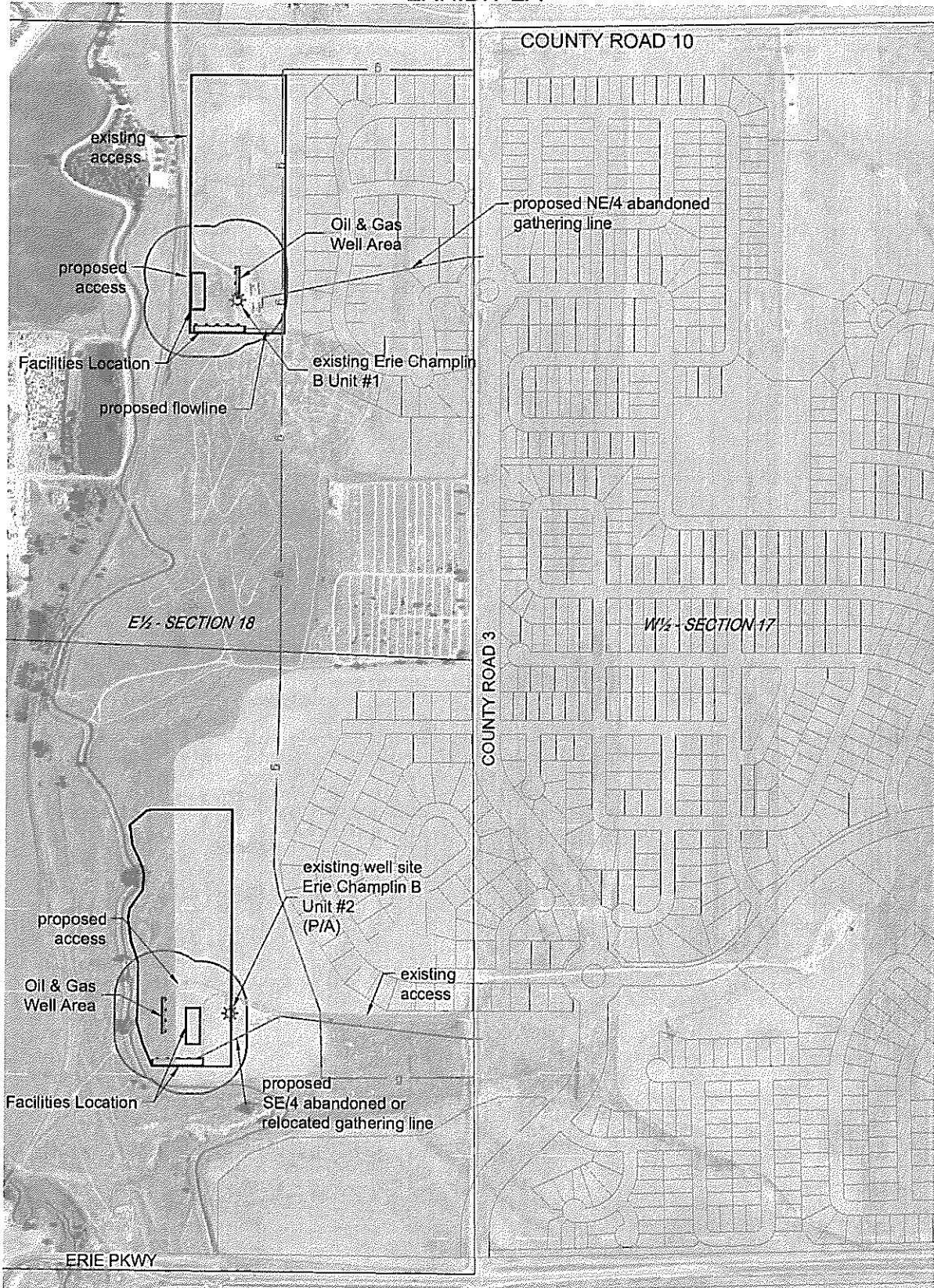
**See attached Plats consisting of three (3) pages for the Section 18 Property.**



# EXHIBIT 2A



3799568 10/18/2011 12:26P Weld County, CO  
29 of 46 R 236.00 D 0.00 Steve Moreno Clerk & Recorder



**encana**

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TOWNSHIP 1 NORTH, RANGE 68 WEST  
A PORTION OF SECTIONS 17 & 18  
WELD COUNTY, COLORADO

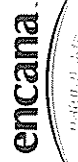
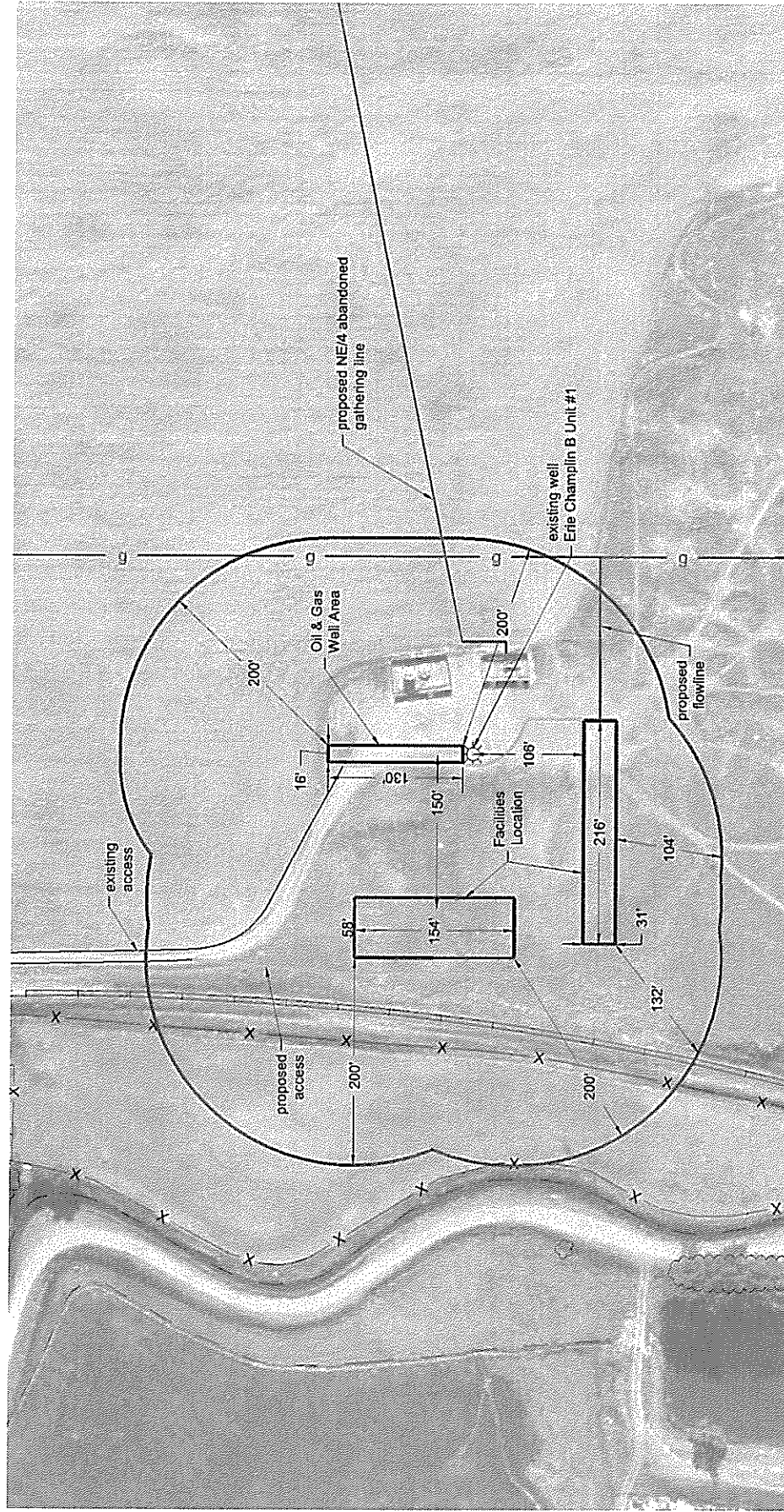
SCALE: 1" = 400'      SEPTEMBER 26, 2011



EXHIBIT 2A.1



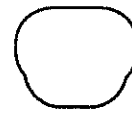
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30 of 46 R 236.00 D 0.00 Steve Moreno Clerk & Recorder



TOWNSHIP 1 NORTH, RANGE 68 WEST  
SECTION 18: NE 1/4  
WELD COUNTY, COLORADO

SCALE: 1" = 150' SEPTEMBER 26, 2011

OIL & GAS OPERATIONS AREA



PROPOSED ACCESS



FUTURE PIPELINE EASEMENT  
(75' TEMPORARY & 50' PERMANENT)

