# MINING INDEMNITY & NOTICE AGREEMENT

### STATE OF COLORADO

## COUNTY OF WELD

THIS MINING INDEMNITY AGREEMENT ("Agreement"), made and entered into as of the 29<sup>th</sup> day of May, 2020, by and between Colorado Sand Company LLC, a Delaware limited liability company, whose office address is 2001 Kirby Drive, Suite 360, Houston, TX 77019 (herein referred to as "**Mine Company**"); and Saddlehorn Pipeline Company LLC, a Delaware limited liability company, whose office address is One Williams Center, OTC-8, Tulsa, Oklahoma 74172 (herein referred to as "**Owner**," whether one or more). The Mine Company and Owner may be referred to in this Agreement as a "**Party**" or, together as, the "**Parties**."

# WITNESSETH:

WHEREAS, Mine Company is the owner and holder of certain mining rights in, on, and/or under certain lands situated in Weld County, Colorado;

WHEREAS, Owner is the current owner of certain oil pipelines and the appurtenant equipment and facilities associated with the maintenance or operation thereof ("Facilities") in Weld County, Colorado, the exact location of the pipeline (and the exact location of the Magellan's Easement Tract as defined in the Magellan Encroachment Requirements) being shown on Exhibit "A" to this Agreement and located on, in, under, or within that property described as:

N ½ of Section 12 and all of Section 01; T2N; R64W; and, all of the abutting Sections 5, 6, and 7; T2N; R63W of the 6<sup>th</sup> Principal Meridian, in unincorporated Weld County, Colorado (together with the Facilities, the "**Property**");

WHEREAS, Owner desires to conduct certain mining operations within 200 feet of the Facilities, which is further described on Exhibit "B" to this Agreement ("Mining Operations");

WHEREAS, Mine Company has requested that Owner sign a notarized agreement form that was approved by the Colorado Mined Land Reclamation Board that sets forth that Mine Company will provide compensation for any damage to the Facilities resulting from the proposed mining operation ("Form"); and

WHEREAS, the Parties have agreed to enter into this Agreement in place of the Form.

NOW, THEREFORE, for and in consideration of the premises, and of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

1. <u>PURPOSE</u>: Provides for the Mine Company's liability and indemnity to Owner for damages caused by or arising out of the Mining Operations and certain notification requirements

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to Owner. Mine Company shall be liable to Owner, and shall promptly reimburse Owner for, any damages to Owner's Facilities and any interruption in Owner's business operations directly arising from or related to the Mining Operations, notwithstanding Section 6 of this Agreement.

2. **INDEMNITY FOR THIRD PARTY CLAIMS: MINE COMPANY HEREBY** AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND OWNER, ITS MEMBERS, UNIT HOLDERS, AFFILIATES, AND OPERATOR, AND ITS AND THEIR **RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS AND** SUBCONTRACTORS, AGENTS, AND REPRESENTATIVES, SUCCESSORS AND ASSIGNS (EACH AN "INDEMNIFIED PARTY" AND COLLECTIVELY THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, DEMANDS, CAUSES OF ACTION OF WHATEVER NATURE (WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE), DAMAGES, (INCLUDING WITHOUT LIMITATION ENVIRONMENTAL DAMAGES AND EXPENSES. **REASONABLE ATTORNEY FEES, AND COSTS OF SUIT), ASSERTED BY ANYONE** NOT A PARTY TO THIS AGREEMENT, WHICH ARE CAUSED BY OR ARISE IN ANY MANNER OUT OF THE ACTS OR OMISSIONS OF MINE COMPANY, ITS AGENTS, EMPLOYEES, REPRESENTATIVES OR ANY OTHER PERSON UNDER MINE COMPANY'S CONTROL OR ACTING AT MINE COMPANY'S DIRECTION OR COLOR OF AUTHORITY AS SUCH RELATES TO THE MINING OPERATIONS. THIS PARAGRAPH SHALL SURVIVE THE EXPIRATION OF THIS AGREEMENT. THE **REMEDIES EXPRESSED IN THIS SECTION OR ANY OTHER SECTION OF THIS** AGREEMENT ARE NOT A WAIVER OF ANY OTHER REMEDY OWNER MAY HAVE IN LAW OR EQUITY, INCLUDING, WITHOUT LIMITATION, ANY REMEDY IN TORT.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS CONTRACT, THE INDEMNITY OBLIGATIONS IN THIS CONTRACT SHALL NOT APPLY TO THE EXTENT OF THE INDEMNIFIED PARTY'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

3. <u>MINE COMPANY NOTICE OF START-UP AND SAFETY REQUIREMENTS FOR</u> <u>MINING OPERATIONS WITHIN 200 FEET OF FACILITIES</u>: Mine Company shall provide prior written notice to Owner not less than 60 days prior to conducting any mining related work, construction, or operations within 200 feet of the Facilities ("Operations"). For purposes of determining such distance, Mine Company may rely on the location of the Facilities set forth in Exhibit A attached hereto. Such notice shall include reasonable detail of the work, construction, or operations to be conducted, including, but not limited to, information regarding the timing, duration, scope, type of activities, locations, parties to be on site, and the contact information for any additional information the Owner reasonably requests. During all Mining Operations, Mine Company shall comply with the "Magellan Encroachment Requirements," which are attached hereto and made a part hereof as Exhibit "C", regardless of whether such Mining Operations fall within the customary definition of an "encroachment", but only if the Mining Operations are within the Magellan's Easement Tract.

4. <u>INSURANCE:</u> Mine Company shall procure and cause its contractors and subcontractors to procure and maintain in force throughout the entire term of this Agreement insurance coverage described

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below with insurance companies rated "A-" VII by A.M. Best for work performed related to the Mining Operations. All costs and deductible amounts will be the responsibility and obligation of Mine Company or its contractors and subcontractors. Prior to commencing any activities related to the Mining Operations, Mine Company must deliver to Owner certificate(s) of insurance, naming Owner as an additional insured. The limits set forth below are minimum limits and will not be construed to limit Mine Company's liability:

- a. Workers' Compensation insurance complying with the laws of the State or States having jurisdiction over each employee and Employer's Liability insurance with limits of \$1,000,000 per accident for bodily injury or disease.
- b. Commercial General Liability insurance on an occurrence form with a combined single limit of \$5,000,000 each occurrence and an annual aggregate of \$5,000,000. Coverage must include premises/operations, products/completed operations, and sudden and accidental pollution. Owner and its Affiliates (hereinafter defined), and its and their respective directors, officers, partners, members, shareholders, employees, agents, and contractors shall be included as additional insureds. The term "Affiliate(s)" as used herein means, with respect to Owner, any individual, corporation, partnership, limited partnership, limited liability company, limited liability partnership, firm, association, joint stock company, trust, unincorporated organization, governmental body, or other entity (collectively, a "Person") that directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with Owner. The term "control" (including the terms "controlled by" and "under common control with"), as used in the previous sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Owner, or such Person, as applicable, whether through ownership of voting stock, ownership interest or securities, by contract, agreement or otherwise.

The Sudden and Accidental Pollution can be a separate, stand-alone policy, but must still meet the \$5,000,000 minimum limit requirement. If the coverage is written on a claims-made policy form, the coverage must be maintained for two (2) years following completion of the work activities related to the Mining Operations.

In each of the above policies, Mine Company or its contractors and subcontractors agree to waive and will require its insurers to waive any rights of subrogation or recovery either may have against Owner and its affiliated companies.

Regardless of the insurance requirements above, the insolvency, bankruptcy, or failure of any such insurance company providing insurance for Mine Company or its contractors and subcontractors, or the failure of any such insurance company to pay claims that occur, such requirements, insolvency, bankruptcy or failure will not be held to waive any of the provisions hereof.

