

CONTRACT TO EXCHANGE REAL PROPERTY AND MINERAL RIGHTS

This Contract to Exchange Real Property and Mineral Rights (this “Contract”) is made and entered into as of _____, 2026 (the “Effective Date”), by and among the TOWN OF ERIE, COLORADO, a Colorado municipal corporation (the “Town”), and 7N, LLC, a Delaware limited liability company (“7N”). The Town and 7N are sometimes referred to herein individually as an “Exchange Party” and collectively as the “Exchange Parties”. This Contract is also being executed by Extraction Oil & Gas, Inc., a Delaware corporation (“Extraction”) and SM Energy Company, a Delaware corporation (“SM Energy”) for purposes of agreeing to their respective obligations hereunder. The Exchange Parties together with Extraction and SM Energy are sometimes referred to herein individually as a “Party” and collectively as the “Parties”.

RECITALS:

A. The Town is the owner of certain Mineral Rights located in Weld County, Colorado and Boulder County, Colorado (the “Town Mineral Property”) appurtenant to the real property as described on **Exhibit A-1** (the “Draco Area of Interest Property”) and **Exhibit A-2** (the “Specified Parcels Property”). For purposes of this Contract, the term “Mineral Rights” shall mean, with respect to any given real property, all of the Town’s oil and gas and oil and gas rights, and other hydrocarbon substances associated with or underlying the land comprising the applicable property from the surface to the bottom of the Codell formation (including the Carlile member) within the Denver-Julesburg Basin, regardless of whether the presence of same is currently known or unknown and regardless of the current or future commercial value of same.

B. 7N is the owner of those three parcels of real property located in Weld County, Colorado, as described on **Exhibit B** which real property, together with any and all improvements and assets located thereon, appurtenant thereto, or associated therewith, expressly excluding all Mineral Rights associated with or underlying such real property and the 7N Property Infrastructure (as defined below), hereinafter collectively referred to as the “7N Property”.

C. 7N and Extraction are each wholly-owned subsidiaries of SM Energy, which is a Colorado-based exploration and production company. Extraction has plans for development of an approximate 3,951.25-acre Oil and Gas Development Plan approved by the Colorado Energy and Carbon Management Commission (“ECMC”) at Order No. 407-3700 (the “Draco OGD”) (and as the same may be amended) from ECMC Form 2A at Location ID No. 489708 (the “Draco Pad”), located in Weld County.

D. The Town desires to own the 7N Property, and has determined that it is in the best interest of the Town to convey the Town Mineral Property to 7N in exchange for 7N conveying to the Town the 7N Property, subject to the terms and conditions in this Contract.

E. 7N desires to obtain, for itself or for its designated affiliate, the Town Mineral Property and has offered to acquire the Town Mineral Property by exchange of the 7N Property, subject to the terms and conditions in this Contract.

F. Each of the 7N Property parcels identified on Exhibit B contain oil and gas wells and/or the associated oil and gas infrastructure operated by Extraction. As a condition and in

consideration of the transactions contemplated under this Contract, the Parties desire to specify terms for Extraction's continued use and abandonment of such infrastructure as provided for in the Agreement Regarding Draco Pad (as defined in Section 16 below).

G. Accordingly, the Parties desire to enter into this Contract for purposes of (i) transferring the Town Mineral Property from the Town to 7N, (ii) transferring the 7N Property to the Town, and (iii) such other matters as addressed in this Contract.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the various terms, covenants, and conditions set forth herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged and which are incorporated as part of this Contract, the Parties agree as follows:

1. **Conveyance by the Town.** At the Closing (as hereinafter defined), the Town shall convey the Town Mineral Property to 7N or its designee with a reservation limiting 7N's access to the surface of the subject property by bargain and sale deed substantially in the form attached hereto as **Exhibit C**, which is incorporated herein by reference (the "Town Deed"). In addition to the Town Mineral Property, the Town Deed will include any right, interest or claim in Mineral Rights that the Town may have with respect to the real property described on **Exhibit A-3** (such property, the "Disputed Mineral Property" and such Mineral Rights, the "Disputed Mineral Rights").

2. **Conveyance by 7N.**

(a) At the Closing, 7N shall convey the 7N Property to the Town by special warranty deed, subject to Permitted Exceptions (as defined in Section 7(a)(i) below), substantially in the form attached hereto as **Exhibit D**, which is incorporated herein by reference (the "7N Deed"). The Town acknowledges and agrees that (i) the 7N Deed shall exclude any Mineral Rights, all of which will be reserved by 7N in the 7N Deed subject to limitations on 7N's access to the surface of the subject property; and (ii) any personal property on the 7N Property identified on **Exhibit E** as the ("7N Property Infrastructure"). The 7N Deed will limit access for the reserved Mineral Rights to those existing oil and gas wells and related facilities that are already located on the 7N Property.

(b) In addition to 7N's conveyance of the 7N Property and 7N's other covenants and undertakings pursuant to this Contract, 7N shall also deliver to the Town at Closing funds in the amount of \$4,500,000.00 (the "**Additional Funds**"). The Additional Funds are additional consideration for the Town's conveyance of the Town Mineral Property and the Town's other covenants and undertakings pursuant to this Contract.

3. **Post-Closing Minerals.**

(a) If following the Closing Date through the Post Closing Mineral Period, either Exchange Party identifies additional areas of real property located within the Draco Area of Interest Property where the Town holds title to Mineral Rights that are not already included as part of the Specified Parcels Property or the Disputed Mineral Property, such Exchange Party will give

prompt written notice to the other Exchange Party identifying such property and providing evidence of such interest in the form of a written and recorded conveyance, assignment or dedication (each, a “Mineral Notice”). Any such Minerals Rights identified in a Mineral Notice delivered on or before the end of the 25th year following the Closing Date (the “Post Closing Mineral Period”) shall be referred to as “Post Closing Mineral Rights”.

(b) The identification of any Post-Closing Mineral Rights shall not limit the generality of the conveyance of all of the Town Mineral Property pursuant to the Town Deed. Notwithstanding the foregoing, the Town shall, at 7N’s request, convey Post Closing Mineral Rights to 7N or its designee by bargain and sale deed substantially in the form of the Town Deed.

(c) With respect to any Post Closing Minerals Rights identified in a Mineral Notice that is delivered from and after the end of the 6th month following the Closing Date, the Town shall be entitled to additional consideration (the “Post Closing Minerals Consideration”) in the amount of \$24,000 for each Mineral Acre. For purposes of determining the Post Closing Minerals Consideration, each “Mineral Acre” shall be calculated as the Town’s percentage interest in the Mineral Rights with respect to such acre. If the Town holds title to less than 100% undivided fee simple estate of any Post Closing Minerals, then the applicable Post Closing Minerals Consideration shall be reduced to reflect the proportion to which the Town’s interest bears to the whole and undivided fee. The Town shall not be entitled to any Post Closing Minerals Consideration or any other additional consideration with respect to Post Closing Minerals Rights identified in a Mineral Notice that is delivered prior to the end of the 6th month following the Closing Date.

(d) The Provisions of this Section 3 shall survive the Closing through the end of the Post Closing Mineral Period.

4. **Disputed Minerals.**

(a) The Town hereby agrees to waive and disclaim any right title or interest in the Disputed Mineral Property and agrees to withdraw any claim previously made with respect to the same. In addition to the Town’s conveyance of its interest in any Disputed Mineral Property pursuant to the Town Deed, the Town hereby agrees to execute such curative documents as may be necessary to evidence such waiver, disclaimer and withdrawal.

(b) The provisions of this Section 4 shall survive the Closing.

5. **Inspection.**

(a) Inspection Period; Termination Right. If, in either Exchange Party’s sole judgment and discretion, such Exchange Party decides that it does not wish to proceed with the transactions contemplated herein (the “Transactions”), for any reason or no reason, such Exchange Party shall give written notice of such fact to the other Exchange Party on or before 5:00 pm Mountain Time on the date that is 50 days after the Effective Date (the “Inspection Period”). If an Exchange Party gives written notice of its election not to continue this Contract on or before the expiration of the Inspection Period, then this Contract shall terminate, and both Exchange Parties shall be released from all further obligations under this Contract except those that expressly survive termination. If both Exchange Parties fail to elect to terminate this Contract as set forth in this

Section 5(a) prior to the expiration of the Inspection Period, then this Contract shall remain in full force and effect and the Exchange Parties shall proceed with the Transactions as set forth herein. Following the end of the Inspection Period as set forth above, either Exchange Party may extend the Inspection Period one time for up to 15 additional days upon written notice delivered to the other Exchange Party prior to the end of the initial Inspection Period.

(b) Inspections.

(i) Prior to the Closing Date, the Town, and its agents, contractors, consultants, engineers, surveyors, attorneys, and employees (collectively, the "Town Consultants") shall have, at no cost or expense to 7N, the opportunity to enter onto the 7N Property to conduct and make any and all customary studies, tests, examinations, inquiries, inspections, and investigations of or concerning the 7N Property, review the property materials applicable to the 7N Property, and otherwise confirm any and all matters which the Town may have reasonably desired to confirm with respect to the 7N Property (the "Inspections").

(ii) Prior to the Closing Date, 7N and its agents, contractors, consultants, engineers, surveyors, attorneys, and employees (collectively, the "7N Consultants") shall have, at its sole cost and expense, the opportunity to conduct and make any and all Inspections 7N may have reasonably desired to confirm with respect to the Town Mineral Property.

(c) Conduct of Inspections.

(i) No Party shall permit any mechanics' or materialmen's liens or any other liens to attach to the 7N Property or Town Mineral Property (as the case may be) by reason of the performance of any work or the purchase of any materials by such Party or any other party in connection with any Inspections conducted by or for such Party hereunder.

(ii) The Town shall cause the Town Consultants to: (i) perform all Inspections in a safe and professional manner; (ii) not create any dangerous or hazardous condition on the 7N Property; (iii) comply with all applicable laws with respect to the Town's Inspections; and (iv) obtain all permits required to be obtained with respect to the Inspections, if any. Except with respect to any Phase II Testing (as defined in Section 5(g) below) or unless permitted pursuant to Section 5(g) below, the Town Consultants shall not drill, extract or physically alter or change the condition of the 7N Property. 7N shall have the right to be present or appoint a representative to accompany the Town Consultants in connection with the Town's entry on the 7N Property, and the Town shall give to 7N reasonable prior telephonic and written notice of any such proposed entry, specifying the purpose and duration of the entry, to facilitate the same. In no event shall any Town Consultants, interfere with any tenants' rights under the Ground Lease (as defined in Section 8(b)(iv) below) or with 7N's or Extraction's use or operations at the 7N Property. Without limiting 7N's rights and remedies provided for in this Contract following the occurrence of a Town default, the Town shall promptly restore the 7N Property to

its previous state in the event any testing is done and no examination, Inspections or tests shall materially interfere with, or damage, any current use of the 7N Property by the Town. The Town assumes all risk of any entry or other activity by the Town Consultants within the 7N Property. All Inspections, and all information generated by the Inspections, is subject to the confidentiality provisions of Section 35 below.