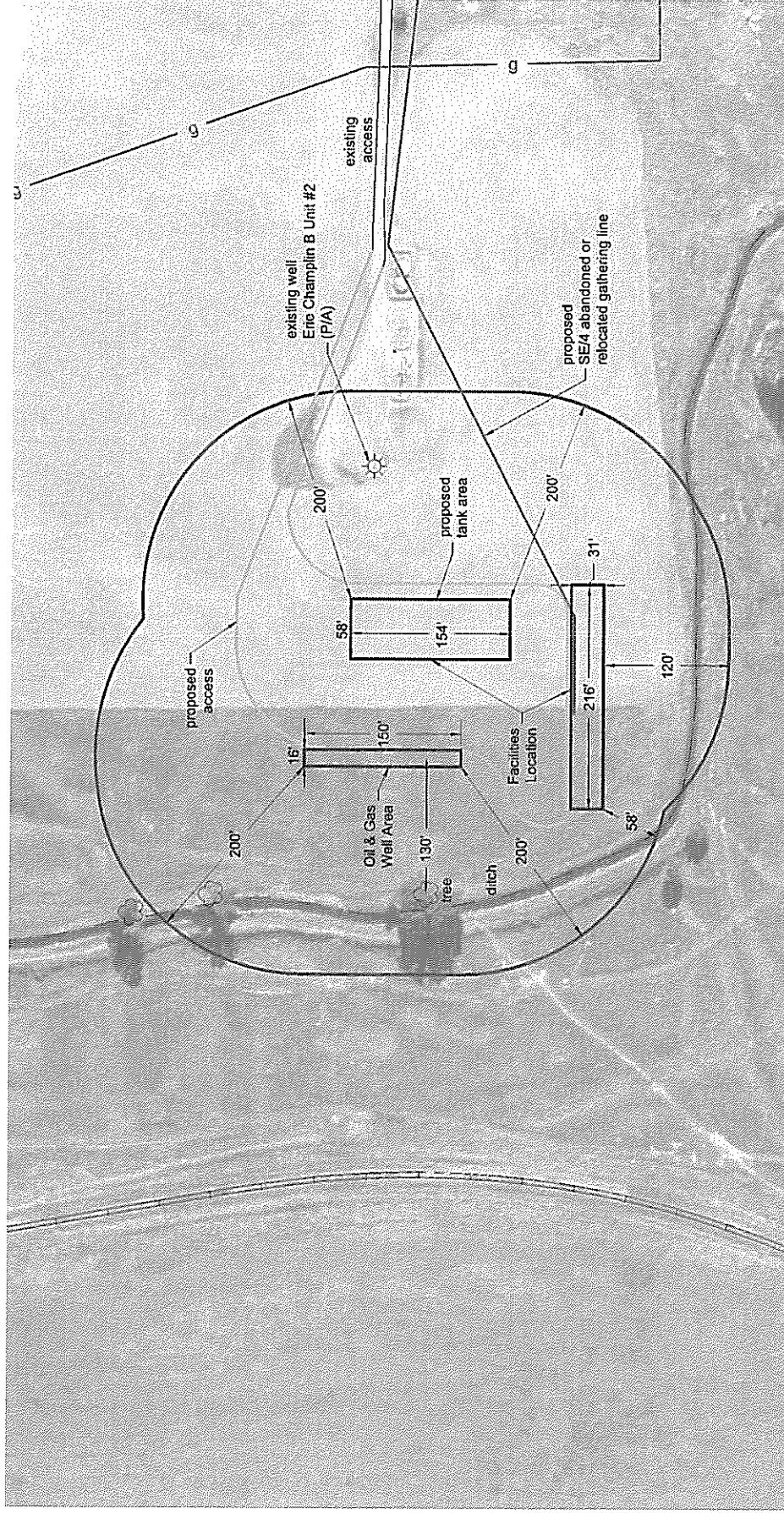





EXHIBIT 2A.2



3799568 10/18/2011 12:26P Weld County, CO  
31 of 46 R 236.00 D 0.00 Steve Moreno Clerk & Recorder








**encana.**

TOWNSHIP 1 NORTH, RANGE 68 WEST  
SECTION 18: SE<sup>1</sup>/<sub>4</sub>  
WELD COUNTY, COLORADO

SCALE: 1" = 150'

SEPTEMBER 26, 2011

-  OIL & GAS OPERATIONS AREA
-  PROPOSED ACCESS
-  FUTURE PIPELINE EASEMENT  
(75' TEMPORARY & 50' PERMANENT)





3799568 10/18/2011 12:26P Weld County, CO  
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**Exhibit 2B**

to

**Surface Use Agreement effective September 27, 2011**

**by and among Anadarko Land Corp., Anadarko E&P Company LP, Kerr-McGee Oil &  
Gas Onshore LP, Kerr-McGee Gathering LLC (for the limited purposes described herein),  
Encana Oil & Gas (USA) Inc. and Tallgrass Investors, LLC**

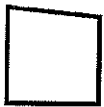
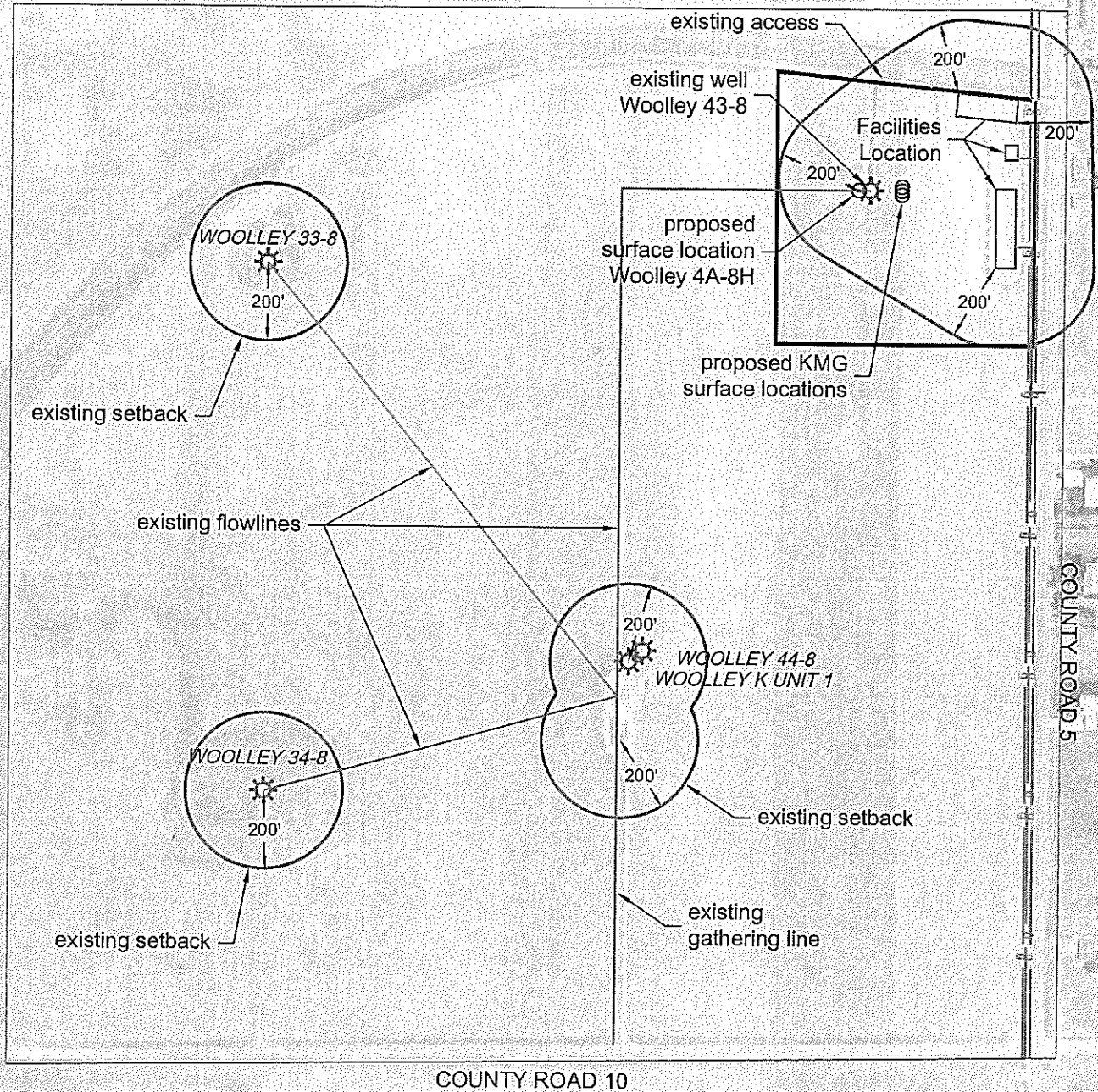
**See attached Plats consisting of two (2) pages for the Section 8 Property.**



# EXHIBIT 2B



3799568 10/18/2011 12:26P Weld County, CO  
33 of 46 R 236.00 D 0.00 Steve Moreno Clerk & Recorder