In the event of a loss or claim arising out of or in connection with the Mining Operations, Mine Company agrees, upon request of Owner, to submit a certified copy of its insurance policies for inspection by Owner.

The Mine Company shall require all of its contractors and subcontractors for work related to the Mining Operations performing work within the Magellan Easement Tract to provide adequate

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insurance coverage, all to be endorsed with the Waiver of Subrogation wording referenced in Section (d) above; any deficiency in the coverage, policy limits, or endorsements of said contractors and subcontractors, shall be the sole responsibility of Mine Company.

5. <u>NOTICE</u>: Unless otherwise specifically provided herein, any notice or other communication provided for in this Agreement or any other notice which either Party may desire to give to the other shall be in writing and shall be considered as duly delivered (i) when hand delivered, (ii) upon receipt when mailed by prepaid registered or certified mail, return receipt requested, (iii) the following business day, if sent by a nationally recognized overnight delivery service, and (iv) when receipt is confirmed by the equipment of a transmitting party, if sent by facsimile or other electronic means during normal business hours; and, in any event, when addressed to the Party to whom such notice is given as follows:

Notices and Correspondences:
Saddlehorn Pipeline Company, LLC
c/o Magellan Pipeline Company LP, its Operator
One Williams Center, OTC-8
Tulsa, OK 74172
Attention: Real Estate Services
Email: Craig.Keirsey@magellanlp.com
Colorado Sand Company LLC
2001 Kirby Drive, Ste 360
Houston, TX 77019
Attention: David Patterson
Email: dpatterson@capitalsand.com

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6. <u>WAIVER OF CONSEQUENTIAL DAMAGES</u>. EXCEPT AS SET FORTH IN PARAGRAPH 1 ABOVE, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR, AND EACH PARTY RELEASES THE OTHER FROM LIABILITY FOR, ANY INDIRECT, CONSEQUENTIAL, OR SPECIAL DAMAGES, ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT, OR DEFAULT IN THE PERFORMANCE HEREOF, WHETHER BASED UPON CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), WARRANTY OR ANY OTHER LEGAL THEORY.

7. <u>BINDING EFFECT: ASSIGNABILITY</u>: The terms, conditions, and provisions hereof shall be a covenant running with the land and extend to and be binding upon the heirs, executors, administrators, personal representatives, successors, and assigns of the Parties. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns; provided, however, that neither Party may assign or delegate any of their respective rights or duties hereunder without the prior written consent of the other, such consent not to be unreasonably withheld or delayed.

8. <u>GOVERNING LAW</u>: This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without regard to conflicts of law principles that might apply the law of another jurisdiction.

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9. <u>EFFECT OF WAIVER</u>: No waiver of the provisions hereof shall be effective unless in writing and signed by the Party to be charged with such waiver. No waiver shall be deemed a continuing waiver or waiver in respect of any subsequent breach or default, either of a similar or dissimilar nature, unless expressly so stated in writing.

10. <u>NO THIRD PARTY BENEFICIARY</u>: This Agreement is intended solely for the benefit of the Parties and shall not create any rights, including without limitation any third party beneficiary rights, in any third party.

11. <u>INVALID PROVISIONS</u>: In the event any provision or any portion of any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable by reason of any law, then, to the extent of such invalidity or unenforceability, such provision shall be considered ineffective and separate and severable from the balance of this Agreement and such provision shall not invalidate, affect or impair the remaining provisions of this Agreement and any such invalid or unenforceable provision shall be replaced with such new provision which will allow the Parties to achieve the intended economic result in a legally valid and effective manner.

12. <u>COUNTERPARTS</u>: This Agreement may be executed by Owner and Mine Company in two or more counterparts, each of which shall constitute an original, but all of which shall constitute but one and the same instrument.

13. <u>HEADINGS</u>: The headings herein are for guidance only and shall have no significance in the interpretation of this Agreement.

EXECUTED on the dates set forth in the acknowledgments, but effective for all purposes as of the  $29^{2}$  day of May, 2020 (the "Effective Date").

OWNER:
SADDLEHORN PIPELINE COMPANY, LLC
By Its Operator, Magellan Pipeline Company, L.P.
By Magellan Pipeline GP, LLC, its general partner
Signature: Cong Kang
Printed Name: Craig Keirsey

MINE COMPANY: COLORADO SAND COMPANY LLC

V Fut Bv. Title:

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# **NOTARY FOR PERMIT APPLICANT**

ACKNOWLEGED BY:

Applicant:

Colorado Sand Company LLC

Representative Signature:

Representative Name (Printed):

**Dave Patterson** 

Title: Chief Financial Officer

Date: 22 May 2020

STATE OF: Jufan COUNTY OF: Harris ) ss.

The foregoing was acknowledged before me this 2.2 day of May , 2020, by Nave Patterson as Chief Jin. Off. of Colorado Jand Co. LLC An Main Marya My Commission Expires: May 8, 2023

Notary Public



# NOTARY FOR STRUCTURE OWNER

ACKNOWLEGED BY:

Structure Owner:

Saddlehorn Pipeline Company, LLC

Representative Signature:

Representative Name (Printed):

Craig Keirsey

Title: <u>Saddle horn Pipeline Company, LLC</u> Its Operator, Magellan Pipeline Company, L.P. By Magellan Pipeline GP, LLC, its general partner

Date: 5/29/2020

STATE OF:	OKLAHOMA	
COUNTY OF:	TULSA	) ss.

The foregoing was acknowledged before me this  $2^{\frac{1}{2}}$  day of \_\_\_\_\_\_, 2020, by

Fraig Keirsey as Real Estate Reprometive of Saddlehorn Pipeline Company, LLC enie 1. Suttree My Commission Expires: 4-19-23

Notary Public



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No.	WATER SPIGOT			
	SIGN			
പ	UTILITY POLE			
Ε	ELECTRICAL PEDESTAL			
(H20)	WATER MARKER			
GAS	GAS MARKER			
	MISC. MAN HOLE			
$\bigcirc$	ELECTRICAL METER			
$\blacklozenge$	FOUND SECTION CORNER			
$oldsymbol{igstar}$	FOUND PROPERTY MONUMENT			
$\bigtriangleup$	CONTROL POINT			

			SECTION LINE
-·-·-	- · · ·	_ · _ · _	RIGHT OF WAY LINE
××	××	x	FENCE
			EASEMENT LINE
они	OHU	OHU	OVERHEAD ELECTRIC
Uss	U00	U05	UNDERGROUND GAS
uer	UGT	UCT	UNDERGROUND TELEPHONE
UC0	uco	U00	UNDERGROUND OIL
			ASPHALT
			GRAVEL



# EXHIBIT "C" TO ENCROACHMENT AGREEMENT, 1 of 4

### MAGELLAN PIPELINE COMPANY, L.P.

#### General Encroachment Requirements

A. <u>GENERAL</u> - These requirements define the minimum standards of practice for encroachments by a ndowner (including any developer, business entity, utility company or individual working for, or on behalf of, or with permission of landowner) (herein referred to collectively as "Owner") to pipeline corridors and rights of way ("Magellan's Easement Tract") owned or operated by Magellan Pipeline Company, L.P. ("Magellan"). Upon written request by Owner to Magellan, a copy of these minimum requirements shall be provided to any developer, business entity, utility company or individual working on behalf of Owner or with the permission of Owner within Magellan's Easement Tract. Specific circumstances may require additional precautions or more stringent methods in order to protect the integrity of Magellan's pipelines and facilities, Magellan's Easement Tract for purposes of these General Encroachment Requirements shall be considered to be any area within fifty (50) feet of any Magellan pipeline or other Magellan-owned or operated facility unless a different right of way width is specified by one or more recorded right of way or easement documents (herein collectively called "Easement", whether one or more), in which case such specified width shall define Magellan's Easement Tract.