(d) Insurance. The Town and Town's Consultants shall carry commercial general liability insurance covering their activities in and about the Property, with a limit of not less than \$2,000,000.00 combined single limit per occurrence, against claims for personal injury liability including, without limitation, bodily injury, death or property damage liability and covering the Town and Town's Consultants engaged by the Town for Inspections, services or construction on or about the 7N Property; which shall name 7N, SM Energy and Extraction as additional insureds under such policy. The Town shall present a certificate of such insurance evidencing the requirements set forth in this Contract in a form reasonably acceptable to 7N before entering onto the 7N Property. In addition, any insurance policy obtained by the Town shall be written as a primary policy and shall not be contributing with or in excess of any coverage, which the Town may carry. The Town shall use reasonable efforts to require that its policy shall include a provision that 7N shall receive at least 30 days' advance written notice from the insurer prior to material changes or cancellation of such policies and if the foregoing is unavailable, then the Town shall provide such written notice to 7N immediately upon learning of any material changes or cancellation.

(e) Town Waiver and Release. The Town hereby waives and releases 7N's affiliates, parent and subsidiary entities, successors, assigns, partners, managers, members, employees, officers, directors, trustees, shareholders, counsel, representatives, and agents, from and against any and all damages, mechanics' liens, materialmen's liens, liabilities, penalties, interest, losses, demands, actions, causes of action, claims, costs and expenses (including reasonable attorney fees) (collectively, "Losses") arising from or related to the Town or the Town Consultants' entry onto the 7N Property, and any inspections or other acts by the Town or Town Consultants with respect to the 7N Property.

(f) 7N Indemnification. 7N shall indemnify, hold harmless and, defend the Town and hereby waives and releases the Town from and against any and all Losses arising from or related to 7N or the 7N Consultants' inspections or other acts by 7N or the 7N Consultants with respect to the Town Mineral Property; provided, however, in no event shall 7N be obligated to indemnify or hold the Town harmless from any Losses arising out of the negligence or intentional misconduct of the Town.

(g) Intrusive Investigations. 7N hereby consents to the Town's Consultants conducting a Phase II environmental study of the 7N Property excluding the areas necessary for all operations, including plugging and abandonment, reclamation, and remediation operations of the 7N Property encumbered by the 7N Property Infrastructure ("Phase II Testing"). Notwithstanding anything in this Contract to the contrary, the Town acknowledges and agrees that prior to Closing it is not permitted to perform any invasive tests on the 7N Property other than Phase II Testing without 7N's prior written consent which shall not be unreasonably withheld. The Town hereby agrees to restore, at its cost and expense, the 7N Property to substantially the same

condition it was in immediately prior to the Town's exercise of its rights pursuant to this Contract; provided, however, that if the Town affirmatively waives its right to terminate this Contract pursuant to Section 5(a) or is deemed to have waived its right to terminate this Contract prior to the expiration of the Inspection Period then the Town may postpone restoration of any such condition that, in 7N's reasonable discretion does not create a nuisance or hazardous condition until the Town takes title to the subject 7N Property at the Closing.

(h) Inspection Acknowledgement. Each Exchange Party acknowledges and agrees, subject to their respective rights to terminate this Contract before the end of the Inspection Period, that the Inspection Period constitutes adequate time to perform all inspections and due diligence activities. Each Exchange Party agrees that its approval of the condition of the 7N Property or the Town Property (as applicable) shall constitute an acknowledgment that: (i) such Exchange Party has concluded whatever due diligence such Exchange Party desired to conduct relating to the applicable property; (ii) such Exchange Party has reviewed and read (or has elected not to do so) and has understood all instruments affecting the applicable property or its value which such Exchange Party deems relevant, including, with respect to the Town's Inspection of the 7N Property, all documents referred to in the Title Commitment (as defined in Section 7(a)(i) below), including copies of all recorded exceptions to title referred to therein, as the same may be updated prior to Closing and; (iii) such Exchange Party has made all such independent Inspections and due diligence as such Exchange Party has deemed necessary, including without limitation those relating to environmental matters and, as applicable, zoning, land use, minerals, water, and the feasibility, leasing, occupancy and income of the applicable property; and (iv) such Exchange Party is relying solely on its own Inspections and due diligence as to the respective property and its value and is assuming the risk that adverse physical, economic or other conditions (including, without limitation, adverse environmental conditions (including without limitation soils and groundwater conditions)) that may not have been revealed by such investigation.

6. Property Materials.

(a) To the extent within each Exchange Party's possession, each Exchange Party has or shall make the documents set forth below together with any other documents or information provided by such Exchange Party or its agents to the other Exchange Party with respect to the Town Mineral Property or 7N Property (as applicable), as the context requires, the "7N Materials" or the "Town Materials": (1) most recent title insurance policy for the 7N Property; (2) most recent survey of the 7N Property; (3) all engineering, soils, seismic, geologic reports, surveys, plans and specifications for the 7N Property; (4) all environmental reports, studies, permits and all other documents pertaining to any use, treatment, disposal or presence of Hazardous Materials (as defined in Section 28(c)) in, on, under or about the 7N Property or pertaining to any other environmental matter with respect to conditions in, on, under or about the 7N Property or Town Mineral Property (as applicable); (5) the Ground Lease and all existing occupancy agreements with respect to all, or any portion of the 7N Property or Town Mineral Property (as applicable); or (6) all contracts or agreements affecting the 7N Property or Town Mineral Property (as applicable).

(b) Subject to any express representations or warranties contained in this Contract by either Exchange Party, in providing the 7N Materials or Town Materials (as the case may be) to 7N or the Town (as the case may be), each Exchange Party makes no representation or

warranty, express, written, oral, statutory, or implied, and all such representations and warranties are hereby expressly excluded and disclaimed. The 7N Materials and Town Materials are provided for informational purposes only and, if this Contract is terminated for any reason, each Exchange Party shall return to the other Exchange Party the 7N Materials or Town Materials (as the case may be) subject to the confidentiality provisions of Section 35.

(c) Recognizing that the 7N Materials and Town Materials (as applicable) delivered or made available by the applicable Exchange Party pursuant to this Contract may not be complete or constitute all of such documents which are in such Exchange Party's possession or control, but are those that are readily and reasonably available to such Exchange Party, the Exchange Parties shall not in any way be entitled to rely upon the completeness or accuracy of the 7N Materials or Town Materials (as applicable) and will instead in all instances rely exclusively on its own inspections and the 7N Consultants or Town Consultants (as the case may be) with respect to all matters which such Exchange Party deems relevant to its respective decision to acquire, own, and operate the 7N Property or Town Mineral Property (as applicable). Subject to the terms and conditions of this Section 6, the 7N Materials shall include such items within the possession of Extraction and SM Energy.

7. **Title Review.**

(a) **Town Title Review.**

(i) The Town may order from First American Title Company (the "Title Company"), at its sole cost and expense, a current title report, including copies of all recorded exceptions to title referred to therein (collectively, the "Title Commitment"), committing to insure title to the 7N Property in the Town. The Town may order, at its sole cost and expense, a survey of the 7N Property (the "Survey"), prepared by a surveyor selected by the Town, and certified to the Town and 7N and the Title Company. The Town shall have until the date that is 10 business days prior to the expiration of the Inspection Period (the "Objection Deadline") to notify 7N in writing of any objections to title to the 7N Property (the "Objection Notice") which the Town has to the 7N Property based on the Title Commitment and on the Survey. If the Town delivers the Objection Notice, then, 7N may deliver, in 7N's sole and absolute discretion, a response in which 7N elects to attempt to cure, by using commercially reasonable efforts, any one or more of the title objections set forth in the Objection Notice (the "Response") no later than 5 business days after the date that 7N receives the Objection Notice (the "Response Deadline"). Except as provided below, 7N shall have no obligation to cure any title matter, inclusive of any matter identified in the Objection Notice. If 7N fails to deliver the Response on or before the Response Deadline, 7N shall be deemed to have elected not to cure any of the matters set forth in the Objection Notice. If the Town waives (or is deemed to have waived) its right to terminate this Contract pursuant to Section 5(a) and the Response contains an express commitment to attempt, by using commercially reasonable efforts, to cure any of the items set forth in Objection Notice, 7N's obligation to attempt to cure the title objection as set forth in the Response shall be a condition precedent to the Town's obligations to close; provided, however, 7N's failure to cure any such item as set forth in the

Response or in the New Response (as hereinafter defined) shall not be a default of 7N. If 7N elects (or is deemed to have elected) not to cause any or all of the matters set forth in the Objection Notice to be cured, the Town shall elect to: (1) terminate this Contract by providing written notice to the 7N no later than the expiration of the Inspection Period, in which case this Contract shall thereafter be of no further force or effect, and no Party shall have any further obligations or liabilities hereunder except those that expressly survive such termination; or (2) waive the subject matters set forth in the Objection Notice which 7N has not elected to cure in the Response and proceed to Closing, and each such matter (together with any title exceptions or encumbrances, arising by, through or under the Town) shall be deemed to have been approved as a “Permitted Exception” with respect to the 7N Property. If the Town elects not to obtain a Title Policy for the 7N Property then the “Permitted Exceptions” shall be the those statutory exceptions identified in C.R.S. §38-30-113 1(5)(a). The Town’s failure to terminate this Contract as set forth in clause (1) above within the time period set forth above shall be deemed the Town’s election to proceed to Closing under clause (2) above.

(ii) The Town shall have the right to object (each, a “New Objection”) to any additional matter disclosed or contained in any update of the Title Commitment or Survey (notwithstanding the passage of the Inspection Period) to the extent that such additional matter did not appear in any prior version of the Title Commitment or on the Survey, and would have a material and adverse effect on the value of the 7N Property (each, a “New Title Document Matter”) by notifying 7N in writing of such New Objection within 5 business days after the Town’s receipt of such New Title Document Matter. If the Town delivers the New Objection within such 5 business day period, then, 7N may deliver in 7N’s sole and absolute discretion, a response in which 7N elects to attempt to cure, by using commercially reasonable efforts, the title objection set forth in the New Objection (the “New Response”) no later than 5 business days after the date that 7N receives the New Objection (the “New Response Deadline”). If 7N fails to deliver the New Response on or before the New Response Deadline, 7N shall be deemed to have elected not to cure any of the matters set forth in the New Objection. If the New Response contains an express commitment to attempt, by using commercially reasonable efforts, to cure any of the items set forth in the New Objection, 7N’s obligation to attempt to cure the title objection as set forth in the New Response shall be a condition precedent to the Town’s obligations to close; provided, however, 7N’s failure to cure any such item as set forth in the Response or in the New Response (regardless of whether 7N indicated that it would cure or attempt to cure such item) shall not be a default of 7N. If 7N elects, or is deemed to have elected, not to cure any New Title Document Matter, then the Town, as its sole and exclusive remedy, shall have the right to terminate this Contract by the delivery of written notice to 7N within 5 business days after the New Response Deadline. The Town’s failure to deliver written notice terminating this Contract within said 5 business day period shall be deemed a waiver of the Town’s right to terminate this Contract pursuant to this Section with respect to the applicable New Title Document Matter.