TEMPORARY EASEMENT AREA



OIL & GAS OPERATIONS AREA

g

PROPOSED FUTURE PIPELINE EASEMENT  
(50' TEMPORARY & 30' PERMANENT)

PROPOSED ACCESS

encana

natural gas

TOWNSHIP 1 NORTH, RANGE 68 WEST  
SECTION 8: SE $\frac{1}{4}$

WELD COUNTY, COLORADO

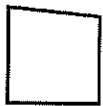
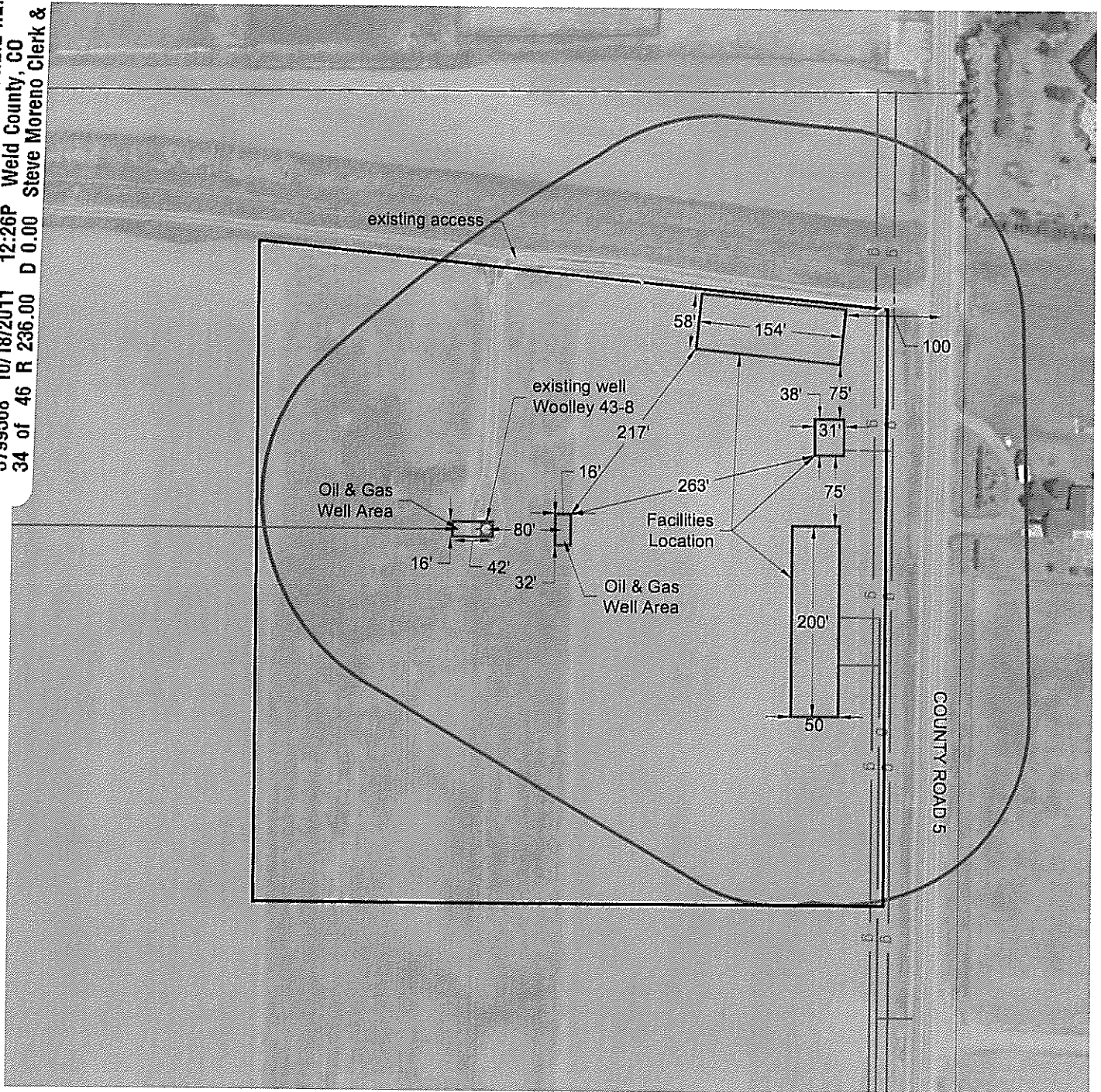
SCALE: 1" = 400'

OCTOBER 12, 2011



# EXHIBIT 2B.1

3799568 10/18/2011 12:26P Weld County, CO  
34 of 46 R 236.00 D 0.00 Steve Moreno Clerk & Recorder



TEMPORARY EASEMENT AREA



OIL & GAS OPERATIONS AREA

g

PROPOSED FUTURE PIPELINE EASEMENT  
(50' TEMPORARY & 30' PERMANENT)

PROPOSED ACCESS

**encana.**  
natural gas

TOWNSHIP 1 NORTH, RANGE 68 WEST  
SECTION 8: NE $\frac{1}{4}$ SE $\frac{1}{4}$   
WELD COUNTY, COLORADO

SCALE: 1" = 150'

OCTOBER 10, 2011





3799568 10/18/2011 12:26P Weld County, CO  
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**Exhibit 3**

to

**Surface Use Agreement effective September 27, 2011**

**by and among Anadarko Land Corp., Anadarko E&P Company LP, Kerr-McGee Oil & Gas Onshore LP, Kerr-McGee Gathering LLC (for the limited purposes described herein), Encana Oil & Gas (USA) Inc. and Tallgrass Investors, LLC**

**AGREEMENT FOR RELOCATION OF PIPELINE AND RIGHT-OF-WAY**

**THIS AGREEMENT** ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between **Tallgrass Investors, LLC** ("Tallgrass"), whose address is 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado 80302 and **Kerr-McGee Gathering LLC** ("KMGG"), a Colorado limited liability company, whose address is 1099 18<sup>th</sup> Street, Denver, Colorado 80202.

**RECITALS**

A. KMGG is the successor in interest to a Right-of-Way Grant ("Easement") across a portion of the \_\_\_\_ of Section \_\_\_\_, Township 1 North, Range 68 West of the 6th P.M. in Weld County, Colorado. The Easement was originally conveyed to \_\_\_\_\_ for natural gas pipeline purposes by instrument recorded \_\_\_\_\_, reception # \_\_\_\_\_, of the records of the Weld County Clerk and Recorder.

B. Tallgrass is the current owner of a portion of the \_\_\_\_ of Section \_\_\_\_, Township 1 North, Range 68 West, 6<sup>th</sup> P.M., Weld County, Colorado (the "Property").

C. Tallgrass plans to develop the surface of the Property as a part of a residential development known as Bridgewater.

D. In order to accommodate the proposed development of the Property by Tallgrass, KMGG agrees to release a portion of the Easement lying within and across the Property and in consideration therefore, Tallgrass agrees to provide a Right-of-Way so that KMGG's pipeline(s) can be physically relocated and operated.

**NOW, THEREFORE**, in consideration of the covenants contained herein and the mutual benefits to be derived, KMGG and Tallgrass agree as follows:

1. Partial Release. KMGG shall execute and deliver a Partial Release of Easement (Exhibit "D") relinquishing and quitclaiming unto Tallgrass, the Easement, insofar, and only insofar, as it crosses or lies within the Property. Said Partial Release of Easement will be provided after delivery of the new Right-of-Way, as provided below, and after the physical relocation of the pipeline(s) and the tie-in of the relocated pipeline(s).

2. Amendment of Right-of-Way. Upon removal and rerouting of the existing pipelines from their current locations, KMGG shall execute and deliver an Amendment of Right-of-Way on the form attached hereto as Exhibit "A" and incorporated herein by this reference, amending permanently KMGG's pipeline Right-of-Way to the route(s) set forth and described in Exhibit "B" attached hereto which shall be attached to the Amendment as Exhibit "A". The Amendment will be provided after the physical relocation of the pipeline(s) and the tie-in of the relocated pipeline(s).





3. Conveyance of Right-of-Way. Tallgrass hereby agrees to provide and deliver to KMGG, prior to the actual placement and operation of new pipeline, an executed and recordable new Right-of-Way conveying unto KMGG, its successors and assigns, a perpetual right-of-way and easement for pipeline purposes on the form attached hereto as Exhibit "C". The new Right-of-Way shall be for the purposes of, and convey rights to survey, construct, install, maintain, inspect, operate, repair, replace, modify, change the size of, reconstruct, mark, monitor, abandon or remove, at KMGG's election, pipelines and all appurtenances, above or below ground, reasonably necessary or convenient for the transportation or transmission of oil, gas, petroleum products, water, hydrocarbons, and any other substances, whether fluid or gaseous, and any products, derivatives, combinations or mixtures of any of the foregoing. The width of the New Right-of-Way shall be \_\_\_\_\_ feet (\_\_\_\_') during construction of the relocated portion of the pipeline(s) and any maintenance thereto, and subsequent to construction shall be \_\_\_\_\_ feet (\_\_\_\_').