## 1. Encroachment Definition An "encroachment" is any use of the land within Magellan's Easement Tract which could interfere with Magellan's Easement rights or which could create safety concerns for Magellan pipelines and/or facilities located on Magellan's Essement Tract. Encroachments include, but are not limited to: structures, fixtures, personal property, landscaping, foreign utilities, foreign pipelines, roadways, railroads, waterway crossings, water impoundments, walls, heavy equipment and heavy loads on Magellan's Easement Tract, and also any excavation, digging, drilling, turneling and addition, removal or disturbance of soil or subsoil within Magellan's Easement

2. Magellan Representative Resulted On-Site Magellan pipeline systems operate at high pressures, and for safety reasons, Magellan requires its company representatives to be on-site while Owner is excavating or performing other activities which could endanger the Magellan pipelines or other facilities on

Magellan's Easement Tract. For other activities of the Owner on the Magellan Easement Tract, the

Magellan field representative shall determine whether Magellan's continuous presence or periodic monitoring of encroachment activities will be required and shall inform the Owner, A Magellan representative will be made available upon 48 hours notice (exclusive of weekends and holidays) to determine the location and approximate depth of any Magellan pipelines. No excavation shall be commenced without prior written approval from Magellan and verification by Magellan of the location and

approximate depth of its pipelines.

3. Magellan's Facilities. Magellan's facilities include, but are not limited to, Easement, rights of way, pipelines, meter and valve sites, aboveground piping manifolds and cathodic protection systems.

# 4. Land Use Change - Notification. The landowner and tenant, if any, must notify Magellan at any and every time when the land use will be changed for land on or adjacent to Magellan's Easement Tract. Examples of such land use changes

 Change from pasture to cultivation
 Change in depth of tilling (e.g. plowing deeper or deep-breaking the . laud)

· Change in that terraces will be cut or re-cut • Change from agricultural use to

residential, commercial or industrial Change from residential to

commercial or from commercial to industrial

5. Governmental Regulations and Industry Guidelines. Owner must comply with all applicable laws and regulations, as well as Magellan's policies as expressed herein. Owner is also hereby referred to the Common Ground Alliance Best Practices which can be found on the web site:

www.commongroundalliance.com (See "Program Information" / "Best Practices") and which is available from Common Ground Alliance in booklet form for easy reference. Best Practices addresses the most common issues for damage provention for an encroaching party, including, among others: Planning and Design; One-Call Center; Locating and Marking; Excavation; and Mapping. In the even of a conflict between laws and regulations, Magellan's policies and the Common Ground Alliance Best Practices, the following priority shall govern encroachments on Magellan's Easement Tract: 1st --laws and regulations; 2nd --

Magellan policies; and 3rd -Common Ground Alliance Best Practices.

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#### B. MAGELLAN RIGHT OF WAY PRACTICE

following:

Tract

Location and depth of all Magellan.

pipelines and facilities • The width of Magellan's Easement

A standard warning statement

conspicuously displayed containing the following language:

WARNING

Prohibited Without compliance with State One-Call AND Without Written

Agreement Required, A written, fully executed Encroachment Agreement must be in place between

Magellan and Owner before Owner

5. Costa. Unless otherwise agreed in writing, all costs to Mageilan that result from any encroachment should be paid by Owner. Such costs shall

modification, replacement, lowering,

and protection of pipelines, including

engineering evaluation and design, field labor and real estate research

and document preparation and

6. Pipeline Integrity Inspection.

structure, parking lot, roadway or other facility which night interfere with or hinder Magellan's inspection of any pipeline or facility, Magellan

will perform an integrity review of its pipeline and any other assets which

other encroaching facility in order to determine that Magellan's assets

comply with integrity requirements and to allow Magellan to make any

needed changes prior to construction of any encroachments.

7. Soil On Magellan's Easement

Tract - Removing and Adding, No.

soil shall be removed from or added to Magellan's Easement Tract

without written authorization from Magellan. Any soil added must be

amount so that the

clean (without contaminants, trash or debris) fill dirt and must be *limited in* 

may be affected by the proposed structure, parking lot, roadway or

Prior to the installation of any

include, but not be limited to:

HIGH-PRESSURE FIPELINE(S)

Excavation and/or Construction

Permission From MAGELLAN

PIPELINE COMPANY, L.P.

4. Written Encroachment

commences work on any

encroechment

handling,

# 1. Personal Property and Fixtures To Be Kept Off of Magellan's Easement Tract. In order to keep

Magellan rights of way clear for operations, maintenance, inspection and emergency access, personal property and fixtures shall not be placed, stored or maintained on Magellan's Easement Tract. Personal property and fixtures include, but are not limited to, storage sheds, automobiles, trailers, mobile homes, above-ground swimming pools, business equipment, product inventory, scrap metal, boulders, large rocks, debris, junk and piles of materiale

### 2. Encroachments Subject to Being Cleared from Magellan's Easement Tract. Subject to the terms of its

ament (including right of way agreement[s] and other written agreements), Magellan may keep Magellan's Easement Tract clear of items that may hinder the exercise of Magellan's rights to construct, operate, inspect, maintain, repair and access its pipelines and other facilities. Clearing of the Magellan's Easement Tract shall include, but not be limited to the following: removal of trees, brush, crops, other vegetation and non-permitted encroachments located on or overhanging all or part of any Magellan's Easement Tract. Trees or other vegetation overhanging Magellan's Easement Tract may be side-trimmed.

### C. ENCROACHMENT PLANNING

1. Plan Review Required by Magellan. For any encroachment, Magellan must be provided project plans to review and approve, prior to the encroachment occurring, for purposes of damage prevention.

2. Submission of Complete Plans, Owner must submit complete plans to Magellan for review. Incomplete plans could delay Magalian's engineering impact study and insufficient information could result in increased costs. Plans must include:

A plan view of the project with the pipeline(s) location included.
A non-illustration in profile of the existing surface elevations, the proposed surface elevations and the elevation of the Magelian pipeline(s). A comprehensive utility /structure /grading plan depicting the

relationship to the pipeline(s).
A proper legal description of the project location.
Complete landscaping plans.
Complete plans for backfilling and compaction of backfill material.

3. Plans Must Show Magellan's Eastement Tract, Pipelines and Facilities, All construction plans (prints) showing lands where all or any part of Magellan's Eastement Tract, any Magellan pipeline or facility is located must contain the

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resulting cover (vertical distance from the surface of the land to the top of Magellan's pipeline) is not greater then eight feet (8').

8. Erosion Control Materials. Erosion-control materials may be allowed on Magellan's Easement Tract for temporary periods of construction and restoration.

9. Proof of Title to Property. Magellan may require Owner to provide proof of current ownership of the land where the proposed encroachment is to be located, Such proof may be in the form of a Title Commitment, Title Policy, or a copy of a recorded Warranty Deed.

10. <u>Subdivision Plat</u>. Magellan requires a copy of the Subdivision Plat, if applicable. If the plat has been recorded, Magellan requires a copy indicating the book and the page of the recording.

11. Location and Approximate Depth of Pipelines. A Magellan representative is normally available with 48 hours notice (exclusive of weekends and holidays) to determin the location and approximate depth of the pipeline(s). Determining actual depths of pipelines may require potholing or hand-digging by, and at the expense of Owner in the presence of an authorized Magellan representative. No excavation on Magellan's Easement Tract shall take place without approval by Magellan.

12. Vertical Separation Between Magellan Pipeline or Facility and an Encroaching Object or Structure, Vertical separation is defined in this document as the vertical distance between the outermost part of a Magellan pipeline, facility or appurtenance (for example, the outside of the pipe [for uncased pipe] or the outside of the pipe casing [for cased pipe]) and the outermost part of the encroaching object (for example, the outside of the encroaching pipeline or the outside of its conduit).