(iii) Notwithstanding any other provision of this Contract, 7N shall, at or before Closing: (i) deliver to the Title Company an affidavit and other documents sufficient for the Title Company to delete standard printed exceptions and provide extended title coverage with respect to mechanics' and material liens arising by, through or under 7N, parties in possession (except for rights of tenants under any leases); (ii) remove of record all monetary liens burdening any portion of the 7N Property, including mechanic's liens, judgment liens, liens for assessments, inchoate liens, delinquent tax liens and loans secured by mortgages or deed of trusts created by, through, or under 7N (except a lien for real property taxes and assessments that are not due and payable as or before Closing); and (iii) pay all real property taxes and assessments with respect to the 7N Property (except for those taxes and assessment for the year of Closing that are not then due and payable).

(b) 7N Title Review. 7N may perform such title review with respect to the Town Mineral Property as it may determine in its discretion and 7N shall be solely responsible for obtaining and paying any and all costs or fees related to such title review.

8. **Representations and Warranties**.

(a) Town's Representations and Warranties. The Town makes the following representations and warranties to 7N, as of the Effective Date and as of the Closing Date. The Town shall promptly notify 7N of any event or circumstance of which the Town obtains knowledge subsequent to the Effective Date and which makes any of the Town's representations or warranties untrue or misleading in any material respect.

(i) To the Town's actual knowledge, the Town has not received written notice of litigation pending or threatened, which in any manner adversely affects the Town Mineral Property;

(ii) To the Town's actual knowledge, the Town has not received written notice of pending or threatened proceedings for condemnation by any authority having that right or power, nor are there any pending or threatened eminent domain proceedings of which the Town Mineral Property is the object;

(iii) Except for any matter that was previously cured, to the Town's actual knowledge, the Town has not received any written notice, demand, or deficiency comment from any federal, state, county or municipal government or any agency thereof with regard to the Town Mineral Property;

(iv) The Town has full power and lawful authority to enter into this Contract, and has full power and lawful authority to carry out the terms and provisions of this Contract and to execute and deliver all documents which are contemplated by this Contract and all actions of the Town necessary to confer such power and authority upon the persons executing this Contract and all documents which are contemplated by this Contract on behalf of the Town have been taken; and

(v) Except for any matters of record in the applicable real property records, the Town has not entered into any leases, contracts, rights of first refusal, rights of first

offer, purchase agreements, or option agreements with any third party with respect to the Town Mineral Property that are in effect as of the Effective Date, nor has any other right, title, or interest in or to such property been granted to any third party.

(b) 7N's Extraction's and SM Energy's Representations and Warranties. 7N, Extraction and SM Energy make the following representations and warranties to the Town, as of the Effective Date and as of the Closing Date. They shall promptly notify the Town of any event or circumstance of which 7N, Extraction or SM Energy obtain knowledge subsequent to the Effective Date and which makes any of 7N's representations or warranties untrue or misleading in any material respect.

(i) To 7N's actual knowledge, 7N has not received written notice of litigation pending or threatened, which in any manner adversely affects the 7N Property;

(ii) To 7N's actual knowledge, 7N has not received written notice of pending or threatened proceedings for condemnation by any authority having that right or power, nor are there any pending or threatened eminent domain proceedings of which the 7N Property is the object other than those matters disclosed in Schedule 8(b)(ii) attached hereto;

(iii) Except for any matter that was previously cured or that was disclosed as part of the 7N Materials, to 7N's actual knowledge, 7N has not received any written notice, demand, or deficiency comment from any mortgagee or from any federal, state, county or municipal government or any agency thereof regarding a violation with respect to the 7N Property, including notices of any violation of environmental laws or any pending investigation by the Colorado Department of Public Health & Environment or the U.S. Environmental Protection Agency, notices of violation from ECMC;

(iv) 7N, Extraction and SM Energy have the full right, power, and authority to enter into this Contract and to perform all the respective terms and provisions hereof applicable thereto;

(v) Except for the rights of the lessee under that certain Ground Lease dated June 23, 2023 between 7N and Lamborn Landscape and Tree Care, LLC (the "Ground Lease") or any matters of record in the applicable real property records, 7N has not entered into any other leases, contracts, rights of first refusal, rights of first offer, purchase agreements, or option agreements, with any third party with respect to the 7N Property that are in effect as of the Effective Date, nor has any other right, title, or interest in or to such property been granted to any third party; and

(vi) With respect to the 7N Property, (a) all general taxes due and payable with respect to calendar years prior to the year of the Closing shall have been paid on or prior to the Closing and (b) all assessments due prior to the Closing shall have been paid on or prior to the Closing. To 7N's actual knowledge, no public improvement

directly concerning the 7N Property that has been ordered to be made and which has not heretofore been completed, assessed and paid for.

9. **Conditions to Closing for benefit of the Town.** The Closing and, specifically, the obligations of the Town to acquire from 7N the 7N Property and to convey to 7N the Town Mineral Property, are contingent and conditional upon each of the following:

(a) 7N's delivery to the Title Company of the items listed in Section 12(b);

(b) The Representations and Warranties of 7N shall be materially true and correct as of Closing; and

(c) 7N shall cause the Ground Lease to be terminated on or before the Closing Date and possession of the 7N Property shall be delivered to the Town free and clear of all liens, encumbrances, tenancies and other occupancies (including the Ground Lease), other than the Permitted Exceptions;

(d) At the Town's election and expense, the Town shall receive from the Title Company a current ALTA owner's form of title insurance policy, or irrevocable and unconditional binder to issue the same, with extended coverage for the 7N Property, insuring, or committing to insure, the Town's good and marketable title in fee simple to the 7N Property as of the Closing Date, and otherwise in such form and with such endorsements as provided for under this Contract subject to the Permitted Exceptions (the "Title Policy"); and

(e) 7N shall have otherwise performed its respective obligations under this Contract which are required to be performed prior to the Closing Date.

10. **Conditions to Closing for benefit of 7N.** The Closing and, specifically, the obligations of 7N to acquire from the Town the Town Mineral Property and to convey the Town the 7N Property, are contingent and conditional upon each of the following (which can be expressly waived in writing by 7N):

(a) The Town's delivery to the Title Company of the items listed in Section 12(a);

(b) The Representations and Warranties of the Town shall be materially true and correct as of Closing;

(c) The Town shall have otherwise performed its respective obligations under this Contract which are required to be performed prior to the Closing Date.

11. **Remedies for Failure of a Closing Condition.** If any of the closing conditions set forth in Section 9 or Section 10 above are not satisfied on or before the Closing Date (as the same may be extended), then the Exchange Party which is entitled to the benefit of such closing condition (whether the Town or 7N) shall, at its election, and as its sole and exclusive remedy, either (a) proceed to the Closing and waive in writing the satisfaction of any such conditions, or (b) terminate this Contract in which event, this Contract shall be of no further force and effect the Parties shall have no further obligations hereunder except the Surviving Provisions (defined

below). If the failure of any condition precedent to (i) the 7N's obligations set forth in Section 9 or (ii) the Town's obligations set forth in Section 10 arises as a result of a default by the Defaulting Party (as defined below), the Enforcing Party (as defined below) shall have the remedies available to the Enforcing Party set forth in Section 17 of this Contract.

12. **Closing Deliverables.**

Company:

(a) At or prior to Closing, the Town shall deliver the following to the Title

(i) The Town's portion of the Closing Costs as allocated pursuant to Section 14 below;

(ii) The Town Deed;

(iii) A Bill of Sale and General Assignment in the form attached hereto as **Exhibit F** ("Bill of Sale");

(iv) An executed Access Easement (as defined in Section 15 below);

(v) An executed counterpart of the Agreement Regarding Draco Pad (as defined in Section 16 below);

(vi) Form DR-1083;

(vii) Form TD-1000 with respect to the 7N Property; and

(viii) Such other instruments and documents as may be reasonably required in order to carry out the purposes of this Contract including, without limitation, any instruments or documents reasonably required by the Title Company.

(b) At or prior to Closing, 7N shall deliver the following to the Title Company:

(i) 7N's portion of the Closing Costs as allocated pursuant to Section 14 below;

(ii) The 7N Deed;

(iii) The Additional Funds;

(iv) An executed counterpart of the Bill of Sale;

(v) An executed counterpart of the Agreement Regarding Draco Pad as executed by the Operator;

(vi) A certificate from 7N certifying the information required by Section 1445 of the Code and the regulations issued thereunder to establish, for the purposes of avoiding tax withholding obligations, that 7N is not a "foreign person" as defined in Internal Revenue Code 1445(f)(3) (the "FIRPTA Certificate");

(vii) Form DR-1083; and

(viii) Such other instruments and documents as may be reasonably required in order to carry out the purposes of this Contract including, without limitation, any instruments or documents reasonably required by the Title Company.

(c) The Exchange Parties shall instruct Title Company to close escrow on the Closing Date by:

(i) Authorizing the recordation of all documents as may be necessary to clear title in accordance with the requirements of this Contract;

(ii) Without limiting the foregoing, authorizing the recordation of the Town Deed, the 7N Deed and the Access Easement (the "Recorded Documents");

(iii) Paying all closing costs and making all prorations in accordance with Section 14 and a certified closing statement of adjustments and prorations prepared by Title Company and approved by the Exchange Parties prior to the Closing (each a "Closing Statement", collectively, the "Closing Statements");

(iv) Delivering or being unconditionally committed to deliver to the Town: the Title Policy, if applicable; the Title Company's certified Closing Statements; if available, a copy of the recorded documents; and an original or copy of each the Bill of Sale, the FIRPTA Certificate, and copies of all other Town documents delivered to Title Company; and

(v) Delivering to 7N: (i) Title Company's certified Closing Statement; (ii) if available, a copy of the recorded documents; and (iii) an original of each of the Bill of Sale and copies of all other 7N documents delivered to Title Company.

13. **Closing Date.** The consummation and effectuation of the conveyance of the 7N Property and Town Mineral Property (the "Closing") shall occur upon the earlier of (i) the date that is 15 business days after the end of the Inspection Period (as may be extended pursuant to Section 5(a) above), or (ii) such earlier date as the Exchange Parties may agree (the "Closing Date"). The Closing shall take place through an escrow with Title Company, whereby 7N, the Town and their attorneys need not be physically present at the Closing and may deliver documents by overnight air courier or other means permitted hereunder.

14. **Closing Costs and Prorations.**

(a) The Exchange Parties shall cooperate to produce no later than 3 business days prior to the Closing a schedule of prorations which is as complete and accurate as reasonably possible, which shall be considered final and not subject to re-proration following Closing. The effective time for making the prorations contemplated by this Contract shall be 11:59 p.m. on the day immediately preceding the day of Closing. If either Exchange Party receives any revenues to which it is not entitled pursuant to this Section 14, said Exchange Party shall promptly forward such amounts to the other Exchange Party

(b) Real property taxes and general and special assessments, if any, with respect to the 7N Property and the Town Mineral Property shall be prorated as of the Closing Date. If real property taxes and general assessments are not known for the current year, the most recent available information shall be used to calculate the prorated portions; provided, however, special assessments for the year of Closing, if any, shall be paid at Closing.

(c) The costs associated with the Closing (the “Closing Costs”) shall be allocated between the Exchange Parties as follows. Any Closing Costs not specifically addressed below shall be allocated among 7N and the Town as is customary in connection with commercial real estate transactions in the county where the 7N Property is located.