4. Title and Authority. Tallgrass represents and warrants to KMGG that Tallgrass is the sole owner in fee simple of the lands described in Exhibit "B" and Exhibit "C", being the route(s) of the Amended Right-of-Way and new Right-of-Way, respectively, and that Tallgrass has full power, right and authority to execute and deliver the Amendment of the Right-of-Way and new Rights-of-Way.

5. Senior Rights. KMGG acknowledges that all routes are non-exclusive and agrees that it will not object to the concurrent use of the routes by Tallgrass, utilities providers and other operators as Tallgrass may grant from time to time; provided, however, that such concurrent use does not in any way interfere with the use of the routes by KMGG. All pipes shall be placed with a minimum horizontal clearance of ten (10) feet from all other pipelines and utilities; and a minimum vertical clearance of eighteen (18) inches from all other pipelines and utilities. KMGG's "General Guidelines for Design and Construction Activities On or Near Kerr- McGee Gathering LLC and Kerr- McGee Oil & Gas Onshore LP Pipelines and Related Facilities" shall be strictly adhered to at all times. Said General Guidelines are attached hereto as Exhibit "F". Tallgrass further represents and warrants that it has full power, right and authority to enter into this Agreement and to make the covenants set forth herein.

6. Title Insurance. Tallgrass must deliver to KMGG a title commitment from an insurer acceptable to KMGG with any request for the relocation of any pipeline. If any of the exceptions contained in Schedule B-2 of said title commitment are (i) senior liens or encumbrances on the land upon which the right(s)-of-way to be granted to KMGG pursuant to this Agreement are to be located; or (ii) deemed by KMGG to infringe on its right of free use and enjoyment of new right(s)-of-way granted under this Agreement, the liens or encumbrances must be released or subordinated and any infringements must be cured by Tallgrass prior to the relocation of any pipelines. Prior to commencing any relocation activities, Tallgrass must furnish KMGG with a policy of title insurance insuring KMGG's title to its right(s)-of-way against any senior lien or encumbrance and against any interest that may interfere with KMGG's quiet enjoyment of the right(s)-of-way to be granted pursuant to this Agreement. KMGG will not be required to relocate any pipeline unless and until it has been furnished with a policy of title insurance that is satisfactory to it.

7. Pipeline Relocation Expense. KMGG has prepared a good faith estimate of the costs and expenses to be incurred in the pipeline relocation project and a summary of those costs and expenses is set forth on Exhibit "E" hereto. Costs include KMGG's corporate overhead of fifteen percent (15%) for the legal, engineering, and other administrative costs necessary to process and complete the relocation. Upon execution of this Agreement, Tallgrass will pay





KMGG the total estimated cost of pipeline relocation, which is \$\_\_\_\_\_. It is understood that this amount is only an estimate and that Tallgrass shall be obligated to pay or reimburse KMGG for all actual costs and expenses related to the pipeline relocation. Upon conclusion of the relocation, the parties shall reconcile the costs incurred and payments made, with appropriate adjustments and reimbursements to Tallgrass or supplemental payments to KMGG being made within one-hundred twenty (120) days after the pipeline relocation is completed.

8. Amendments. This Agreement cannot be modified, except by a written agreement signed by both parties hereto.

9. Binding Effect. The rights granted herein may be assigned in whole or in part, and the terms, conditions, and provisions of this Agreement shall be a covenant running with the Property and shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors, and assigns of Tallgrass and KMGG.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**TALLGRASS INVESTORS, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**KERR-MCGEE GATHERING LLC**  
a Colorado limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_, Agent and Attorney-in-Fact



STATE OF COLORADO     )  
  ) ss.  
COUNTY OF                    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
201\_, by \_\_\_\_\_, as \_\_\_\_\_, on behalf of \_\_\_\_\_.

Witness my hand and official Seal.

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

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

(SEAL)

STATE OF                             )  
  ) ss.  
COUNTY OF                         )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
201\_, by \_\_\_\_\_ as Agent and Attorney-in-Fact for Kerr-McGee  
Oil & Gas Onshore LP, a Delaware Limited Partnership, in its capacity as Manager of Kerr-  
McGee Gathering LLC, a Colorado limited liability company, on behalf of such company.

Witness my hand and official Seal.

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

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

(SEAL)





**Exhibit 4**

to

**Surface Use Agreement effective September 27, 2011**

**by and among Anadarko Land Corp., Anadarko E&P Company LP, Kerr-McGee Oil & Gas Onshore LP, Kerr-McGee Gathering LLC (for the limited purposes described herein), Encana Oil & Gas (USA) Inc. and Tallgrass Investors, LLC**

**RIGHT-OF-WAY GRANT**

**THIS RIGHT-OF-WAY GRANT** ("Grant) is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, from TALLGRASS INVESTORS, LLC with an address of 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado 80302 ("Grantor") to \_\_\_\_\_, with an address of \_\_\_\_\_ ("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(s) and easement(s) to survey, construct, maintain, inspect, operate, repair, replace, modify, change the size of, reconstruct, mark, monitor, abandon or remove, at Grantee's election, pipelines and all appurtenances, below and/or above ground, including but not limited to, launchers and receivers, convenient for the transportation or transmission of oil, gas, petroleum products, water, hydrocarbons and any other substances, whether 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 Weld County, State of Colorado, being generally described as follows and more specifically described on Exhibit "A" attached hereto and made a part hereof:

**TOWNSHIP 1 NORTH, RANGE 68 WEST, 6<sup>TH</sup> PM**

**Section \_\_\_\_: \_\_\_\_**

The specific route and course of the right-of-way(s) and easement(s) conveyed hereby ("Right-of-Way Lands") is more particularly described on Exhibit "B" attached hereto and made a part hereof. The width of the Right-of-Way Lands during construction shall be \_\_\_\_ feet (\_\_\_\_') and subsequent to construction shall be \_\_\_\_ feet (\_\_\_\_').\*

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

Grantee shall lay all pipe at a depth of not less than 36 inches. 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. If necessary to prevent the escape of Grantor's livestock, Grantee shall construct temporary gates or fences.

*\*Fifty (50) feet construction/thirty (30) feet permanent for Section 8 and Seventy-Five (75) feet construction/fifty (50) feet permanent for Section 18.*





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

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, 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 Right-of Way Lands, subject to the rights herein granted.

This Grant cannot be modified, except in writing signed by Grantor and 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.

Grantee agrees to level and restore any lands that may have excessive settling and sufficiently compact the soil within a reasonable period of time after completion of construction.

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

IN WITNESS WHEREOF, the parties have executed this Grant as of the date first above written.

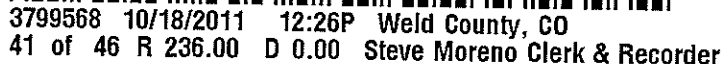
Grantor:  
Tallgrass Investors, LLC

Grantee:  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Agent & Attorney-in-Fact





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**Exhibit 5**

to

Surface Use Agreement effective September 27, 2011

by and among Anadarko Land Corp., Anadarko E&P Company LP, Kerr-McGee Oil &  
Gas Onshore LP, Kerr-McGee Gathering LLC (for the limited purposes described herein),  
Encana Oil & Gas (USA) Inc. and Tallgrass Investors, LLC

**See attached Guidelines consisting of four (4) pages.**





## General Guidelines for Design and Construction Activities On or Near Kerr- McGee Gathering LLC Pipelines and Related Facilities

This list of design, construction and contractor requirements, including but not limited to the following, is for the design and installation of foreign utilities or improvements on Kerr McGee Gathering LLC (KMGG) right-of-way (ROW). These are not intended to, nor do they waive or modify any rights KMGG may have under existing easements or ROW agreements. For information regarding KMGG's rights and requirements as they pertain to the existing easements, please reference existing easements and amendments documents. This list of requirements is applicable for KMGG facilities on easements and in road rights of ways only. Encroachments on fee property should be referred to the Land & ROW Department. Any reference to KMGG in the below requirements is meant to include and apply to any Kerr McGee entity.