13. Construction Equipment Information. Owner shall provide to Magellan information as to the type, size, and weight of construction equipment that will be used over or in the vicinity of the pipeline(s).

D. ENCROACHMENT DESIGN REOUTREMENTS & STANDARDS

1. Risk of Loss and Damage. Owner shall bear the risk of loss. damage and/or destruction to any structure, fence, landscaping or improvement placed within the boundaries of Magellan's Easement Tract and shall hold Magellan harmJess

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General Encroachment Requirements - (L.P.-1/1/07)

# EXHIBIT "C" TO ENCROACHMENT AGREEMENT, 2 of 4

for damages, destruction of structures and for any consequential damages which may arise out of Magellan or its designees exercising Magellan's Easement rights or which may arise out of accessing Magellan's Easement Tract, pipelines or facilities

### 2. Buildings, Structures and Feaces, Buildings and Structures, No

- 2 buildings, houses, barns, garages, patios, playhouses, sheds, septic systems or drain fields. swimming pools (above-ground or below-ground), reinforced concrete slabs or other similar structures will be permitted on the Magellan's Easement Tract. b. Septic System not permitted.
- No septic-system, including any lateral lines will be permitted on Magellan's Easement Tract.
- c. Retaining Walls. Retaining walls are not permitted on Magellan's Easement Tract.
- d. Fences. No fence shall be onstructed or maintained on Magellan's Easement Tract without a written agreement. e. Requirements for Fences. If
- fencing on Magellan's Easement Tract is authorized by a written agreement with Magellan, the fencing must comply with the following:
- 1) Not Parallel to Pipeline. No fence shall be allowed to be constructed parallel closer than 10 feet to any Magellan pipeline, within the boundaries of Magellan's Easement Tract
- 2) Fence Posts Location, No fence posts will be allowed to be within five (5) feet of any Magellan pipeline or facility. 3) Gates Required. Magellan
- may require any fence constructed within the boundaries of Magellan's Easement Tract to have gates of such size and suitability as is necessary or convenient for Magellan to access its pipelines and/or facilities for its operations, including inspections, at each point are the fence crosses a Magellan pipeline or facility boundary. Magellan shall be allowed to put a Magellan lock on such gates, which will allow access to Magellan's Easement Tract and/or facilities through such gates. 4) Angle of Fence Crossing. It

is preferred that fence crossings be as close to 90 degrees as possible.

#### Landscaping, Elevation Changes and Water, 3.

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a. Landscaping Definition. Landscaping shall include, but not be limited to, trees, shrubs, underground irrigation or sprinkler systems, sidewalks or other paths, retaining walls, terraces or other land grade changes. within

Magellan's Easement Tract b. General Landscaping Requirements. The following are the general rules for landscaping on Magelian's Easement Tract:

1)Written Approval Landscaping proposed to be done on Magellan's Easement Tract must be approved by Magellan in a written

- encroachment agreement. Among other terms, the encroachment agreement will release Magellan from any liability for damages to the landscaping from the exercise of Magellan's Easement rights. 2) Trees Not Permitted. Trees are not permitted on Magellan's Easement Tract.
- 3) Shrabs. Shrubs exceeding 3 feet in height and/or obstructing the view of any Magellan pipeline marker posts are not permitted on Magellan's Easement Tract 4) Irrigation Systems, Field Drain Lines, and Sidewalks. Irrigation systems, field drain lines and sidewalks that are to cross a Magellan pipeline must cross such pipeline at an angle as close to 90 degrees as possible, but in no event at an angle less than 45 degrees
- and must comply with other applicable provisions of this ment c. No Water Bodies on Magellan's Easement Tract. Retention of water. including but not limited to, Livestock ponds, lakes, retention ponds, or weilands may not be constructed or formed on Magellan's Easement Tract. d. Surface Grade and Elevation Changes. Surface grade or elevation changes must be reviewed and

approved in writing by Magellan Foreign Pipeline & Utility Crassings, No foreign pipelines or utility lines of any type shall be allowed to be constructed parallel to any Magellan pipeline within the boundaries of Magellan's Easement

Tract.

Minimum Angle for Pipeline/Utility Crossing. Any foreign pipeline or utility that is proposed to cross a Magellan pipeline must cross the Magellan pipeline at an angle as close to 90 degrees as possible, but in no event at an angle less than 45 degrees. b. Vertical Separation quirements for Crossing. Foreign pipeline(s), utilities (except highvoltage lines - see below) or flow lines should cross Magellan pipeline(s) with at least 24 inches of vertical separation. Special written authorization must be given in the event vertical separation is less than that specified in these General Encroachment Requirements. The preferred method for a foreign pipeline or utility to cross a Magellan pipeline is to cross below the Magellan pipeline. c. Warning Tape Required. When any foreign pipeline or utility line is proposed to cross a Magellan pipeline, Owner must place 6" wide McMaster-Carr No. 8288T12 or

equal within Magellan's Easement

- in the following manner: 1) The tape must be placed directly over (parallel to) and at least 15 inches above the foreign line for the entire distance that it occupies Magellan's Easen Tract. Additionally, the tape must be placed directly over (parallel to) and at least 15 inches above each Magellan pipeline that is crossed for a minimum distance which is the greater of: (a) a minimum distance of 20
- feet on each side of the Magellan pipeline, or (b) across the entire width of Magellan's Easement Tract
- The placement of warning tape on each side of Magellan pipeline(s) will not be required for utility cables that are installed using the directional drill or jacking method. d. Crossings By Metal Pipelines or Conduits. Metallic pipe crossing Magellan pipeline(s) may require Magellan to perform a cathodic protection interference survey. If interference with Magellan's cathodic protection system is detected and remediation is necessary, Owner agrees to cooperate with Magellan and to make necessary adjustments in Owner's Interfering metallic pipe or other remediation to correct such interference problem insure that the Magellan cathodic protection system is operating properly. Electrical, fiber optic, local service. communication, long distance carrier telephone, and utility cables should cross Magellan pipeline(s) with a minimum of 24-inches of vertical separation. All such lines ust be covered with a Concrete Slab for the full width of the Easement Tract, if requested by Magellan, If such lines have an exposed concentric neutral, a test point from the ground wire shall be installed by the power company f. Crossing Requirements For Lines Going Over a Magellan Pipeline. In the event the electrical, fiber optic, local service communication, long distance carrier telephone, and utility cables cable crosses over a Magellan pipeline, such line shall be encased in red concrete across the full width of Magellan's Easement Truct, unless a variance is granted by Magellan, as set forth below. g. Written Authorization for Variance. Owner must have written authorization from Magellan for any

variance from the vertical separation remurements listed above and/or for any variance from the requirement for

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encasement of high-voltage electrical lines in red concrete,

- h. Utility Poles and Guy Anchors. Utility poles and guy anchors shall not be placed on Magellan's Easement Tract without a written agreement. With a written agreement, poles and anchors may be placed no closer than 20 feet to any Magellan pipeline. Poles shall not be allowed to run parallel to a Magellan pipeline within the Magellan Easement Tract.
- Directional Drilling / Boring. Prior to commencing any horizontal directional drilling, Owner shall submit plans showing procedure and material descriptions for Magellan's approval. The plans and description shall include, but not be limited to the following:
  Profile and plan showing

L

- location of entry and exit points Work space required to
- perform the work Mud containment and
- discosal sites Owner shall positively locate 2)
- and stake the location of Magellan's existing pipelines and other underground facilities, including exposing any facilities located within 10 feet of the designed drilled path. Prior to commencing drilling operations, Owner shall modify drilling practices and down-hole assemblies to prevent damage to Magellan's existing pipelines and other facilities. Owner shall be responsible for losses and repairs occasioned by damage all Magellan pipelines and other facilities resulting from drilling or boring operations. 3) At all times, Owner shall provide and maintain instrumentation to docum and accurately locate the pilot hole and the drill bit, to measure drill-string axial and torsional loads, and to measure drilling fluid discharge rate and pressure. At Magellan's request, Owner shall promptly provide Magellan with reasonable access to information and readings provided by these instruments, including copies of any written documentation.

profile drawings. No pilot

hole shall be made that

will result in any of the encroaching utility being

installed in violation of

laws and regulations or of

Magellan's requirements described herein.