CLOSING COSTS:	RESPONSIBLE PARTY:
(i) Escrow fee charged by the Title Company	One-half to be paid by each Exchange Party
(ii) any premium for the Title Policy including any additional premium and other charges by Title Company for any endorsements requested by the Town, except for a such endorsements that 7N has agreed in writing to pay, if any	Town
(iii) Tax certificates	One-half to be paid by each Exchange Party
(iv) The additional premium and other charges by Title Company for such endorsements that 7N has agreed in writing to pay, if any	7N
(v) The recording costs for the Transaction	One-half to be paid by each Exchange Party
(vi) The cost of any updated or new survey	Town
(vii) Any local and state excise or transfer taxes imposed as a result of the sale of any personal property (tangible and intangible) applicable to the 7N Property	7N
(viii) Any documentary fees imposed as a result of the sale of the 7N Property	Town
(ix) Any documentary fees imposed as a result of the sale of the Town Mineral Property	7N
(x) Attorneys’ fees	Each Exchange Party shall pay its own attorneys’ fees.

(d) Unless otherwise stated herein, there shall be no proration of each Exchange Party’s insurance premiums or assignment of each Exchange Party’s insurance policies, and each

Exchange Party shall obtain any insurance coverage deemed necessary or appropriate by such Exchange Party for the 7N Property or Town Mineral Property (as applicable). If applicable, 7N shall cause all utility meters, if any, to be read as of the Closing Date, and 7N agrees to pay at the Closing all utility bills and charges, if any, accruing up to and including the Closing Date for the 7N Property.

15. **Post-Closing 7N Access.** The Town acknowledges and agrees that the each of the three parcels comprising the 7N Property includes and is subject to the continued operation of oil and gas production facilities operated by 7N, Extraction and their respective affiliates and successors-in-interest including those related to the 7N Property Infrastructure. The Town agrees that 7N, Extraction and their authorized respective affiliates and successors-in-interest shall have continued access to the 7N Property subject to the applicable leases and use agreements as well as the terms of the Agreement Regarding Draco Pad.

16. **Operator Agreement.** At the Closing, 7N and Extraction (collectively, “Operator”) and the Town shall execute and deliver counterparts of an operator agreement substantially in the form attached hereto as **Exhibit G** (the “Agreement Regarding Draco Pad”).

17. **Default and Remedies.**

(a) A Party shall be in default hereunder if such Party (the “Defaulting Party”) fails to cure its breach of a covenant or obligation made or undertaken by the Defaulting Party hereunder within 30 days after the Defaulting Party’s receipt from the other Exchange Party (the “Enforcing Party”) of a reasonably detailed written notice specifying such breach (the “Breach Notice”) delivered to the Defaulting Party; provided, however, that if the nature of the breach of a covenant or obligation by the Defaulting Party is such that more than 30 days are reasonably required to cure, then such default shall be deemed to have been cured if the Defaulting Party commences such performance within said 30-day period and thereafter diligently and continuously completes the required action within a reasonable time given the circumstances. If the Defaulting Party fails to cure the breach within such 30-day time period (as may be extended by the immediately preceding sentence) and the Closing does not occur by reason of such default, then the Enforcing Party may, as their sole and exclusive remedy may terminate this Contract by written notice to the Defaulting Party, in which, event except as set forth in Section 17(b) with respect to a breach of the Defaulting Party’s representations and warranties or Section 19 with respect to brokers, the Enforcing Party shall not have the right to pursue any action for damages. Notwithstanding the foregoing, the 30-day notice and cure period provided for under this Section shall not apply to 7N and Extraction’s rights and remedies pursuant to Section 41 below.

(b) The representations and warranties set forth in Section 8 above (collectively, the “Representations and Warranties”, and each a “Representation and Warranty”) are expressly limited to exclude any information contained in either the 7N Materials or the Town Materials, as applicable, to the extent such materials were actually provided by the disclosing party to the non-disclosing party. The Representations and Warranties and any other covenants or obligations which expressly survive Closing or the earlier termination of this Contract (collectively, “Surviving Provisions”) shall survive Closing or such termination (as applicable) for a period of 12 months after the Closing Date or the date of such termination (as applicable) (the “Survival Period”). 7N or the Town may pursue a claim for any loss, costs, damages, expenses,

obligations incurred as a result of a breach of a Representation and Warranty by the other Exchange Party, provided that 7N or the Town (as applicable) notifies the other in writing of such matter on or before the expiration of the Survival Period. All suits or actions for breach of any Surviving Provisions shall be brought within the Survival Period, or shall forever be barred.

(c) With respect to any default of 7N under this Contract, the Town shall be entitled to pursue any remedy against 7N available to the Town under this Contract against either of Extraction or SM Energy. Extraction and SM Energy have executed the signature block below the signature block of 7N for purposes of agreeing to be jointly and severally liable for any such remedy of the Town with respect to a default of 7N under this Contract.

(d) IN NO EVENT SHALL THE ENFORCING PARTY SEEK OR BE ENTITLED TO RECOVER ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, SPECULATIVE OR INDIRECT DAMAGES, ALL OF WHICH THE PARTIES SPECIFICALLY WAIVE, FROM THE DEFAULTING PARTY FOR ANY BREACH BY THE DEFAULTING PARTY, OF ITS REPRESENTATIONS, WARRANTIES, COVENANTS, OR ITS OBLIGATIONS UNDER THIS CONTRACT.

18. **Disclaimers; Releases.**

(a) **Disclaimers.**

(i) The Town and 7N each acknowledge and agree (in such capacity, the “Disclaiming Party”) that, except as expressly contained in this Contract, the deeds, and other documents delivered at Closing, neither Exchange Party (as applicable), nor anyone acting for or on behalf of such Exchange Parties (the “Conveying Party”), has made any representation, statement, warranty or promise to the Disclaiming Party concerning the physical aspects and condition of the 7N Property or the Town Mineral Property (as applicable), the feasibility, desirability, or adaptability thereof for any particular use, or the projected income or expenses for the 7N Property or the Town Mineral Property (as applicable). Except as expressly set forth in this Contract, the deeds, or any other closing documents, the Conveying Party has not made any warranty or representation, express or implied as to the merchantability, quantity, quality, physical condition or operation of the respective properties, zoning, the suitability or fitness of the 7N Property or the Town Mineral Property (as applicable) or any improvements thereon for any specific or general use or purpose, the availability of water, sewer or other utility service, or any other matter affecting or relating to the 7N Property or the Town Mineral Property (as applicable), the development or use thereof including but not limited to, compliance with any environmental laws. The Disclaiming Party is not relying on any statement or representations made by the Conveying Party not embodied herein, in the deeds or other documents delivered at Closing. The Disclaiming Party acknowledges that the provisions of this Contract for inspection and investigation are adequate to enable the Disclaiming Party to make its own determination with respect to merchantability, quantity, quality, physical condition or operation of the 7N Property or the Town Mineral Property (as applicable), zoning, suitability or fitness of the 7N Property or the Town Mineral Property (as applicable) or any

improvements thereon, for any specific or general use or purpose, the availability of water, sewer or other utility service or any other matter affecting or relating to the 7N Property or the Town Mineral Property (as applicable), the development or use thereof, including without limitation, compliance with any Environmental Laws.

(ii) In particular, but without in any way limiting the foregoing, the Disclaiming Party hereby releases the Conveying Party from any and all responsibility, liability, and claims for or arising out of the presence on or about the 7N Property or the Town Mineral Property (as applicable) (including in the soil, air, structures, and surface and subsurface water) of materials, wastes or substances that are or become regulated under or that are or become classified as Hazardous Materials, including without limitation, petroleum, oil, gasoline or other petroleum products, byproducts or waste; provided that the Town's release pursuant to this Section 18(a)(ii) is subject to 7N's indemnification obligations under Section 28.

(iii) The Disclaiming Party is acquiring the 7N Property or the Town Mineral Property (as applicable) based on its own inspection and examination thereof, in a "AS-IS", "WHERE IS" condition and basis with all faults. The Disclaiming Party hereby waives and disclaim all warranties of any type or kind whatsoever with respect to the 7N Property or the Town Mineral Property (as applicable) (except as expressly contained herein or in the conveyance deeds, or any other documents delivered at Closing), express or implied, including, by way of description but not limitation, those of fitness for a particular purpose, tenantability, habitability, or use.

(b) Release. Except with respect to any claims arising out of any breach of covenants, or Representations and Warranties made in this Contract or any covenant that survives Closing, each Exchange Party, for itself and its agents, affiliates, successors and assigns, releases and forever discharges the other Exchange Party and their successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this Contract, which such Exchange Party has or may have in the future, arising out of the physical, environmental, economic, or legal condition of the respective property. Each Exchange Party specifically acknowledges that the provisions of this Section 18(b) are a material part of this Contract.

(c) Materials and Third Party Reports. The Town and 7N, Extraction and SM Energy each acknowledge and agree (in such capacity, the "Receiving Party") that, except as expressly contained in this Contract, the deeds, and other documents delivered at Closing, neither 7N nor the Town (as applicable), nor anyone acting for or on behalf of such Parties (7N and the Town in such capacity, together with anyone acting on such Exchange Party's behalf, are referred to herein as the "Delivering Party") makes or has made any representation or warranty to such Receiving Party as to the accuracy or completeness of the Delivering Party's Materials (as applicable) and that the Delivering Party has not and will not make any attempt to verify the data contained in the subject Materials.

(d) **No Waiver of Indemnification.** The Parties agree that none of the foregoing releases and disclaimers will limit the indemnification obligations provided for under Section 28 of this Contract.

19. **Commissions.** The Parties represent and warrant to each other that, other than Matthew Owens of Alameda Mineral Advisors, LLC (the “Town’s Broker”), there are no finders, real estate brokers, salesmen, or other persons entitled to claim a commission or fee in relation to this transaction. 7N and Town (or others on such Party’s behalf) each hereby agree to hold the other harmless from any claim arising out of the acts of such party for a commission, finder’s fee, or similar compensation made by any broker, finder, or any party who claims to have dealt with such Party. The Town shall be solely responsible for the payment of any commission, finder’s fee, or similar compensation due to Town’s Broker. Each Party shall be solely responsible for the payment of any commission, finder’s fee, or similar compensation due to any broker or finder claiming through such Party. The obligations, representations, warranties, and indemnity obligations contained in this Section 19 shall survive the Closing or the earlier termination of this Contract.

20. **Further Assurances.** Each Party agrees that at the request of the other Party it will at any time hereafter make such further assurances and execute or cause to be executed such further instruments as may be reasonably requested by the other Party in order that this Contract may be fully performed in accordance with its intent and provisions, provided that the requesting Party is responsible for any associated costs.

21. **Governing Law and Venue.** This Contract shall be governed by and construed in accordance with the laws of the State of Colorado without reference to conflicts of laws provisions, and any legal action concerning the provisions hereof or relating to or arising out of this Agreement shall be brought in Boulder County, Colorado.

22. **Captions.** Article and section headings used in this Contract are for convenience or reference only and shall not affect the construction of any provision of this Contract.

23. **Recording.** The Parties hereby covenant and agree that no Party may record this Contract or a memorandum of this Contract without the other all of the other Parties’ prior written consent (such consent in the other Party’s sole discretion).