### Design

- KMGG shall be provided sufficient prior notice of planned activities involving excavation, blasting, or any type of construction on KMGG's ROW or near its facilities. This is to determine and resolve any location, grade or encroachment problems and allow for the protection of KMGG's facilities and the general public. This prior notification is to be made **before** the actual work is to take place.
- The encroaching entity shall provide KMGG with a set of drawings for review and a set of final construction drawings showing all aspects of the proposed facilities in the vicinity of KMGG's ROW. The encroaching entity shall also provide a set of "as-built drawings" and submit to KMGG, showing the facilities in the vicinity of KMGG's ROW upon completion of the work.
- Only facilities shown on drawings reviewed by KMGG will be approved for installation on KMGG's ROW. All drawing revisions that affect facilities proposed to be placed on KMGG's ROW must be approved by KMGG in writing.
- KMGG shall approve the design of all permanent road crossings.
- Any repair to surface facilities following future pipeline maintenance or repair work by KMGG on its "prior rights" ROW will be at the expense of the developer or landowner. In addition, any repair to surface facilities following future pipeline maintenance or repair work by KMGG on replacement ROW granted to relocate KMGG facilities will also be done at the expense of the developer or landowner unless expressly addressed in surface use agreements and approved in writing by KMGG.
- The depth of cover over the KMGG pipelines shall not be increased or reduced nor surface modified for drainage without KMGG's written approval.
- Construction of any permanent structure within KMGG pipeline easement is **not** permitted without written approval by KMGG.
- Planting of shrubs and trees is not permitted on KMGG pipeline easement without written approval by KMGG.
- Irrigation equipment i.e. backflow prevent devices, meters, valves, valve boxes, etc. shall not be located on KMGG easement without written approval by KMGG.
- Foreign utility installations, i.e., distribution gas, oil and gas gathering, water, electric, telephone, cable and sewer lines, etc., may cross perpendicular to KMGG's pipeline within the ROW, provided that a minimum of eighteen inches (18") of vertical clearance is maintained between KMGG pipeline(s) and the foreign utility. Any installation by a foreign utility with less than 18" of vertical separation is not allowed without written approval by KMGG. In no case will vertical separation be less than 12". Constant line elevations must be maintained across KMGG's entire ROW width, gravity drain lines are the only exception and must be approved in writing. Foreign line crossings below the KMGG pipeline must be evaluated by KMGG to ensure that a significant length of the KMGG line is not exposed and unsupported during construction. Foreign line crossings above the KMGG pipeline with less than 18" of clearance must be evaluated by KMGG to ensure that additional support is not necessary to prevent settling on top of the KMGG natural gas pipeline. A KMGG representative must be on site during any crossing activities to verify clearance depths and to assure the integrity and support of the KMGG facility. All installations of foreign crossings done by boring and or jacking require the KMGG facility to be exposed to verify clearances.





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## General Guidelines for Design and Construction Activities On or Near Kerr- McGee Gathering LLC Pipelines and Related Facilities

- Foreign utilities shall not run parallel to KMGG pipelines within the KMGG easement without written permission by KMGG. A minimum of 10 feet of horizontal separation must be maintained in parallel installations whether the foreign utility is placed within the KMGG easement or adjacent to the KMGG easement. Any deviation from the 10' horizontal requirement must be approved in writing by KMGG and an "as built survey" provided to KMGG after installation. In the instance that high voltage electric lines, greater than 20kV, are installed parallel to a KMGG pipeline a minimum horizontal distance of 15' must be maintained.
- The foreign utility should be advised that KMGG maintains cathodic protection on its pipelines and facilities. The foreign utility must coordinate their cathodic protection system with KMGG's. At the request of KMGG, foreign utilities shall install (or allow to be installed) cathodic protection test leads at all crossings for the purposes of monitoring cathodic protection interference. The KMGG CP technician and the foreign utility CP technician shall perform post construction CP interference testing. Interference issues shall be resolved by mutual agreement between foreign utility and KMGG. All costs associated with the correction of cathodic protection interference issues on KMGG pipelines as a result of the foreign utility crossing shall be borne by the foreign utility for a period of one year from date the foreign utility is put in service.
- The developer shall understand that KMGG, whether specifically required per federal law or by company standard, will mark the routing of its underground facilities with aboveground pipeline markers and test leads and maintain those markers and test leads. Markers will be installed at every point the pipeline route changes direction and adequate markers will be installed on straight sections of pipeline to insure, in the sole opinion of KMGG, the safety of the public, contractor, KMGG personnel and KMGG facilities.
- On all foreign utility crossings and / or encroachments, metallic foreign lines shall be coated with a suitable pipe coating for a distance of at least 10 feet on either side of the crossing.
- AC Electrical lines must be installed in conduit and properly insulated.
- On all foreign pipelines, DOT approved pipeline markers shall be installed so as to indicate the route of the foreign pipeline across the KMGG ROW.
- No power poles, light standards, etc. shall be installed in the KMGG easement without written approval by KMGG.
- KMGG installs above ground appurtenances at various locations that are used in the operation of its facilities. Kerr McGee will install protective enclosures at the above ground appurtenances to protect them from outside damage. The design and placement of these above ground appurtenances and protective enclosures is done at KMGG's sole discretion, and may exceed any regulatory requirements.

### Construction

- If KMGG will be relocating KMGG facilities for any entity, grading in the new KMGG ROW shall be +/- 6 inches before KMGG will mobilize to complete the relocation. Final cover after the completion of the project will not be manipulated by the requesting entity to be less than 48" nor more than 72". All cover that exceeds 72" or less than 48" will be approved in writing by KMGG. This does not preclude KMGG from installing the pipeline at a minimum cover of 36" as provided for in CFR 49 Part 192. Cover during all construction activities will NEVER be less than 36" unless approved in writing and a KMGG representative is on site during the time cover is reduced.
- The entity requesting relocation shall survey top of pipe after installation but before backfill to determine proper final elevation of KMGG facilities. The entity requesting relocation is solely responsible for the final depth of cover over the relocated KMGG facility. Any deviation from cover requirements as outlined above will be corrected at the sole expense of the entity requesting relocation.
- Contractors shall be advised of KMGG's requirements and be contractually obligated to comply.
- The continued integrity of KMGG's pipelines and the safety of all individuals in the area of proposed work near KMGG's facilities are of the utmost importance. Therefore, contractor must meet with KMGG representatives prior to construction to provide and receive notification listings for appropriate area operations and emergency personnel. **KMGG's on-site representative will require discontinuation of any work that, in his or her opinion, endangers the operations or safety of personnel, pipelines or facilities.**





## **General Guidelines for Design and Construction Activities On or Near Kerr- McGee Gathering LLC Pipelines and Related Facilities**

- The Contractor must expose all KMGG pipelines prior to crossing to determine the exact alignment and depth of the lines. A KMGG representative must be present.
- The use of probing rods for pipeline locating shall be performed by KMGG representatives only, to prevent unnecessary damage to the pipeline coating. A KMGG representative shall do all line locating.
- Notification shall be given to KMGG at least 72 hours before start of construction. A schedule of activities for the duration of the project must be made available at that time to facilitate the scheduling of KMGG's work site representative. Any Contractor schedule changes shall be provided to KMGG immediately.
- Heavy equipment will not be allowed to operate directly over KMGG pipelines or in KMGG ROW unless written approval is obtained from KMGG. Heavy equipment shall only be allowed to cross KMGG pipelines at locations designated by KMGG. Haul roads will be constructed at all crossings. The haul roads will be constructed using lightweight equipment. The existing depth of cover over the pipeline must be verified. Cover will be added such that a total of 8' of fill exists over the pipeline and extends a minimum of 10' on each side of the pipeline. Depth of cover will then taper as required for equipment access. Steel plates may be used for load dissipation only if approved in writing by KMGG.
- Contractor shall comply with all precautionary measures required by KMGG, at its sole discretion to protect its pipelines. When inclement weather exists, provisions must be made to compensate for soil displacement due to subsidence of tires.
- Excavating or grading which might result in erosion or which could render the KMGG ROW inaccessible shall not be permitted unless the contractor agrees to restore the area to its original condition and provide protection to KMGG's facility. At no time will cover be reduced to less than 36" without written approval by KMGG and a KMGG representative on site.
- A KMGG representative shall be notified prior to construction activities within twenty-five (25) feet of a KMGG pipeline or above ground appurtenance. The contractor shall not be allowed to work within twenty-five (25) feet of KMGG facilities without approval from the KMGG representative. The KMGG representative may or may not remain on site during the entire construction activity. Contractor shall use extreme caution and take appropriate measures to protect KMGG facilities. The contractor shall call the KMGG representative prior to backfilling around the KMGG facility to allow for a final inspection of the KMGG facility.
- Ripping is only allowed when the position of the pipe is known and not within ten (10) feet of KMGG facility. KMGG personnel must be present.
- Temporary support of any exposed KMGG pipeline by Contractor may be necessary if required by KMGG's on-site representative. Backfill below the exposed lines and 12" above the lines shall be replaced with sand or other selected material as approved by KMGG's on-site representative and thoroughly compacted in 12" lifts to 95% of standard proctor dry density minimum or as approved by KMGG's on-site representative. This is to adequately protect against stresses that may be caused by the settling of the pipeline.
- No blasting shall be allowed within 1000 feet of KMGG's facilities unless blasting notification is given to KMGG including complete Blasting Plan Data. A pre-blast meeting shall be conducted by the organization responsible for blasting.
- KMGG shall be indemnified and held harmless from any loss, cost of liability for personal injuries received, death caused or property damage suffered or sustained by any person resulting from any blasting operations undertaken within 500 feet of its facilities. The organization responsible for blasting shall be liable for any and all damages caused to KMGG's facilities as a result of their activities whether or not KMGG representatives are present. KMGG shall have a signed and executed Blasting Indemnification Agreement before authorized permission to blast can be given.
- No blasting shall be allowed within 200 feet of KMGG's facilities unless blasting notification is given to KMGG a minimum of one week before blasting. The organization responsible for blasting must complete Blasting Plan Data. KMGG shall review and analyze the blasting methods. A written blasting plan shall be provided by the organization responsible for blasting and agreed to in writing by KMGG. A written emergency plan shall be provided by the organization responsible for blasting.
- KMGG shall have a signed and executed Blasting Indemnification Agreement before authorized permission to blast can be given. A pre-blast meeting shall be conducted by the organization responsible for blasting.