However, safety for any adjacent utilities and/or

structures is of utmost importance. Therefore,

the listing of separation distances or tolerances herein does not relieve Owner from responsibility for safe operations or for damage to adjacent utilities and structures. If tolerances are not specified in the plan and profile drawings, the pilot hole shall have the following tolerance

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4) Pilot Hole.

The pilot hole shall be drilled along the path shown in the plan and

drawings • Final penetration of the ground surface within +/-10 feet of the alignment and within +30 feet and -0 feet of the length shown in the plan and profile drawings • Curves shall be drilled at a radius equal to or greater than that specified in the plan and profile drawings. The drilled radius will be calculated over any 3 joints (range 2 type drill pipe) segment using the following formula: Rdrilled = (Ldrilled/Aavg) x 180/m Where: Rdrilled =drilled radius over Ldrilled

Elevation of +0 feet and -15

Alignment of +/-20 feet as

long as it does not come to within 10 feet of Magellan's

Initial penetration of ground

surface at exact location shown in the plan and profile

pipeline

Ldrilled = length drilled; no less than 75 feet and no greater than 100 feet Aavg = total change in angle over Ldrilled

 At the completion of the pilot-hole drilling, Owner shall provide to Magellan a tabulation of horizontal and vertical coordinates. referenced to the drilled entry point, which accurately describe the location of the pilot hole. 5) Drilling Finids.

•The composition of drilling fluids proposed for use shall comply with all applicable laws and regulations. Owner is responsible for

obtaining, transporting and storing any water required for drilling fluids

Disposal of drilling fluids and drill cuttings shall be Owner's responsibility and shall be conducted in compliance with applicable laws and regulations. Drilling fluid shall not be disposed of by placing fluids on or under the surface of Magellan's Easement Track

Owner shall employ best efforts to maintain full annular circulation of drilling fluids. Drilling fluid returns at locations other than entry and exit points shall be minimized, If annular circulation is lost, Owner shall take steps to restore circulation. If inadvertent surface returns of drilling fluids occur, they shall be immediately contained with hand-placed barriers (e.g., hay bales, sand bags, silt fences, etc.) and collected using pumps as practical. If the amount of surface return is not great enough to allow practical collection, the affected area will be diluted with fresh water and the fluid will be allowed to dry and dissipate naturally. If

General Encroachment Requirements - (L.P.- 1/1/07)

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# EXHIBIT "C" TO ENCROACHMENT AGREEMENT, 3 of 4

the amount of surface return exceeds that which can be contained with hand-placed barriers, small collection sumps (less than 5 cubic yards) may be used unless permits or other regulations prohibit the use of collection sumps. If the amount of surface return exceeds that which can be contained and collected using barriers or small sumps, or if the return of drilling fluids occurs in the body of water proper, drilling operations will be suspended until surface return volumes can be controlled.

6) As-Built Drawing. Owner shall provide to Magellan an as-built plan and profile drawing of the drilled crossing showing the location of the new crossing as well as the location of Magellan's pipeline.

 <u>Roadway</u>, <u>Driveway</u>, <u>Reliroad and Equipment</u> <u>Crossings</u>. No roadway, driveway, railroad or equipment crossings of any type shall be allowed to be constructed parallel to any Magellan pipeline within the boundaries of Magellan's Easement Tract.

a. Pipeline Jategrity Inspection. A pipeline integrity raview shall be performed by Magellan as described in provision "6" under "C. <u>Encroachment Planning</u>" (above). b. Load Bearing and Stress Limit Requirements. Prior to any road, driveway, rail bed or equipment crossing construction. Magellan's engineer must determine whether the proposed compacted cover meets load-bearing requirements and provides adequate protection to limit stress on Magellan's pipeline or other facilities and must advise Owner of any additional requirements necessary to provide adequate protection.

c. No Crossing Over Pipeline Bend, Paved surfaces or rail beds shall not he allowed to cross a pipeline bend (point of inflection). d. Minimum Angle of Crossing. Crossings

should be as close to 90 degrees to Magellan pipeline(s) as possible, but not less than 30 degrees. e. Pipeline Casing Issues. Magellan prefers that

cased roadway and railroad crossings no longer be installed. If the carrier pipe under roadways and railroads requires adjustment or relocation then instead of using casing, the carrier pipe will consist of extra strength material or heavier wall thickness to accommodate the additional longitudinal stress due to external loads. If a road or railroad crossing currently uses casing and the road or railroad is being widened and no other adjustment or relocation of the carrier pipe is required, then Magellan may elect to extend the casing pipe on the existing crossing(s) to accommodate additional road surface. If casing is used, it must not end under the readway surface or track structure, but must extend across the entire length of the readway or railroad right of

way. f. Railroad Crossing Requirements. Railroads shall be installed with a

minimum compacted cover over the curier pipe, as measured from the base of the rail to the top of the pipe, as follows (see Figures 1 and 3):

Lacation of Pipeline	<u>Minimum</u> <u>Compacted Cover</u> <u>Over Top of</u> Pigeline
Under track structure proper (Below bottom of rail)	6.0 feet
Under all other surfaces within the right of way or from the bottom of ditches	3.0 feet

z. Roadway and Driveway Crossings. Roadways and driveways, shall be installed with a minimum compacted cover over the carrier pipe, as measured from the top of the roadway surface to the top of the pipe, as follows (see Figures 2 and 4):

Location of Pipeline	Minimum Compacted Cover Over Top of Pipeline
Under roadway surface proper (Below surface of pavement)	4.0 feet
Under all other surfaces within the right of way or from the bottom of ditches	3.0 feet

 h. Crossing Pipelines Transporting Highly Volatile Liquids. For Magellan pipelines transporting highly volatile liquids, minimum cover for a crossing at a drainage ditch must be 4.0

i. When Additional Depth Required. Depth greater than the minimum depths stated above may be required for a pipeline due to the combined stress of internal pipeline pressure and external loading pressure. Magellan will analyze each proposed crossing based on information provided by Owner to determine any additional depth that may be required for the pipeline for safe operation. J. Temporary Roads and Equipment Crossings. Any such road or crossing must meet the following requirements:

· Must be located at a site approved by a Magellan field representative. • Must provide adequate protection for Magellan's pipeline and other facilities as

determined by the appropriate Magellan engineer, so that the compacted cover meets load-bearing requirements and provides adequate protection to limit stress on the pipeline or other facilities.