24. **Exhibits.** All exhibits referred to herein and attached hereto are hereby incorporated herein by this reference.

25. **Assignment.** No Exchange Party shall have the right to assign this Contract or any of its rights or obligations hereunder to any persons, corporations, or other entity without the written approval of the other Exchange Party. Notwithstanding the immediately preceding sentence, it is understood and agreed that 7N may, without the consent of the Town (but with prior written notice to the Town): (a) designate an affiliated grantee for the Town Deed as provided for under Section 1 above; and (b) assign its rights and obligations under this Contract to: (i) any entity directly or indirectly owned or controlled by 7N, (ii) any entity directly or indirectly controlling, controlled by or under common control with 7N, or (iii) a successor by merger or acquisition (each a “7N Affiliate”) provided that such 7N Affiliate assumes 7N’s obligations under this Contract.

No assignment of this Contract or either Exchange Party's rights hereunder shall relieve the originally named Exchange Party of its liabilities under this Contract with respect to matters arising prior to such assignment unless agreed by the Exchange Parties in writing.

26. **Notices.** Notices. All written notices required to be given pursuant to the terms of this Contract shall be: (a) personally delivered; (b) deposited in the United States mail, registered or certified return receipt requested, postage prepaid; or (c) sent for next Business Day delivery by Federal Express or similar nationally recognized overnight courier service and addressed as follows:

To 7N, SM Energy:
or Extraction 7N, LLC
 c/o SM Energy
 555 17th Street, Suite 3700
 Denver, CO 80202
 Attn: Land Department
 Email: SurfaceLand@civiresources.com

copy to: Brownstein Hyatt Farber Schreck, LLP
 675 15th Street, Suite 2900
 Denver, CO 80202
 Attn: Andrew Meyers
 Email: ameyers@bhfs.com

To Town: Town Manager
 Town of Erie
 645 Holbrook Street
 Erie, CO 80516
 Attn: Meredyth Muth
 Email: mmuth@erieco.gov

copy to: Town Attorney
 Town of Erie
 645 Holbrook Street
 Erie, CO 80516
 Attn: Breena Meng
 Email: bmeng@erieco.gov

The foregoing addresses may be changed from time to time by written notice. Notices shall be deemed received upon the earlier of actual receipt or delivery (or refusal to accept delivery), 3 business days following sending pursuant to clause (b) as provided above, or on the day of delivery pursuant to clause (c) above.

27. **Damage, Destruction, or Condemnation.**

(a) If the 7N Property is damaged by fire, flood, earthquake, or other casualty prior to the Closing, the Town may terminate this Contract by giving written notice of termination

to 7N within 5 business days after knowledge of the damage, or the Town may proceed with Closing.

(b) If 7N becomes aware that all or any portion of the 7N Property may be taken by eminent domain or transferred by a deed in lieu of condemnation prior to Closing, 7N shall immediately notify the Town in writing of the same (the “Eminent Domain Notice”) and the Town must elect, as its sole and exclusive remedy, to either: (i) terminate this Contract by giving written notice of termination to 7N within 5 business days after receipt of the Eminent Domain Notice, in which event neither Exchange Party shall have any further rights or obligations under this Contract, except those that expressly survive termination; or (ii) proceed with the Closing as set forth herein and accept title to the 7N Property subject to the taking or proceeding together with an assignment of all of 7N’s rights and interests in and to any proceeds or compensation which may remain unpaid to 7N in connection with such taking or proceeding. If the Town fails to timely give notice of its election pursuant to this Section, the Town shall be deemed to have elected to proceed under clause (ii) above.

28. **7N Property Hazardous Materials.**

(a) 7N, Extraction and SM Energy shall be responsible for and shall protect, defend, indemnify and hold the Town harmless from and against any and all claims, judgments, losses, damages, costs, expenses, penalties, enforcement actions, taxes, fines, remedial actions, clean up costs, liabilities (including actual attorney fees and consultant fees) including sums paid in settlement of claims to the extent the same arise out of or attributable to the presence, use, generation, manufacture, treatment, handling, refining, production, processing, storage, exacerbation or Release of Hazardous Materials from 7N’s, Extraction’s or SM Energy’s use or operations of the existing oil and gas facilities located at the 7N Property. The foregoing indemnity obligation will survive the Closing for a period of 12 months after the Closing Date.

(b) Notwithstanding anything to the contrary, 7N’s indemnity of the Town as set forth in Section 28(a), above, shall not be applicable to: (i) claims based upon Hazardous Materials introduced from and after the Closing Date by the agents, contractors, consultants, engineers, surveyors or employees of the Town, or (ii) claims based upon Hazardous Materials introduced by the Town’s Consultants prior to the Closing Date (“Existing Hazardous Materials”).

(c) For purposes of this Agreement, “Hazardous Materials” means all flammable explosives, petroleum and petroleum products, waste oil, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including any chemical, element, compound, mixture, solution, substance, object, waste or any combination thereof, which is or may be hazardous to human health, safety or to the environment due to its radioactivity, ignitability, corrosiveness, reactivity, explosiveness, toxicity, carcinogenicity, infectiousness or other harmful or potentially harmful properties or effects, or defined as, regulated as or included in, the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” or “toxic substances” under any Environmental Laws. For purposes of this Agreement, “Release” or “Released” or “Releases” shall mean any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, or other movement of Hazardous Materials into the environment.

29. **Computation of Time.** The time in which any act under this Contract is to be completed shall be computed by excluding the first day and including the last day. If the last day of any time period stated herein shall fall on a Saturday, Sunday, or federal or state legal holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or federal or state legal holiday. Unless preceded by the word “business”, the word “day” shall mean a calendar day.

30. **Compliance with Laws.** During the course of complying with the provisions contained herein, the Parties agree to comply with all applicable laws (including without limitation federal, state, and local laws), rules, regulations, and codes.

31. **Severability.** In the event that any paragraph or portion of the Contract is determined to be unconstitutional, unenforceable, or invalid, such paragraph or portion of this Contract shall be stricken from and construed for all purposes not to constitute a part of this Contract, and the remaining portion of this Contract shall remain in full force and effect and shall, for all purposes, constitute this entire Contract.

32. **Construction of Contract.** The Parties each acknowledge that they have had the benefit of independent counsel with regard to this Contract and that this Contract has been prepared as a result of the joint efforts of all Parties and their respective counsel. Accordingly, all Parties agree that the provisions of this Contract shall not be construed or interpreted for or against any Party based upon authorship.

33. **Counterparts; Electronic Signatures.** This Contract may be executed in counterparts and shall constitute an agreement binding on all Parties notwithstanding that all Parties are not signatories to the original or the same counterpart provided that all Parties are furnished a copy or copies thereof reflecting the signature of all Parties. Additionally, this Contract may be executed using a digital image (including without limitation an image in the form of a PDF, JPEG, GIF file, DocuSign, SignNow, or other e-signature), and the same shall be deemed as a true and correct original.

34. **New Encumbrances Against Property.** No Exchange Party will cause or permit any mortgage, deed of trust, lien, encumbrance, covenant, condition, restriction, assessment, easement, right-of-way, obligation, encroachment, or liability whatsoever, to be placed of record with respect to either the 7N Property or Town Mineral Property prior to the Closing without the prior written consent of the other Exchange Party (such consent in the other Exchange Party’s sole discretion).

35. **Confidentiality.** The Parties shall hold and cause their respective representatives to hold in confidence all data and information obtained with respect to the other Parties’ property and its ownership, operation and management, whether obtained before or after the execution and delivery of this Contract, and shall not use such data or information for purposes unrelated to this Contract or disclose the same to others. Each Party may disclose the foregoing confidential information: (a) as required by law, (b) to consummate the terms of this Contract, or any financing relating thereto, or (c) to each Party’s lenders, attorneys, consultants, employees, and accountants. The Town’s compliance with this Section 35 is subject in all respects to applicable law, and

specifically the Colorado Open Records Act, C.R.S. § 24-72-200.1, *et seq.* and the Colorado Open Meetings Law, C.R.S. § 24-6-401, *et seq.*

36. **Benefit of Agreement.** This Contract shall be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors, and permitted assigns.

37. **1031 Exchange.** 7N shall have the option to dispose of the 7N Property through a tax deferred exchange which qualifies for non-recognition of gain under Section 1031 of the Internal Revenue Code of 1986, as amended. The Town shall cooperate with 7N in attempting to effectuate such exchange by executing an assignment or acknowledgement of assignment as may be required for such an exchange, provided that: (a) the Town shall not incur any additional liability in connection with an exchange for the benefit of 7N; (b) the Town shall not be obligated to take title to any real property (other than the 7N Property); (c) 7N shall remain liable for any obligations under this Contract that survive the Closing; and (d) any additional costs and charges directly attributable to the exchange that are incurred by the Town shall be paid for by 7N at or prior to Closing.

38. **Entire Agreement; Amendments.** This Contract embodies the entire agreement between the Parties concerning the subject matter of this Contract and supersedes all prior conversations, proposals, negotiations, understandings and contracts, whether written or oral. This Contract shall not be amended, altered, changed, modified, supplemented, or rescinded in any manner except by a written contract executed by all of the Parties.

39. **Governmental Immunity.** The Town and its officers, attorneys and employees are relying on, and do not waive or intend to waive by any provision of this Contract, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the Town and its officers, attorneys or employees.

40. **Subject to Annual Appropriation.** Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the Town not performed during the current fiscal year is subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement or liability beyond the current fiscal year.

41. **Termination.**

(a) If either of the following occurs any time prior to commencement of production of wells as set forth in the approved Draco OGD, 7N may, in its discretion, terminate this Contract by written notice to the Town, in which case all Parties shall be relieved of their obligations hereunder (except for the obligations set forth in Section 41(b) below).

(i) The Town takes formal action to object to the Draco Pad. For purposes of this Section, "formal action to object to the Draco Pad" means a vote or other official action of the Erie Town Council that authorizes or directs Town staff (or any party otherwise authorized to take action on behalf of the Town) to take a position contrary to the approved Draco OGD, as amended in an amendment approved by the ECOM, including objection to any associated pooling and spacing consistent with the approved Draco OGD.

(ii) Any of the transactions contemplated under this Contract are overturned by the Town's electorate or any other party found to have standing, or found by a court of competent jurisdiction to be *ultra vires* or invalid, and any appeals to such action are exhausted.

(b) If 7N terminates this Contract under this Section: (i) the Town will convey the 7N Property to 7N or its designee by special warranty deed referencing the property rights conveyed pursuant to the recorded 7N Deed; (ii) the Town will repay to 7N the Additional Funds and any Production Payments received by the Town pursuant to the Agreement Regarding Draco Pad; (iii) 7N will convey by quit claim deed any minerals conveyed pursuant to the Town Deed reserving to 7N any minerals previously held by 7N prior to the Closing by reference to the minerals conveyed pursuant to the recorded Town Deed; (iv) the Agreement Regarding Draco Pad will be deemed terminated; and (v) the Parties shall be released from all further obligations under this Contract and the Agreement Regarding Draco Pad except those that expressly survive termination.