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46 of 46 R 236.00 D 0.00 Steve Moreno Clerk & Recorder

## **General Guidelines for Design and Construction Activities On or Near Kerr- McGee Gathering LLC Pipelines and Related Facilities**

- ♦ Any contact with any KMGG facility, pipeline, valve set, etc. shall be reported immediately to KMGG. If repairs to the pipe are necessary, they will be made and inspected before the section is re-coated and the line is back-filled.
- ♦ KMGG personnel shall install all test leads on KMGG facilities.

### **Local Kerr-McGee Gathering LLC Representation:**

Operations Manager	Kevin Osif, P.E.	Phone: (303) 655-4307
Staff Engineer:	Joseph E. Sanchez, P.E.	Phone: (303) 655-4319
Pipeline Foreman:	James Phillips	Phone: (303) 655-4343
Construction Foreman:	Jim McQuiston	Phone: (303) 655-4326
Construction Supervisor	Darrel Gentry	Phone: (303) 655-4326

### **Emergency Contacts:**

On call supervisor	Phone: (303) 559-4001
Kerr McGee 24 hour emergency number	Phone: (303) 659-5922
One Call Emergency	Phone: 811



## **Abstract of Kerr-McGee Letter Agreement Re: Pipelines**

DayBreak Community, Weld County, Colorado  
Sections 8, 17 and 18, T1N, R68W

**Date:** October 11, 2011

**Recording Date/Info:** not recorded

**Property:** Portions of Sections 8, 17 and 18, T1N, R68W

**Parties:**

Surface Owner: Tallgrass Investors, LLC

Pipeline/Gas Gathering  
Company:

Kerr-McGee Gathering LLC (**KMGG**)

**Abbreviations:**

All letter references in parentheses identify the sections of the Letter Agreement (**Agreement**) under discussion.

**Background:**

KMGG owns certain rights-of-way and easements over the Property (**Land Rights**), providing for the right to construct, operate and maintain pipelines pursuant to oil and gas leases, gas purchase agreements, surface use agreements and similar contracts. Those Land Rights allow KMGG to operate and maintain pipelines, valve sites, meter stations and other improvements above and below ground for transporting oil, gas and other hydrocarbons produced from wells on the Property and other lands.

The Agreement generally calls for the amendments to existing easements held by KMGG and the relocation and/or removal of portions of existing pipelines used by KMGG, all affecting the Property.

**Agreement Summary:**

- I. **Amendments to Recorded Easements.** Surface Owner agrees to execute and deliver to KMGG the amendments to specified easements as described below.
  - a. **Easement 1:** Easement Deed dated October 13, 1980, and recorded November 21, 1980, Book 920, Reception No. 1842244, to be amended to provide for the following:
    - i. Construction of a new 24" pipeline, in addition to the 8" and 16" natural gas pipelines permitted by Easement 1;



- ii. Construction of interconnections for future and existing pipelines as KMGG determines necessary or convenient within the area depicted on Exhibit C to the Agreement (and copied here);
- iii. Amendment of the description of the easement area, to be 50 feet wide or otherwise accommodating current and future pipeline interconnections, as depicted on that Exhibit C;
- iv. Grant to KMGG of a temporary 50-foot wide construction easement, south of the existing area, to expire 18 months after execution of the amendment to Easement 1.

**Note:** This amendment was to be executed within 14 days after execution of the Agreement (i.e., by October 25, 2011). (Paragraph C)

- b. **Easement 2:** Easement Deed dated February 28, 1983, and recorded August 8, 1983, Book 1004, at Reception No. 1936290, to be amended to provide for the following:

- i. Relocation, at KMGG's cost, of Segment 2 as depicted on Exhibit B to Easement 2, to a location (A) adjacent to the road right-of-way for realigned County Road 3, or (B) under that road right-of-way (once required consents are obtained from the Town of Erie) if necessary to avoid impacting Surface Owner's ability to construct residences on Lots 5, Block 1; Lots 7 and 8, Block 2; and Lots 1 through 5, Block 9, all as depicted on page 3 of Bridgewater Filing No. 1 Preliminary Utility and Grading Plan, dated September 6, 2011, attached to the Agreement (and to this abstract);
- ii. The change in the size of the Segment 2 pipeline;
- iii. Provision for the amended easement to measure 50 feet in width during construction, and 30 feet in width after construction;
- iv. Clarification that KMGG will not be required to perform any further relocation or removal of any other segments within the Property covered by Easement 2, unless the Town or other governmental entity requires the change, in which case KMGG will be responsible for the work;
- v. Requirements binding Surface Owner and KMGG in the event the pipeline is placed within an area designated as a landscape area within Segment 2A on Exhibit B to the Agreement (attached here), so that Surface Owner may install grasses (but not trees or shrubs) and soft or hard surface trails over and across pipeline easements, subject to the following conditions:
  - 1. The local jurisdiction may request Surface Owner to install trees or bushes within the pipeline easements located on the Property, and in that case Surface Owner must prepare a landscape plan for review and reasonable approval by KMGG. Bushes will be preferred



over trees; and trees and bushes may not be located on the surface of the pipeline easement area within 5 feet of a pipeline;

2. KMGG may withhold its approval for the installation of trees and bushes for safety reasons or the convenient installation and maintenance of pipelines, but KMGG must propose reasonable alternatives when withholding consent to the landscape plan;
3. KMGG shall not be liable for damages to the trails, grasses, bushes or trees caused in whole or in part by their pipeline operations.

vi. Requirements binding Surface Owner and KMGG for Segment 2B on **Exhibit B**:

1. The existing pipeline in this Segment 2B will not be relocated or removed.
2. For Segment 2B and the portion of Segment 2A adjacent to realigned County Road 3:
  - a. Surface Owner will prepare a landscape plan for KMGG's reasonable approval;
  - b. KMGG may withhold its approval for the installation of trees and bushes for safety reasons or the convenient installation and maintenance of pipelines, but KMGG must propose reasonable alternatives when withholding consent to the landscape plan;
  - c. KMGG shall be liable for damages to the trails, grasses, bushes or trees caused in whole or in part by their pipeline operations. (Paragraph D)

c. **Easement 3**: Easement Deed dated January 16, 1988, and recorded February 13, 1986, in Book 1103 at Reception No. 02042890, to be amended to provide the following:

i. Regarding Segment 3A as depicted on **Exhibit B**:

1. Decommissioning or removal of Segment 3A, at KMGG's cost;
2. Relocation of Segment 3A, once new pipelines are constructed in a new easement (75 feet wide during construction, and 50 feet wide after construction) in the SW/4 of Section 17 and E/2 of Section 18, T1N, R68W, as shown on **Exhibit B**, to be documented by KMGG's right-of-way form and allowing more than one pipeline and surface appurtenances;



3. Requirements that if the pipeline is placed within an area designated as a landscape area within **Exhibit B**,

- a. Surface Owner may install grasses (but not trees or shrubs) and soft or hard surface trails over and across pipeline easements, subject to the following conditions:
- b. The local jurisdiction may request Surface Owner to install trees or bushes within the pipeline easements located on the Property, and in that case Surface Owner must prepare a landscape plan for review and reasonable approval by KMGG. Bushes will be preferred over trees; and trees and bushes may not be located on the surface of the pipeline easement area within 5 feet of a pipeline;
- c. KMGG may withhold its approval for the installation of trees and bushes for safety reasons or the convenient installation and maintenance of pipelines;
- d. KMGG shall not be liable for damages to the trails, grasses, bushes or trees caused in whole or in part by their pipeline operations;
- e. KMGG will be responsible for all costs of relocation and removal of Segment 3A. (Paragraph E)

ii. Regarding Segment 3B as depicted on **Exhibit B**:

- a. Surface Owner must prepare a landscape plan for review and reasonable approval by KMGG. Bushes will be preferred over trees; and trees and bushes may not be located on the surface of the pipeline easement area within 5 feet of a pipeline;
- b. KMGG may withhold its approval for the installation of trees and bushes for safety reasons or the convenient installation and maintenance of pipelines, but KMGG must propose reasonable alternatives when withholding consent to the landscape plan;
- c. KMGG shall be liable for damages to the trails, grasses, bushes or trees caused in whole or in part by their pipeline operations.