 Owner shall place Six-inch wide plastic warning tape, McMaster-Carr No. 8288712 or equal, over each pipeline for the width of the temporary road or equipment crossing, plus an additional 20 feet past each outside edge of such temporary road or equipment crossing k. Owner Required to Protect Magellan Pipelines. Magellan may require Owner to pur in place additional cover and/or stabilization (timbers, steel plate, crushed rock, concrete slah, etc.) at any approved equipment crossing in order to protect Magellan pipelines, taking into account possible effects of weather, pipeline depth, and type of vehicles proposed to cross the pipelines. Magellan will analyze each proposed crossing hased on information provided by Owner to determine any additional depth or protection that may be required for safe pipeline operation. L Heavy Equipment - Definition and Requirements. Heavy equipment shall be defined as vehicles having a gross weight in excess of 80,000 pounds. Heavy equipment shall be prohibited from working directly on top of the active pipeline. For vehicles having a gross which a first one of the large state of the state of the active pipeline. For vehicles having a gross weight of 80,000 pounds or less, the pipeline m have a minimum of 4 feet of cover. Magellan must analyze the additional longitudinal stress due to external loads if the vehicles have a gross weight in excess of \$0,000 pounds in order to determine required pipeline depth for safe operation

#### 6. Parking Lots and Other Pavement.

a. Parking Lot and Pavement Requirements. All parking lots and other pavement installed on Magellan's Easement Tract shall consist of a flaxible surface such as asphalt. No reinforced concrete will be allowed. b. Pipeline Depth Under Parking Lot. The depth of Magellan's pipelines under a parking lot must meet or exceed compacted cover requirements listed in the previous "Roadway, Driveway, Railroad, and Equipment Crossings" section above

#### 7. Waterway Crossings

a. Pipeline Depth Requirements. If Owner proposes to cross a Magellan pipeline with a waterway (river, stream, creek, irrigation canal, or drainage ditch), such crossing must result in Magellan's pipelines meeting or exceeding the minimum depth below the bottom of the waterway for compliance with then current pipeline construction standards and federal, state, and local regulations.

 Bould regiments for Waterway Crossings:
 1) Minimum Angle or Crossing. Crossing should be as close to 90 degrees to Magell pipeline(s) as possible, but not less than 45

degrees. 2) Vertical Separation Requirements for Waterway Crossing. Pipelines to be crossed must have a minimum vertical separation of five (5) feet, as measured from the bottom of the waterway to the outermost part of a Magellan pipeline, facility or appurtenance

3) Adding Weight to Pipeline for Negative Buoyancy. Owner shall bear the cost of Magellan adding sufficient weight or mechanical devices to any Magellan pipeline crossed by a waterway in order to create negative buoyancy for such pipeline.

#### 8. Blasting.

a. Magelian Written Approval Required – Pian To Be Sabmitted. Magellan must approve any proposed blasting operations that could affect its pipelines or facilities, Should blasting he necessary, a comprehensive plan must be submitted to Magellan for review and writzen approval.

b. Safety Considerations - Damage Prevention Plan. For safety and preservation of Magellan assets, all blasting shall be in accordance with federal, state, and local governing agencies and the Magellan's "Damage Prevention Plan for Blasting Near Company Facilities". A copy of said plan will be made supible upon vernes will be made available upon request.

#### EXCAVATION NEAR MAGELLAN PIPELINES.

1. STATE "ONE-CALL" REQUIRED. No cavation or activity listed in "A. GENERAL I. Encroachment Definition" above shall be erformed by Owner in the vicinity of

Magellan's facilities or within Magellan's Easement Tract until proper telephone notification has been made to the appropriate "One Call" system and a Magellan representative is on-site to monitor excavation activities. All of the states in which Magellan conducts pipeline operations have "One Call" laws, which require 48-72-hours notification prior to any excavation related activities. After making a One-Call, the state One-Call agency will notify Magellan to mark accurately, in a reasonable and timely manner, the location of the Magellan's pipeline facilities in the vicinity of the roposed encroachment

**ONE-CALL NOTIFICATION.** The following list is provided for convenience, but is not warranted by Magellan to be complete or accurate (telephane numbers were copied from each state's web site on 1/5/2004) Owner is required to acquire and call the appropriate One-Call number(s) for its location of activity.

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General Encroachment Requirements - (L.P.- 1/1/07)

# EXHIBIT "C" TO ENCROACHMENT AGREEMENT, 4 of 4



General Encroachment Requirements - (L.P.-1/1/07)

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## **ENCROACHMENT & CROSSING AGREEMENT**

THIS ENCROACHMENT & CROSSING AGREEMENT ("Agreement") is made, dated and effective as of the <u>4</u><sup>th</sup> day of <u>May</u>, 2020, by and between WHITE CLIFFS PIPELINE, LLC, a Delaware limited liability company ("WHITE CLIFFS"), having a mailing address of 1300 Main Street, Houston, Texas 77002 and COLORADO SAND COMPANY LLC, a Delaware Limited Liability Company, including its subsidiaries, divisions, parent, and affiliates ("COLORADO SAND"), having a mailing address of 2001 Kirby Drive, Suite 360, Houston, Texas 77019, WHITE CLIFFS and COLORADO SAND being collectively referred to herein as the "Parties".

### WITNESSETH:

WHEREAS, WHITE CLIFFS is the current owner and holder of multiple easement rights granted under certain easement instruments ("WHITE CLIFFS Easements") as described on the attached Exhibit "A", attached hereto and incorporated herein; and

WHEREAS, pursuant to the WHITE CLIFFS Easements, WHITE CLIFFS has installed, and now maintains and operates two (2) 12-inch pipelines and appurtenant facilities as shown on the attached Exhibit "B" (collectively, "WHITE CLIFFS Facilities") within the WHITE CLIFFS Easements; and

WHEREAS, COLORADO SAND is the current owner and holder of leasehold, easement, and license rights granted under certain currently existing agreements permitting certain mining operations ("COLORADO SAND Agreements") affecting property located in Weld County, Colorado as shown on the attached Exhibit "B" (the "Mine Area"); and

WHEREAS, COLORADO SAND intends to construct, maintain and operate certain roadways in connection with its mining operation within the Mine Area (collectively, "Haul Roads"); and

WHEREAS, Haul Roads will cross and/or otherwise encroach upon an area 400 feet wide, being 200 feet on either side of the center of the WHITE CLIFFS Facilities, as shown on the attached Exhibit "B" (the "Exclusion Zone"); and

WHEREAS, COLORADO SAND desires to obtain WHITE CLIFFS's consent to construct Haul Roads within the Exclusion Zone and to mitigate any potential effects on WHITE CLIFFS's Facilities and in in connection therewith, has requested that Owner sign a notarized agreement form that was approved by the Colorado Mined Land Reclamation Board that sets forth that Mine Company will provide compensation for any damage to the Facilities resulting from the proposed mining operation ("Form"); and

WHEREAS, WHITE CLIFFS desires to grant such consent to COLORADO SAND under the terms and conditions of this Agreement and the Parties have agreed to enter into this Agreement in addition to the mutual execution of the Form.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

The recitals to this Agreement are incorporated into and shall constitute a part of this Agreement.

To the extent WHITE CLIFFS has the right to do so, WHITE CLIFFS hereby grants consent to COLORADO SAND to install, maintain and operate the Haul Roads under the terms and conditions of this Agreement.

COLORADO SAND agrees not conduct any mining operations within the Exclusion Zone.

COLORADO SAND shall utilize the use of incremental cover lift placement and other bridging mechanisms to ensure WHITE CLIFFS Facilities' integrity is maintained over the duration of active operations in areas affected by the HAUL ROADS, as per typical drawings attached as Exhibit "C". COLORADO SAND will provide a complete set of construction plans with exact crossing locations for review and approval prior to construction or installation of the Haul Roads. If changes are later made as a result of the review process by WHITE CLIFFS, then final revised plans shall be provided by COLORADO SAND to WHITE CLIFFS before final approval is granted by WHITE CLIFFS. WHITE CLIFFS will review and provide its response within a reasonable time period. COLORADO SAND will not construct any improvements within the Exclusion Zone until WHITE CLIFFS, in its reasonably based discretion, has approved the COLORADO SAND'S final construction plans, it being mutually agreed that WHITE CLIFFS will not be required to approve any construction of improvements that may damage WHITE CLIFFS Facilities.

COLORADO SAND shall diligently protect WHITE CLIFFS Facilities at all times during the performance of any work associated with the Haul Roads. COLORADO SAND will conduct all of its installation, maintenance and operation of the Haul Roads so as not to unreasonably interfere with any of WHITE CLIFFS Facilities or the operation and maintenance thereof.