(c) Nothing in this Section shall preclude individual action by any Town employee or elected official, acting in their personal capacity, to object to or otherwise challenge the Draco Pad, Draco Wells, or Draco OGD, and all Parties acknowledge the rights of individuals, acting in the personal capacities, to object to or otherwise challenge the Draco Pad, Draco Wells and Draco OGD.

(d) The terms of this Section 41 shall survive the Closing.

42. **Force Majeure.** When performance under this Agreement is prevented or delayed by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood or other act of nature, pandemic, epidemic, explosion or injunctive order prohibiting performance by a Party (collectively, "Force Majeure"), no Party shall be in breach of this Agreement because of such Force Majeure. Any such Force Majeure shall be limited to the period of such prevention or delay, plus a reasonable time for operations to resume thereafter.

[Remainder of page intentionally left blank signatures on following pages]

IN WITNESS WHEREOF, the Parties have executed this Contract, effective as of the Effective Date.

THE TOWN:

TOWN OF ERIE, COLORADO,
a Colorado home rule municipal corporation

By: _____
Name: _____
Title: _____

Attest:

Debbie Stamp, Town Clerk

[7N Signature Page Follows]

7N:

7N, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Representatives of SM Energy and Extraction have executed the signature blocks below for the purpose of agreeing to be jointly and severally liable for any such remedy of the Town with respect to a default of 7N or Extraction under Section 17(c), Section 18(c), Section 18(d) and Section 28 of this Contract.

Extraction:

EXTRACTION OIL & GAS, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

SM Energy:

SM ENERGY COMPANY,
a Delaware corporation

By: _____
Name: _____
Title: _____

[End of Signature Pages]

SUMMARY OF EXHIBITS:

EXHIBIT A-1	DESCRIPTION OF TOWN MINERAL PROPERTY - Draco Area of Interest Property
EXHIBIT A-2	DESCRIPTION OF TOWN MINERAL PROPERTY - Specified Parcels Property
EXHIBIT A-3	DESCRIPTION OF TOWN MINERAL PROPERTY - Disputed Minerals Property
EXHIBIT B	LEGAL DESCRIPTION OF 7N PROPERTY
EXHIBIT C	FORM OF TOWN DEED
EXHIBIT D	FORM OF 7N DEED
EXHIBIT E	7N PROPERTY INFRASTRUCTURE
EXHIBIT F	FORM OF BILL OF SALE AND GENERAL ASSIGNMENT
EXHIBIT G	FORM OF AGREEMENT REGARDING DRACO PAD
SCHEDULE 8(b)(ii)	DISCLOSED CONDEMNATION MATTERS WITH RESPECT TO 7N PROPERTY

EXHIBIT A-1

DESCRIPTION OF TOWN MINERAL PROPERTY - Draco Area of Interest Property

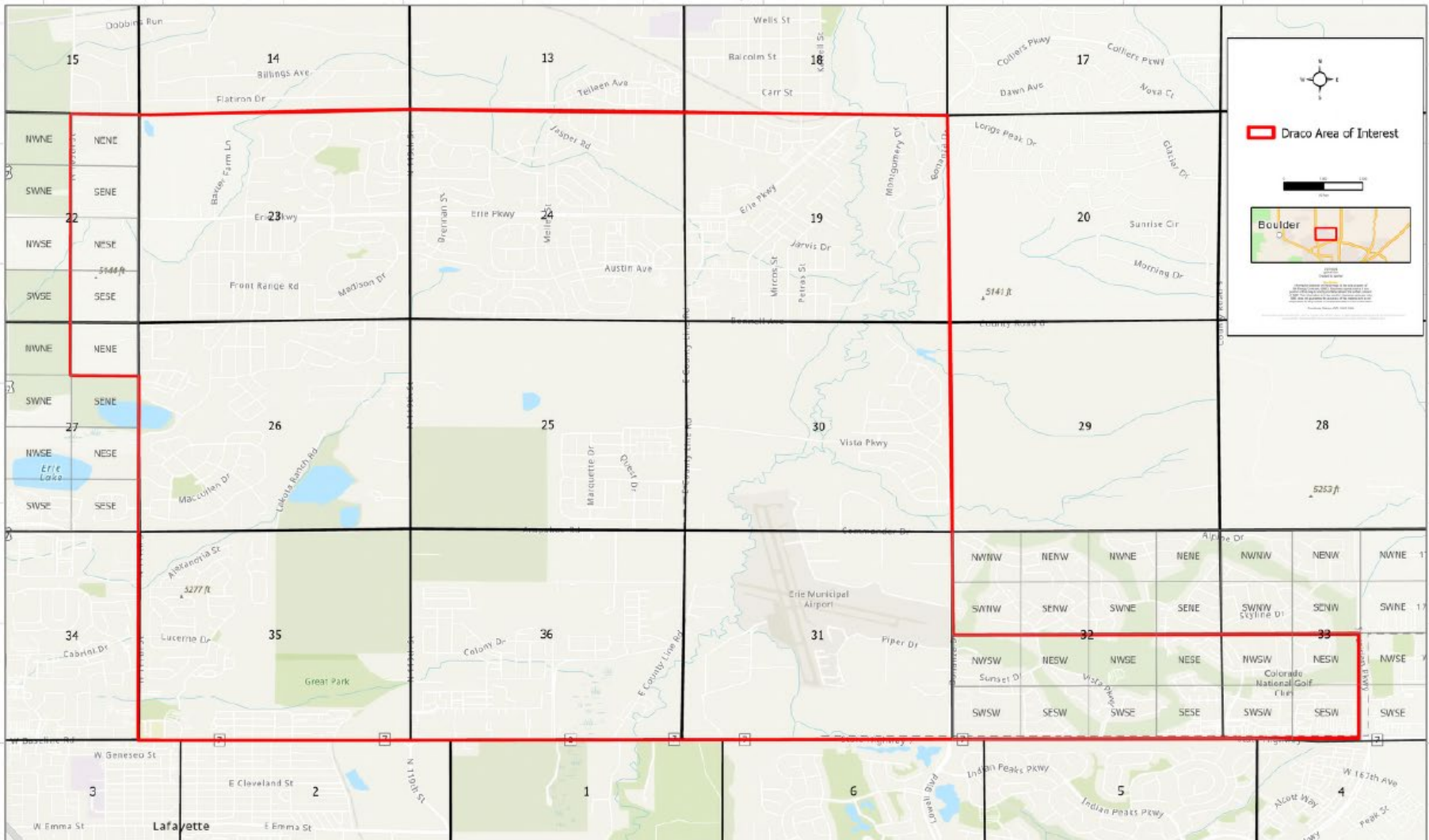


Exhibit A-1-1

EXHIBIT A-2

DESCRIPTION OF TOWN MINERAL PROPERTY - Specified Parcels Property

1	Township	Range	Section	Tract Legal Description
2	1N	68W	30	Section 30: That portion of Tract A, together with adjacent street to the centerline of same, located in the NE/4 of Section 30, Township 1 North, Range 68 West, 6th P.M., Vista Pointe, Final Plat, Town of Erie, County of Weld, State of Colorado, recorded on February 27, 2002, at Reception No. 2928680 of the records of Weld County, Colorado.
3	1N	68W	30	Section 30: That portion of Tract A, together with adjacent street to the centerline of same, located in the SE/4 of Section 30, Township 1 North, Range 68 West, 6th P.M., Vista Pointe, Final Plat, Town of Erie, County of Weld, State of Colorado, recorded on February 27, 2002, at Reception No. 2928680 of the records of Weld County, Colorado.
4	1N	68W	30	Section 30: Tracts B, D, E, F, G, I, J, K, together with adjacent street to the centerline of same, located in the SE/4 of Section 30, Township 1 North, Range 68 West, 6th P.M., Vista Pointe, Final Plat, Town of Erie, County of Weld, State of Colorado, recorded on February 27, 2002, at Reception No. 2928680 of the records of Weld County, Colorado.
5	1N	68W	30	of said Section 30 being monumented by a No. 6 rebar with a 3-1/4" Alum. Cap LS No. 13258 and the southeast corner of said Section 30 being monumented by a No. 6 rebar with a 3-1/4" Alum. Cap LS No. 13258 having a bearing of S.89°57'19"E. Beginning at the southeast corner of said Section 30, thence N.89°57'19"W. along the south line of said SE/4 of Section 30 a distance of 2,596.18 feet to the south one-quarter corner of said Section 30, thence the following three courses: 1. N.00°57'19"W. along the westline of said SE/4 of Section 30 a distance of 30.0 feet; 2. S.89°57'19"E. parallel to and 30.0 feet northerly of the south line of said SE/4 of Section 30 a distance of 2,596.64 feet; 3. S.89°57'19"E. along the eastline of said SE/4 of Section 30 a distance of 30.0 feet to the point of beginning.
6	1N	69W	23	Section 23: That portion of the SW/4 of Section 23, Township 1 North, Range 69 West, 6th P.M., described as follows: Commencing at the west Quarter Corner of said Section 23 and considering the East-West Centerline of Section 23 to bear N 88°21'27" E to the East One-Sixteenth Corner (NE Corner, NW/4, SE/4) of said Section 23, with all bearings contained herein relative thereto; thence N 88°21'27" E 828.94 feet along the East-West Centerline of said Section 23; thence S 01°38'32" E 30.00 feet to the True Point of Beginning; thence S 01°38'33" E 150.00 feet; thence N 88°21'27" E 100.00 feet; thence N 01°38'33" W 150.00 feet; thence S 88°21'27" W 100.00 feet to the True Point of Beginning.
7	1N	69W	23	Section 23: Tracts A-K, Melody at Meadow Sweet Farm more particularly described by Plat recorded at Reception number 1501447
8	1N	69W	24	Section 24: A parcel of land lying in the SE/4NW/4 more particularly described in Warranty Deed recorded at Reception number 1534042
9	1N	69W	24	Section 24: The Westerly 40 feet of the Southerly 1369.50 feet of the NE/4 as described in Deed recorded at Reception number 1702634
10	1N	69W	24	Section 24: Tract A and Tracts C through G of Canyon Creek Subdivision Filing No. 5 more particularly described by Plat recorded at Reception number 2209650
11	1N	69W	26	Section 26: A parcel of land in the N/2NE/4 of Section 26, described as follows: beginning at a point on the Section line 990.6 feet West of the Northeast Corner of Section 26, thence South 47° 48' West, 342.59 feet; thence South 56° 18' West 370.32 feet; thence South 51° 12' East 82.56 feet; thence South 22° 12' East 151.18 feet; thence North 70° 00' West, 299.3 feet; thence North 55° 00' East 177 feet; thence North 56° 18' East, 374.88 feet; thence North 47° 48' East 321.4 feet; thence East 26.78 feet to the point of beginning; TOGETHER WITH a parcel of land in the N/2NE/4 of said Section 26 described by metes and bounds in Quitclaim Deed recorded at Reception No. 1728520 on September 5, 1997; insofar as the above parcels lie in the NW/4NE/4 of Section 26, LESS AND EXCEPT Tract 26-8