iii. Generally, confirmation that Surface Owner may not require KMGG to further relocate or remove pipelines in the Easement 3 area unless the



Town or other governmental authority requires the change, in which case KMGG will be responsible for the work. (Paragraph E)

d. **Easement 4:** Easement Deed dated June 2, 1993, and recorded June 8, 1993, Book 1386, Reception No. 02336128, to be amended to provide the following:

- i. Surface Owner will not require KMGG to relocate or remove the pipeline within the property covered by Easement 4, but if the Town of Erie or another governmental entity requires a change in the pipeline location, KMGG will be responsible for the work.
- ii. Surface Owner may install grasses (but not trees or shrubs) and soft or hard surface trails over and across the Easement 4, subject to the following conditions:
  - a. If the right-of-way lines are located in an area adjacent to Weld County Road 5, the local jurisdiction may request Surface Owner to install trees or bushes within the pipeline easements located on the Property, and in that case Surface Owner must prepare a landscape plan for review and reasonable approval by KMGG. Bushes will be preferred over trees; and trees and bushes may not be located on the surface of the pipeline easement area within 5 feet of a pipeline;
  - b. KMGG may withhold its approval for the installation of trees and bushes for safety reasons or the convenient installation and maintenance of pipelines;
  - c. KMGG shall not be liable for damages to the trails, grasses, bushes or trees caused in whole or in part by the pipeline operations. (Paragraph F)

e. **Easement 5:** Right-of-Way Grant dated August 20, 2007, and recorded January 1, 2009, at Reception No. 3600584, to be amended to provide for the following:

- i. Extension of the easement to run the entire length of the SE/4 of Section 8 adjacent to County Road 5.
- ii. The right of KMGG to construct an additional pipeline according to one of two options:
  - 1. Option 1: KMGG could construct the new pipeline along Weld county Road 5 between the existing pipelines constructed pursuant to Easement 3 and Easement 5, as amended, provided the new pipeline does not unreasonably interfere with Surface Owner's landscape plans in that section;



- a. Surface Owner must prepare a landscape plan for review and reasonable approval by KMGG;
  - b. KMGG may withhold its approval for the installation of trees and bushes for safety reasons or the convenient installation and maintenance of pipelines, but KMGG must propose reasonable alternatives when withholding consent to the landscape plan;
  - c. KMGG shall be liable for damages to the trails, grasses, bushes or trees caused in whole or in part by their pipeline operations.
2. Option 2: KMGG could change the size of the existing 4-inch pipeline constructed under Easement 5, as amended, and construct an additional pipeline to the east of the easterly most pipeline constructed under Easement 3 (and Easements 3 and 5 would be further amended to reflect the exercise of this Option 2).

Surface Owner may install grasses (but not trees or shrubs) and soft or hard surface trails over and across the Easement 4, subject to the following conditions:

- a. If the right-of-way lines are located in an area adjacent to Weld County Road 5, the local jurisdiction may request Surface Owner to install trees or bushes within the pipeline easements located on the Property, and in that case Surface Owner must prepare a landscape plan for review and reasonable approval by KMGG. Bushes will be preferred over trees; and trees and bushes may not be located on the surface of the pipeline easement area within 5 feet of a pipeline;
- b. KMGG may withhold its approval for the installation of trees and bushes for safety reasons or the convenient installation and maintenance of pipelines;
- c. KMGG shall not be liable for damages to the trails, grasses, bushes or trees caused in whole or in part by the pipeline operations. (Paragraph G)

**II. KMGG's Obligation to Relocate Segment 1 Pipeline.** In consideration for the easement amendments listed above:

- a. KMGG agrees to relocate at its sole cost the pipeline in Segment 1 shown on Exhibit B to a mutually agreeable location within 18 months after the effective date of the Agreement. The preferred location for the easement runs from the well head to the southeast, connecting to the line in County Road 5.

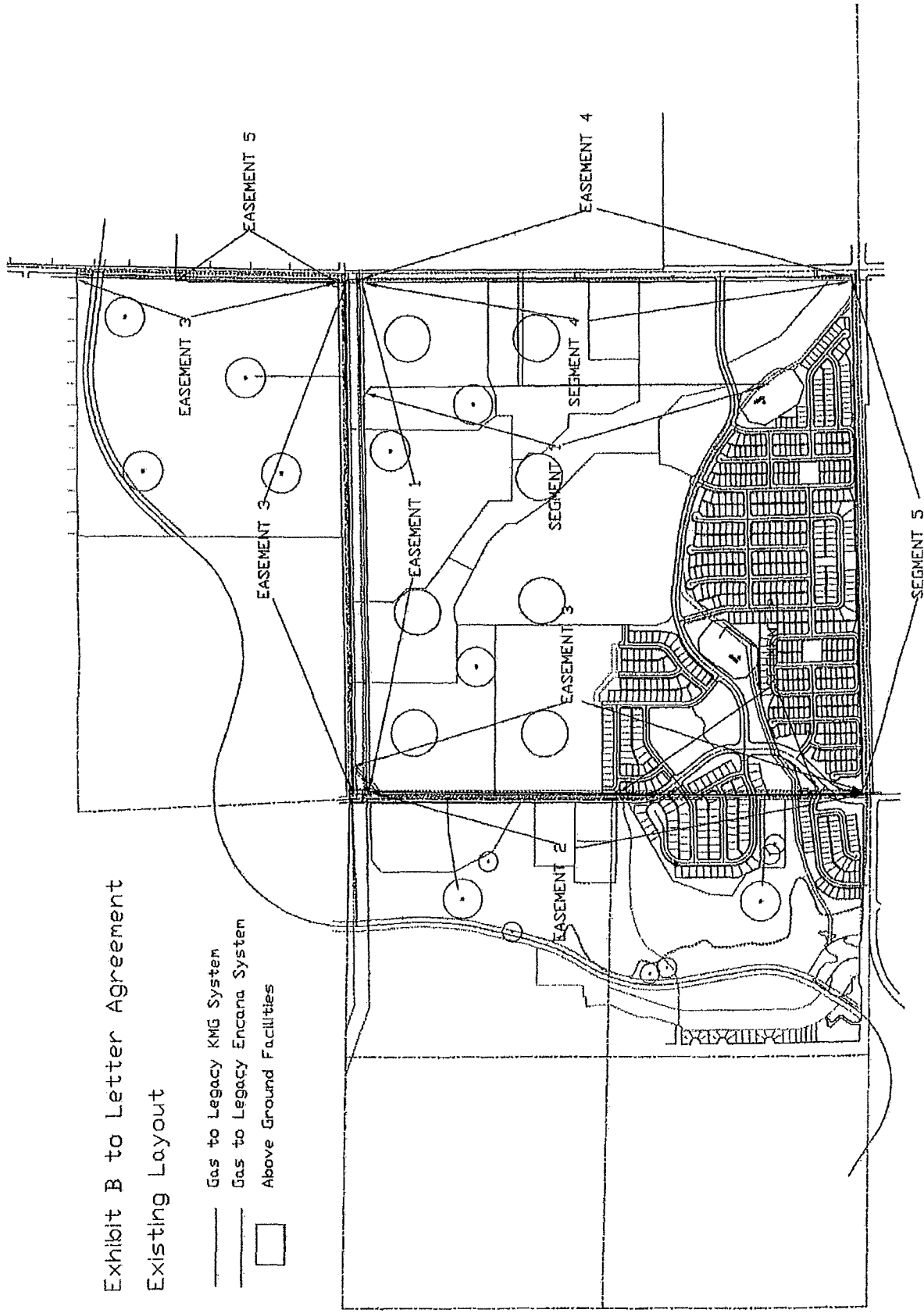


- b. If required by the Town of Erie, KMGG will remove, at its cost, the abandoned pipeline shown as Segment 5 on Exhibit B within 12 months after the effective date of the Agreement and release of record the right-of-way for Segment 5. (Paragraph H)
- III. **Conflicts between Documents.** The Agreement is not intended to modify any existing agreement between Surface Owner and mineral interest owners except as such other agreement may expressly provide. (Paragraph I)
- IV. **Assignment.** The Agreement may be assigned in whole or in part.
- V. **Arbitration.** In the event of any controversy or claim arising under the Agreement, the parties must arbitrate in Denver in proceedings administered by the American Arbitration Association.
- VI. **Inquiry Regarding Prescriptive Easements.** Note, the Agreement recites that KMGG is the current owner of various land rights consisting of recorded and prescriptive rights-of-way and easements,....” The purchase and sale agreement calls for the seller to disclose all title matters not of record, and particular inquiry regarding these prescriptive rights would be appropriate.