COLORADO SAND shall make the appropriate notices to the Colorado One Call Notification Center (811) prior to commencement of any work that may possibly interfere with any of the WHITE CLIFFS Facilities.

COLORADO SAND shall provide a minimum of forty-eight (48) hours' notice to WHITE CLIFFS prior to any work, including installation, construction, excavation, or demolition on the parcels encumbered by the Haul Roads. Upon such notice by COLORADO SAND, WHITE CLIFFS may elect to have a WHITE CLIFFS representative, whether one or more ("Representative"), be present during any construction activities within the WHITE CLIFFS Easements or the Exclusion Zone. The Representative shall have the authority to stop any work performed by COLORADO SAND and/or any of its contractors, if the work is believed in WHITE CLIFFS'S reasonable discretion to be inconsistent with the final plans or noncompliant with this Agreement or considered unsafe. The Representative shall be invited to participate in

all COLORADO SAND safety meetings. This provision shall apply each time work is to be performed within the WHITE CLIFFS Easements or Exclusion Zone.

COLORADO SAND agrees to install the Haul Roads along with any associated temporary construction crossings at or near right angles at the point of intersection with WHITE CLIFFS Facilities. The Haul Rods and temporary construction crossings shall be constructed in accordance with, but not limited to, the following provisions of WHITE CLIFFS's engineering and construction standards. In addition:

- No existing cover shall be removed from WHITE CLIFFS Easement area or WHITE CLIFFS Facilities unless approved by a Representative.
- Permanent or Temporary vehicle and/or construction equipment crossing WHITE CLIFFS Facilities shall require wheel/track load calculations for superimposed loading due to traffic (DOT maximum axle load 20,000 lbs. per axle) to be completed and approved on each vehicle and/or construction equipment crossing WHITE CLIFFS Facilities; crossings must have a minimum of thirty-six (36) inches of cover over WHITE CLIFFS Facilities and installation of air bridging, matting or other suitable material required to achieve the necessary support for each crossing which shall span a minimum of ten (10) feet either side of WHITE CLIFFS Facilities.
- Temporary storage of spoils, material, equipment or vehicles within the WHITE CLIFFS Easements must be approved and at no time permitted directly over WHITE CLIFFS's Facilities.

COLORADO SAND agrees not to alter or change the location of the Haul Roads once constructed without receiving prior written consent from WHITE CLIFFS. COLORADO SAND shall maintain and operate the Haul Roads at its sole cost and expense, and COLORADO SAND shall be responsible for repairing any settling due to the Haul Roads within the WHITE CLIFFS Easements. WHITE CLIFFS shall not be responsible for any costs associated with the operation or maintenance of the Haul Roads.

The consent granted herein is limited exclusively to the proposed construction, maintenance and operation of the Haul Roads, as approved by WHITE CLIFFS through the process outlined in this Agreement. Except as to the Haul Roads, COLORADO SAND shall not construct, plant or create additional improvements of any kind within the confines of the WHITE CLIFFS Easements without the prior express written consent of WHITE CLIFFS. COLORADO SAND shall not alter the grade or permit such alteration anywhere on WHITE CLIFFS Easements without the prior written consent of WHITE CLIFFS.

COLORADO SAND acknowledges that WHITE CLIFFS's engineering and construction standards are subject to change, and COLORADO SAND agrees that for all future road projects, COLORADO SAND, its affiliates, successor, and assigns, will consult with WHITE CLIFFS during the planning process of such future road projects and abide by the engineering and

construction standards required by WHITE CLIFFS in effect at the time of the construction of such future project(s).

COLORADO SAND understands and agrees that WHITE CLIFFS may not have the authority to grant COLORADO SAND permission to construct, maintain and operate the Haul Roads within the WHITE CLIFFS Easements. This Agreement merely defines the terms by which WHITE CLIFFS will not object to the Haul Roads. The consent granted by this Agreement shall not constitute or be construed as a subordination, merger, assignment, conveyance or relinquishment of any of the right, title and interest of WHITE CLIFFS under the provisions of the WHITE CLIFFS Easements.

COLORADO SAND will secure all necessary permits and approvals and comply with all applicable laws, regulations and rules governing the construction, reconstruction, replacement, maintenance and use of the Haul Roads.

COLORADO SAND shall release, defend, indemnify and hold harmless WHITE CLIFFS, its parents, associated and affiliated companies, its and their agents, employees, officers, directors, insurers, successors and assigns from and against any loss, damage, claim, suit, liability, judgment, and expense (including attorney's fees and the costs of litigation), and any fines, penalties and assessments arising out of injury, death or worse of persons (including that of employees of WHITE CLIFFS, COLORADO SAND or their contractors or subcontractors), damage to or loss of any property (including that of COLORADO SAND, WHITE CLIFFS or their contractors or subcontractors), caused by, arising out of, or resulting from, either directly or indirectly, the activities of COLORADO SAND or its contractors or subcontractors arising out of or related to this Agreement, excepting consequential, special and indirect damages. Provided, COLORADO SAND and WHITE CLIFFS each shall bear that portion of liability attributable to such party according to the principles of comparative fault and/or contribution in accordance with Colorado law. Notwithstanding anything herein to the contrary, in no event shall COLORADO SAND, its officers, directors, employees, subsidiaries, agents, representatives, successors or assigns be held liable to WHITE CLIFFS for any form of consequential, special or indirect damages.

This Agreement in no way constitutes a waiver by WHITE CLIFFS of its rights to enjoy the WHITE CLIFFS Facilities and/or WHITE CLIFFS Easements unencumbered by the construction, operation, maintenance or use of the Haul Roads.

COLORADO SAND shall procure and maintain with reputable insurers with AM Best Company's rating of not less than "A-:VII" policies of insurance written on an occurrence basis or on claims made basis (in which event insurance shall be maintained during the term of this Agreement), with limits not less than those indicated for the respective items as follows:

1. Statutory Workers' Compensation and Occupational Disease Insurance, including Employer's Liability Insurance complying with laws of each jurisdiction in which any work is to be performed or elsewhere as may be required. Employer's Liability Insurance shall be provided with a limit not less than: \$1,000,000 each occurrence;

- 2. Commercial Liability Insurance, including but not limited to all Premises and Operations, Contractual Liability, Products-Completed Operations Liability, Fire Legal Liability, Explosion, Collapse and Underground Damage Liability, Broad Form Property Damage Liability, and if applicable, Watercraft and Aircraft Liability, as well as coverage on all Contractor's mobile equipment (other than motor vehicles licensed for highway use) owned, hired or used in the performance of this Contract with limits not less than: \$5,000,000 Bodily Injury, Personal Injury & Property Damage combined each occurrence and aggregate;
- **3.** Commercial Automobile Liability Insurance, including Contractual Liability, covering all motor vehicles licensed for highway use and employed in the performance of this Contract, with limits not less than: \$5,000,000 Bodily Injury, Personal Injury & Property Damage combined each occurrence and aggregate.

Upon execution of this agreement, COLORADO SAND shall furnish WHITE CLIFFS a certificate of insurance evidencing the coverage required herein.

To the extent allowed by law, COLORADO SAND shall include WHITE CLIFFS as an additional insured under the policies required above, but only to the extent of COLORADO SAND's indemnification obligations hereunder. COLORADO SAND will not allow its insurance carrier the right to make a subrogation claim against WHITE CLIFFS or any of its affiliates in connection with any of the coverages listed above.