12	1N	69W	26	Section 26: A parcel of land in the N/2NE/4 of Section 26, described as follows: beginning at a point on the Section line 990.6 feet West of the Northeast Corner of Section 26, thence South 47° 48' West, 342.59 feet; thence South 56° 18' West 370.32 feet; thence South 51° 12' East 82.56 feet; thence South 22° 12' East 151.18 feet; thence North 70° 00' West, 299.3 feet; thence North 55° 00' East 177 feet; thence North 56° 18' East, 374.88 feet; thence North 47° 48' East 321.4 feet; thence East 26.78 feet to the point of beginning; TOGETHER WITH a parcel of land in the N/2NE/4 of said Section 26 described by metes and bounds in Quitclaim Deed recorded at Reception No. 1728520 on September 5, 1997; insofar as the above parcels lie in the NE/4NE/4 of Section 26
13	1N	69W	26	Section 26: A parcel of land in the NW/4NE/4 of Section 26, described by metes and bounds in Exhibit "A" to Special Warranty Deed recorded at Reception No. 1802492 on May 14, 1998
14	1N	69W	26	Section 26: A parcel of land in the NE/4NE/4 of Section 26, described by metes and bounds in Exhibit "A" to Special Warranty Deed recorded at Reception No. 1802492 on May 14, 1998
15	1N	69W	26	Section 26: Tract A of Rex Ranch Minor Subdivision, according to Plat recorded at Reception No. 2874660 on August 7, 2007, being a portion of the N/2NE/4 of Section 26, insofar as parcel lies in the NW/4NE/4 of Section 26
16	1N	69W	26	Section 26: Tract A of Rex Ranch Minor Subdivision, according to Plat recorded at Reception No. 2874660 on August 7, 2007, being a portion of the N/2NE/4 of Section 26, insofar as said parcel lies in the NE/4NE/4 of Section 26
17	1N	69W	22	Section 22: a parcel of land in the E2SE, described as follows: Beginning at the Northeast corner of said parcel, being the intersection of the South right-of-way Erie Parkway and the West right-of-way of North 111th street; thence South 00°10'24" East, along said West right-of-way of North 111th Street, a distance of 20.87 feet to the beginning of a non-tangent curve concave Southwesterly having a radius of 25.17 feet, the radius point of said curve bears South 65°00'07" West; thence Northwesterly along said curve through a central angle of 62°38'10", an arc length of 27.51 feet; thence North 87°38'02" West, a distance of 183.86 feet to a point on said South right-of-way of Erie Parkway; thence South 89°39'28" East, along said South right-of-way, a distance of 205.41 feet to the point of beginning, described in that Warranty Deed recorded at Reception No. 3496310 in the
18	1N	69W	22	Section 22: a parcel of land located in the SENE, described as follows: Beginning at the East Quarter corner of said Section 22 from whence the west-center sixteenth corner of said Section 22 bears N89°22'55" West, a distance of 1335.10 feet; thence North 00°21'45" E a distance of 30.00 feet to a point on the North right-of-way line of Erie Parkway and Isabelle Road; thence North 89°22'55" West along said North line a distance of 986.64 feet to the true point of beginning; thence North 89°22'55" West continuing along said North line a distance of 318.55 feet to a point on the east right-of-way line of North 109th street; thence North 00°11'15" East along said East line a distance of 63.40 feet; thence South 34°15'44" East a distance of 48.49 feet; thence South 84°44'45" East a distance of 292.26 feet to the true point of beginning; containing 0.106 acres, more or less, and described in that Warranty Deed recorded July 18, 2013 at Reception No. 3328058 of the Boulder County Records
19	1N	69W	23	more particularly described as follows: Beginning at the Center Quarter Corner of said Section 23; thence N. 00°04'28" E. a distance of 30.01 feet to a point on the west line of said property at Reception N. 1820229; thence N. 88°23'43" E. parallel with the South line of said NE/4 of Section 23 a distance of 310.01 feet to the Southwest Corner of the Candlelight Ridge Subdivision; thence S. 00°08'38" E. a distance of 30.01 feet to a point on the South line of said NE/4 of Section 23; thence S. 88°23'43" W. along the South line of said NE/4 of Section 23 a distance of 310.13 feet to the point of beginning.
20	1N	69W	23	Section 23: Tracts A, B, C, and D Candlelight Ridge more particularly described by Plat recorded at Reception number 2075349
21	1N	69W	23	Section 23: Tracts A and G-I, Baxter Farm more particularly described by Plat recorded at Reception number 2005085

22	1N	69W	23	<p>Section 23: A parcel of land being a portion of that parcel of lands described at Reception No. 3390434, situated in the NW/4 of Section 23, Township 1 North, Range 69 West, 6th P.M., being more particularly described as follows: Commencing at the West Quarter Corner of said Section 23, from whence the Center Quarter Corner of said Section bears N. 88°39'57" East, a distance of 2626.30 feet, and which all bearings herein are relative thereto; Thence North 00°21'45" East, along the West line of said NW/4 of Section 23, a distance of 30.01 feet to the Southwest Corner of said parcel described at Reception No. 3390434, being a point on the northerly right-of-way of Erie Parkway, also being the point of beginning; Thence North 00°21'45" East, continuing along said west line, a distance of 40.00 feet;</p>
23	1N	69W	24	<p>Section 24: That portion of the SW/4 being Tracts A, C, D and E of Canyon Creek Subdivision Filing No. 9, together with adjacent platted streets (including but not limited to Austin Avenue, North 119th Street, Weston Circle and McClure Way), to the centerline of the same, according to Plat dated August 22, 2001 and recorded at Reception No. 2192155</p>
24	1N	69W	24	<p>Section 24: That portion of the SW/4 being Tract F of Canyon Creek Subdivision Filing No. 9, according to Plat dated August 22, 2001 and recorded at Reception No. 2192155</p>
25	1N	69W	24	<p>Section 24: That portion of the SW/4 being All streets located within Canyon Creek Subdivision Filing No. 9 – 1st Amendment (including but not limited to Brennan Street, Brennan Circle and Brennan Place) more particularly described by Plat recorded at Reception number 3476276</p>
26	1N	69W	24	<p>A parcel of land being a portion of Lot 1, Canyon Creek Subdivision Filing No. 6, 1st Amendment, recorded at Reception No. 2978451, being located in the southeast quarter of the southeast quarter of Section 24, Township 1 North, Range 69 West of the 6th Principal Meridian, Town of Erie, County of Boulder, State of Colorado. Basis of bearings: The east line of the northeast quarter of the southeast quarter of Section 24, as monumented by a No. 6 rebar with a 2-inch aluminum cap in monument box, stamping illegible, at the south sixteenth corner of said Sections 19 and 24, and a No. 6 rebar with a 2-inch aluminum cap in monument box, stamping illegible, at the east quarter corner of said Section 24, is assumed to bear North 00°39'15" West, being a grid bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2007, a distance of 1326.26 feet, with all bearings contained herein relative thereto. Commencing at the south sixteenth corner of Sections 19 and 24; Thence South 51°42'27" West a distance of 85.33 feet to the north end of the east line of said Lot 1 and the point of beginning; Thence South 00°39'22" East on the east line of said Lot 1 a distance of 46.11 feet; Thence North 33°54'13" West a distance of 74.10 feet to the north line of said Lot 1; Thence on the north and northeasterly lines of said Lot 1 the following two (2) courses: South 89°33'17" East a distance of 25.30 feet; South 45°04'52" East a distance of 21.93 feet to the point of beginning.</p> <p>Said parcel containing 1,140 square feet, or 0.02 acres, more or less.</p>
27	1N	69W	24	<p>Section 24: Tracts A through H of Canyon Creek Subdivision Filing No. 3, together with adjacent platted streets (including but not limited to Hendee Court, Whiles Court, Bain Drive, Leyner Drive and Shuttleworth Drive), to the centerline of the same, together with all of Meller Street lying adjacent to Tracts A, B and D, according to Plat dated October 4, 1999 and recorded at Reception No. 1995367 and Replat 1 dated September 11, 2001 and recorded at Reception No. 2209651 on October 19, 2001, lying in the S/2</p>

28	1N	69W	24	Section 24: Tracts A through F of Canyon Creek Subdivision Filing No. 4, together with adjacent platted streets (including but not limited to Westin Drive, Shuttleworth Drive and Austin Avenue), to the centerline of the same, together with all of Meller Street lying adjacent to Tracts B and D, according to Plat dated April 26, 2001 and recorded at Reception No. 2144250, lying in the S/2
29	1N	68W	32	0.3409 acres of land, more or less, being that parcel of land lying in the NW/4SW/4 in Section 32, T1N, R68W, 6th P.M., as more particularly described as being the Westerly 30 feet of the North 495 feet of the NW/4SW/4 in that Quit Claim Deed recorded April 28, 1997, under Reception No. 2545040.
30	1N	68W	32	8.6064 acres of land, more or less, being Tract 10B of Vista Ridge Master Final Plat recorded at Reception No. 2903870, lying in Section 32, T1N, R68W, 6th P.M., as more particularly described by the metes and bounds in that certain General Warranty Deed recorded June 20, 2001, under Reception No. 2859146.
31	1N	68W	32	1.7175 acres of land, more or less, of which 0.0416 are centerline presumption acres, being Tracts 21 and 22, Vista Ridge Master Final Plat, as shown on that certain Plat recorded November 28, 2001, under Reception No. 2903870, insofar and only insofar as it lies outside of the East 300 feet of the S/2SE/4 of Section 32, T1N, R68W, 6th P.M.
32	1N	68W	32	0.3441 acres of land, more or less, being Tracts 21 and 22, Vista Ridge Master Final Plat, as shown on that certain Plat recorded November 28, 2001, under Reception No. 2903870, insofar and only insofar as they lie within the East 300 feet of the S/2SE/4 of Section 32, T1N, R68W, 6th P.M.
33	1N	69W	36	0.26 acres of land, more or less, as described by the metes and bounds contained in that Warranty Deed dated April 14, 2010, recorded under Reception No. 03078479, located in Section 36, Township 1 North, Range 69 West, 6th P.M., Boulder County, Colorado.
34	1N	69W	36	0.9350 acres of land, more or less, being a tract of land as set forth in Warranty Deed recorded at Reception No. 3497939, as more particularly described therein, located in the NE/4NE/4, located in Section 36, Township 1 North, Range 69 West, 6th P.M., Boulder County, Colorado.
35	1N	69W	36	4.198 acres of land, more or less, being that part of the NE/4SE/4 east of Burlington Railroad right-of-way being Lots 12-16 and that part of the NE/4SE/4 east of Burlington Railroad right-of-way being all lots less and except Lots 1-9 east of Coal Creek per survey plat filed January 17, 1980 in Plat Book 3, Page 37, located in Section 36, Township 1 North, Range 69 West, 6th P.M., Boulder County, Colorado.

Exhibit A-2-4

EXHIBIT A-3

DESCRIPTION OF TOWN MINERAL PROPERTY - Disputed Minerals Property

Any and all right Erie may have in the NW $\frac{1}{4}$ of Section 24, Township 1 North, Range 68 West, 6th P.M., and as described Tracts A through M of Canyon Creek Filing No. 1 (the "*Disputed Minerals*"), and as described in the following instruments:

Warranty Deed dated July 19, 1995, recorded at Reception No. 1533056 on July 24, 1995, between Erie Eight, Ltd., as grantor, and Johnson Development Company, as grantee.