# Exhibit B to Letter Agreement Existing Layout

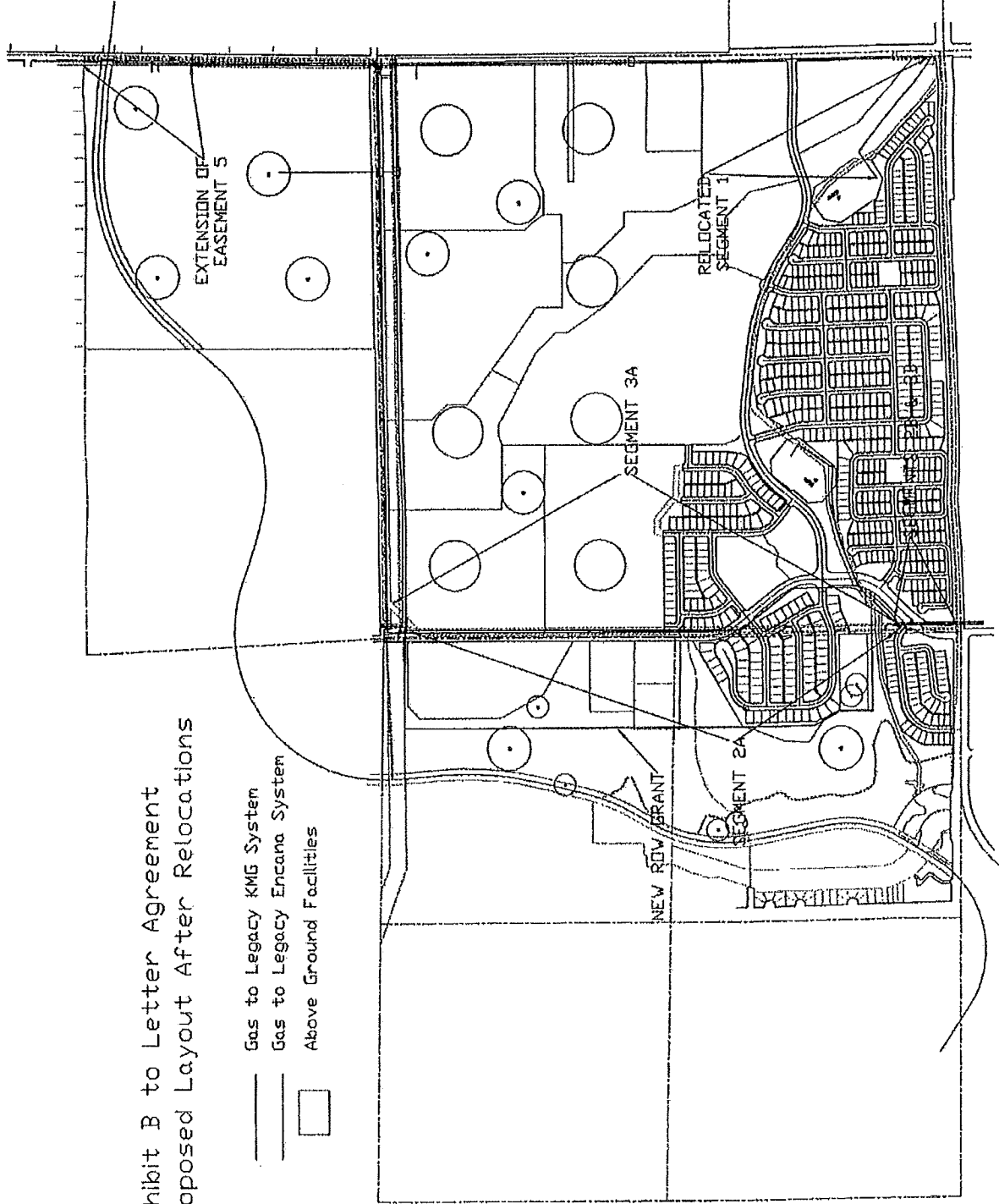
- Gas to Legacy KMG System
- Gas to Legacy Encana System
- Above Ground Facilities





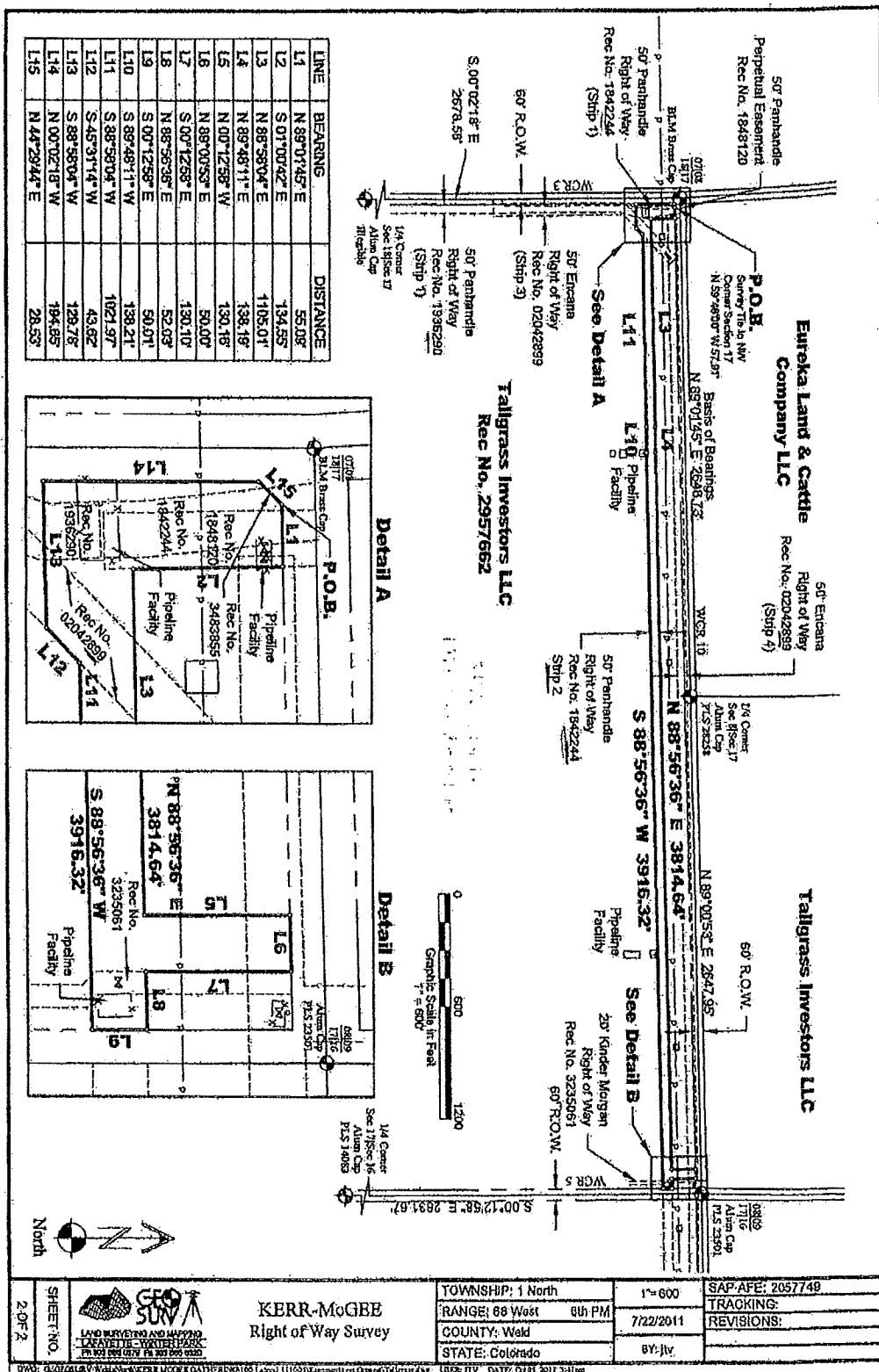
# Exhibit B to Letter Agreement Proposed Layout After Relocations

- Gas to Legacy KMG System
- Gas to Legacy Encana System
- Above Ground Facilities

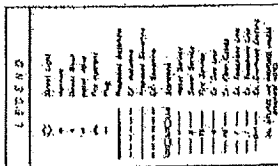




# Exhibit C to Letter Agreement





[illegible]

1. What is the purpose of the study?  
 2. What are the research objectives?  
 3. What is the research methodology?  
 4. What are the findings of the study?  
 5. What are the conclusions of the study?  
 6. What are the limitations of the study?  
 7. What are the implications of the study?  
 8. What are the future research directions?  
 9. What are the contributions of the study?  
 10. What are the key words of the study?



BRIDGEWAY PER FILING NO. 1.  
PRELIMINARY UTILITY  
& TRADING PLAN  
EPSC, COLORADO

HURST



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[illegible]

BRIDGEWATER, FLUNG NO. 1  
PRELIMINARY UTILITY  
& GRADING PLAN  
JUNE, COLORADO

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