Special Warranty Deed dated June 28, 1996, recorded at Reception No. 1623847 on July 8, 1996, between Johnson Development Company, as grantor, and the Town of Erie, as grantee.

EXHIBIT B

LEGAL DESCRIPTION AND DEPICTION OF 7N PROPERTY

Legal Description:

PARCEL A

LOT 1, BLOCK 1, PHILLIPS SUBDIVISION, TOWN OF ERIE, COUNTY OF WELD,
STATE OF COLORADO

TOGETHER WITH THAT PORTION CONVEYED IN DEED RECORDED APRIL 19,
2000 AT RECEPTION NO. 2762712

EXCEPT THOSE PORTIONS AS DESCRIBED IN DEEDS RECORDED
NOVEMBER 26, 2007 AT RECEPTION NO. 3519423 AND JUNE 30, 2000 AT
RECEPTION NO. 2778150 AND DECEMBER 28, 2015 AT RECEPTION NO.
4168234

PARCEL B

THAT PORTION OF THE SW 1/4 OF THE SW 1/4 OF SECTION 30, TOWNSHIP 1
NORTH, RANGE 68 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF
COLORADO AS SET FORTH IN DEED RECORDED OCTOBER 1, 1993 AT
RECEPTION NO. 2352772

TOGETHER WITH THAT PORTION CONVEYED IN DEED RECORDED APRIL 19,
2000 AT RECEPTION NO. 2762712

EXCEPT THOSE PARCELS DESCRIBED IN DEEDS RECORDED JUNE 30, 2000 AT
RECEPTION NO. 2778151 AND JUNE 30, 2000 AT RECEPTION NO. 2778149 AND
DECEMBER 28, 2015 AT RECEPTION NO. 4168233

ALSO EXCEPT THAT PORTION AS DESCRIBED IN DEED RECORDED
NOVEMBER 26, 2007 AT RECEPTION NO. 3519423

PARCEL C

TRACT A1, FEUER SUBDIVISION FILTNG NO. 1, AMENDMENT NO. 1, COUNTY
OF WELD, STATE OF COLORADO

EXHIBIT C

FORM OF TOWN DEED

After Recording Return To:

**BARGAIN AND SALE DEED
[Minerals]**

This Bargain and Sale Deed (this “Deed”) is dated as of the ____ day of _____, 202__, between the TOWN OF ERIE, COLORADO, a Colorado home rule municipal corporation (“Grantor”), whose address is 645 Holbrook Street, P.O. Box 750, Erie, CO 80516 and _____, a _____ (“Grantee”), whose address is _____.

WITNESSETH, that Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby confessed and acknowledged by Grantor, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee, its successors and assigns forever, all the right, title, interest, claim and demand which Grantor has in and to all oil and gas and oil and gas rights, and other hydrocarbon substances, including but not limited to royalties and overwriting royalties of every kind and character (the “Mineral Rights”), located in, on, and under all of the real property described in Exhibit A (the “Real Property”); from the surface to the bottom of the Codell formation (including the Carlile member) within the Denver-Julesburg Basin.

TOGETHER WITH all easements and rights-of-way appurtenant thereto, all and singular the hereditaments and appurtenances thereunto belonging, or in any ways appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever, of Grantor, either in law or equity, of, in and to the Mineral Rights, with the hereditaments and appurtenances,

SUBJECT TO AND RESERVING by this Deed unto Grantor, its successors and assigns, any right of Grantor to locate drill sites or conduct any vertical drilling, surface operations, or any form of surface occupancy on the surface of the Real Property to develop, or produce the Mineral Rights, and such surface occupancy and operations are prohibited (the “Reserved Rights”). Grantor acknowledges and agrees that Reserved Rights are subject to and do not include any such operations or occupancy are in effect as of the date of this Deed or are otherwise available to Grantee or its successors pursuant to a separate grant or right and shall not prohibit the pooling or unitization of the mineral estate conveyed with land other than the Property, Grantee acknowledges and agrees that Reserved Rights are deemed incorporated into this Deed and shall run with the Real Property and be binding upon Grantee and its successors in title to the to the Mineral Rights.

EXHIBIT A
TO
BARGAIN AND SALE DEED

Draco Area of Interest Property

[insert description of the Draco Area of Interest Property from Exhibit A-1 of the Contract together with a legal description]

Specified Parcels Property

[insert description of the Specified Parcels Property from Exhibit A-2 of the Contract]

Disputed Minerals Property

[insert description of the Disputed Minerals Property from Exhibit A-3 of the Contract]

EXHIBIT D

FORM OF 7N DEED

After Recording Return To:

SPECIAL WARRANTY DEED

This Special Warranty Deed (this “Deed”) is dated as of the ____ day of _____, 202__, between **7N, LLC**, a Delaware limited liability company (“Grantor”), whose address is 555 17th Street, Suite 3700, Denver, CO 80202, and the **TOWN OF ERIE, COLORADO**, a Colorado home rule municipal corporation (“Grantee”), whose address is 645 Holbrook Street, P.O. Box 750, Erie, CO 80516.

WITNESSETH, that Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby confessed and acknowledged by Grantor, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee, its successors and assigns forever, all of that certain real property, together with all improvements thereon, situate, lying and being in the Town of Erie, County of Weld, State of Colorado, more particularly described in Exhibit A attached hereto and incorporated by reference herein (the “Property”), but shall not include any of the Mineral Rights, as defined below, all of which, to the extent not previously reserved by or conveyed to Grantor or its affiliate or a third party, are reserved by Grantor;

TOGETHER WITH all easements and rights-of-way appurtenant thereto, all and singular the hereditaments and appurtenances thereunto belonging, or in any ways appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever, of Grantor, either in law or equity, of, in and to the Property, with the hereditaments and appurtenances,

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto Grantee, AND Grantee’s heirs, successors and assigns forever. Grantor, for Grantor and Grantor’s heirs, successors and assigns, does covenant and agree that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of Grantee, and Grantee’s heirs, successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under Grantor, subject to the exceptions shown on the attached Exhibit B (the “Exceptions”) which is hereby incorporated herein by this reference.

Grantor reserves all oil and gas and oil and gas rights, and other hydrocarbon substances associated with or underlying the land comprising the Property, regardless of whether the presence of same is currently known or unknown and regardless of the current or future commercial value of same (the "Mineral Rights"). However, Grantor covenants that it will not access or use the surface of the Property in connection with the reserved Mineral Rights except for the continued use of three oil and gas wells and related facilities that are located on the Property as of the date of this Deed and identified as: (i) Young #4-31 API #05-123-16183; (ii) Vessels Minerals A Unit 2 (05-123-18690); and (iii) Vessels 14-30 (API 05-123-23986).

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**EXHIBIT A
TO
SPECIAL WARRANTY DEED**

LEGAL DESCRIPTION

[to be inserted]

**EXHIBIT B
TO
SPECIAL WARRANTY DEED**

EXCEPTIONS

1. TAXES AND ASSESSMENTS FOR THE YEAR 202___ AND SUBSEQUENT YEARS,
A LIEN NOT YET DUE AND PAYABLE.
- 2.

EXHIBIT E

7N PROPERTY INFRASTRUCTURE

- (i) personal property and fixtures associated with that certain oil and gas well identified as Young #4-31 API #05-123-16183;
- (ii) personal property and fixtures associated with that certain Vessels Minerals A Unit 2 (05-123-18960); and
- (iii) personal property and fixtures associated with that certain Vessels 14-30 (API 05-123-23986).

EXHIBIT F

FORM OF BILL OF SALE AND GENERAL ASSIGNMENT

BILL OF SALE AND GENERAL ASSIGNMENT

THIS BILL OF SALE AND GENERAL ASSIGNMENT (this “Bill of Sale”) is made this ____ day of _____, 202__ (the “Effective Date”), by and between the 7N, LLC, a Delaware limited liability company (“7N”) and the TOWN OF ERIE, COLORADO, a Colorado home rule municipal corporation (the “Town”).

RECITALS

A. 7N and the Town entered into that certain Contract to Exchange Real Property and Mineral Rights dated as of _____, 2026 (as amended, the “Contract”), with respect to, among other matters, the conveyance of certain real property (the “7N Property”) described on Exhibit A attached hereto and incorporated herein by this reference. Any capitalized term used, but not otherwise defined herein, shall have the meaning set forth in the Contract.

B. As required pursuant to the provisions of the Contract, 7N agreed to convey and assign to the Town certain real property related to the 7N Property (the “Transferred Property”) **defined as** all of 7N’s right, title, and interest, if any, in and to all personal property (whether tangible or intangible) that are located upon the 7N Property SPECIFICALLY EXCLUDING AND EXCEPTING from the Transferred Property the following wells and infrastructure whether owned by 7N or owned by one or more third parties:

- (i) personal property and fixtures associated with that certain oil and gas well identified as Young #4-31 API #05-123-16183;
- (ii) personal property and fixtures associated with that certain Vessels Minerals A Unit 2 (05-123-18960); and
- (iii) personal property and fixtures associated with that certain Vessels 14-30 (API 05-123-23986).

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Transfer of Transferred Property. 7N does hereby sell, transfer, assign, and quit claim to the Town, all of the Transferred Property, without warranty or representation of any kind.

WITH RESPECT TO ALL MATTERS TRANSFERRED, WHETHER TANGIBLE OR INTANGIBLE, PERSONAL OR REAL, 7N EXPRESSLY DISCLAIMS A WARRANTY OF MERCHANTABILITY AND WARRANTY FOR FITNESS FOR A PARTICULAR USE OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED THAT MAY ARISE

BY OPERATION OF LAW OR UNDER THE UNIFORM COMMERCIAL CODE FOR THE STATE IN WHICH THE PROPERTY IS LOCATED (OR ANY OTHER STATE).

2. Successors and Assigns. This Bill of Sale shall be binding upon and inure to the benefit of the parties' respective successors and assigns.

3. Counterparts. This Bill of Sale may be executed in counterparts, each of which shall be deemed a duplicate original.

4. Governing Law and Venue. This Bill of Sale shall be governed by, and shall be interpreted, construed and enforced in accordance with, the laws of the State of Colorado without regard to the rules regarding conflicts of law, and venue for any legal action arising out of this Bill of Sale shall be in Boulder County, Colorado.

5. Severability. If any provision of this Bill of Sale shall be held invalid, illegal, or unenforceable, the validity, legality, or enforceability of the other provisions of this Bill of Sale shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal, and enforceable provision as similar as possible to the provision at issue.

[Remainder of page intentionally left blank signature on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Bill of Sale as of the Effective Date.

7N, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

TOWN OF ERIE, COLORADO,
a Colorado home rule municipal corporation

By: _____
Name: _____
Title: _____

EXHIBIT A
to
BILL OF SALE AND GENERAL ASSIGNMENT

Legal Description of 7N Property

[To be inserted below]

EXHIBIT G
FORM AGREEMENT REGARDING DRACO PAD

[to be inserted]

SCHEDULE 8(b)(ii)

DISCLOSED CONDEMNATION MATTERS WITH RESPECT TO 7N PROPERTY

- 7N has received verbal indication that Parkdale Development may pursue condemnation proceedings in connection with the relocation of a regional EURV detention pond on the southernmost parcel of the 7N Property