Each party to this Agreement acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy, and (b) if a breach or a threatened breach by such party of any such obligations occurs, the other party hereto will, in addition to any and all other rights and remedies that may be available to such party at law, at equity, or otherwise in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction, without any requirement to (i) post a bond or other security, or (ii) prove actual damages or that monetary damages will not afford an adequate remedy. Each party to this Agreement agrees that such party shall not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this paragraph. Provided however, that each party, shall have thirty (30) days from receipt of written notice to cure any breach except where the breach creates a risk to public safety of damage to WHITE CLIFFS's Facilities or the Haul Roads.

All notices given or permitted to be given hereunder shall be in writing. Notice is considered given either (i) when delivered in person to the recipient named below, (ii) five (5) days after deposit in the United States mail in a sealed envelope or container, postage and postal charges prepaid, return receipt requested or certified mail, addressed by name and address to the party or person intended, or (iii) twenty-four (24) hours after delivery to a reputable overnight courier service addressed by name and address to the party or person intended by name and address to the party or person intended by name and address to the party or person intended as follows:

### **Notice to WHITE CLIFFS:**

White Cliffs Pipeline, LLC 1300 Main Street Houston, Texas 77002 ATTN: ROW Department

# Notice to COLORADO SAND:

Colorado Sand Company, LLC 2001 Kirby Drive, Suite 360 Houston, Texas 77019

Either party may, by notice given at any time or from time to time, require subsequent notices to be given to another individual person, whether a party or an officer or representative, or to a different address, or both. Notices given before actual receipt or notice of change shall not be invalidated by the change.

All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the Parties, or otherwise.

This Agreement shall run with the land and be binding upon and inure to the benefit of WHITE CLIFFS and COLORADO SAND, and their respective successors and assigns, including any successor owners of the WHITE CLIFFS Easements, WHITE CLIFFS's Facilities, and the Haul Roads and any successor holders of such parties' respective rights under the WHITE CLIFFS Easements and agreements related to Haul Roads, as amended, modified, supplemented, restated and replaced from time to time.

If any provision of this Agreement is adjudicated or otherwise found to be against public policy, void, or otherwise unenforceable, then such provision shall be deleted or modified, in keeping with the express intent of the parties hereto, as necessary to render all the remainder of this Agreement, valid and enforceable. All such deletions or modifications shall be the minimum required to effect the foregoing.

This Agreement may not be assigned by COLORADO SAND without the prior written consent of WHITE CLIFFS, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, COLORADO SAND shall have the right to collaterally assign this Agreement in connection with any financing or equity transaction without the prior consent of WHITE CLIFFS; provided that COLORADO SAND shall remain responsible for any and all obligations under this Agreement until such time as WHITE CLIFFS consents to such assignment.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Colorado, excluding the choice of law provisions thereof. WCPL Crossing Agreement - CO Sand Keenesburg No. 2 Mine - 4.22.2020 FINAL

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This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same document.

In any instance in which any terms in this Agreement are in contradiction to the terms in the Form referenced in the recital, the terms in the Form will control.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

# **COLORADO SAND COMPANY LLC**

erson By: David Patt Co- president Its:

WHITE CLIFFS PIPELINE, LLC By: SemCrude Pipeline, LLC Its <u>Managing</u> Member

Kenn Jahoferro By: Kenin Talioferro Its: <u>Sr. Director - Land and Right of Way</u>

## ACKNOWLEDGEMENT

Before me, the undersigned authority, a Notary Public in and for said county and state, on SAND this personally appeared COLORADO COMPANY day LLC, by David Butterson, its CU-prosident , known to me to be the person whose name is subscribed to the foregoing instrument of writing, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

In testimony whereof, I have hereunto subscribed my name and affixed my official seal, on the and year last above written. day and year last above written.

aug und your lust above written.	MARIA GA	D < M
	The state of the s	Tharn Barga
		Notary Public
	TO OF TEN ANVE	Mania GARZA
	The second se	Print Name
My Commission Expires: May	3, 20 2 3 minum	
STATE OF <u>TEXAS</u> )		
	S	
COUNTY OF DALLAS )		

Before me, the undersigned authority, a Notary Public in and for said county and state, on this day personally appeared <u>Kevin Talieferro</u>, <u>Sr. Director-land and Right of Usy</u> of SemCrude Pipeline, LLC, the managing member of WHITE CLIFFS PIPELINE, LLC, known to me to be the person whose name is subscribed to the foregoing instrument of writing, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

In testimony whereof, I have hereunto subscribed my name and affixed my official seal, on the day and year last above written.

NUMBER PUBL	MEGAN RENEA HETRICK
	Notary Public, State of Texas
	Comm. Expires 05-01-2023
THE OF THINK	Notary ID 131996786

Megan Renea Hetrick Notary Public Megan Renez Hetrick Print Name

My Commission Expires: 05-01-202

WCPL Crossing Agreement - CO Sand Keenesburg No. 2 Mine - 4.22.2020 FINAL

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# Exhibit "A"

# WHITE CLIFFS EASEMENTS

- Right of Way and Easement from Guttersen Ranches, LLC to White Cliffs Pipeline, LLC, dated December 4, 2009, recorded at Reception Number 3665911, County Clerk's Office, Weld County, Colorado covering portions of the following lands: Sections 28, 29, and 33, Township 3 North, Range 64 West, Section 12, Township 2 North, Range 64 West, Sections 7 and 8, Township 2 North, Range 63 West, all West of the 6<sup>th</sup> Principal Meridian.
- Right of Way and Easement from Guttersen Ranches, LLC to White Cliffs Pipeline, LLC, dated January 23, 2014, recorded at Reception Number 3996008, County Clerk's Office, Weld County, Colorado covering portions of the following lands: Sections 28, 29, and 33, Township 3 North, Range 64 West, Section 12, Township 2 North, Range 64 West, Sections 7 and 8, Township 2 North, Range 63 West, all West of the 6<sup>th</sup> Principal Meridian.

EXHIBIT "B"

# [INSERT MAP OF AFFECTED AREA]

WCPL Crossing Agreement - CO Sand Keenesburg No. 2 Mine - 4.22.2020 FINAL

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# <u>EXHIBIT "C"</u>

# [INSERT TYPICAL CROSSING DRAWING]

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**Pipeline Crossing Typical** 



Exhibit C - Pipeline Crossing Typical

White Cliffs Crossing Agreement - Colorado Sand Keenesburg No.2 Mine

# **Structure Agreement**

This letter has been provided to you as the owner of a structure on or within two hundred (200) feet of a proposed mine site. The State of Colorado, Division of Reclamation, Mining and Safety ("Division") requires that where a mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant shall either:

- A. Provide a notarized agreement between the Applicant and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or
- B. Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or
- C. Where such structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility. (*Construction Materials Rule 6.3.12 and Rule 6.4.19 & Hard Rock/Metal Mining Rule 6.3.12 and Rule 6.4.20*)

The Colorado Mined Land Reclamation Board ("Board") has determined that this form, if properly executed, represents an agreement that complies with Construction Materials Rule 6.3.12(a), Rule 6.4.19(a), and C.R.S. § 34-32.5-115(4)(e) and with Hard Rock/Metal Mining Rule 6.3.12(a), Rule 6.4.20(a), and C.R.S. § 34-32-115(4)(d). This form is for the sole purpose of ensuring compliance with the Rules and Regulations and shall not make the Board or Division a necessary party to any private civil lawsuit to enforce the terms of the agreement or create any enforcement obligations in the Board or the Division.

The following structures are located on or within 200 feet of the proposed affected area:

1. Oil and Natural Gas Pipelines

# **CERTIFICATION**

The Applicant, <u>Colorado Sand Company LLC</u>, by <u>David Patterson</u>, as <u>Chief Financial Officer</u>, does hereby certify that <u>White Cliffs Pipeline</u>, <u>LLC</u> (structure owner) shall be compensated for any damage from the proposed mining operation to the above listed structure(s) located on or within 200 feet of the proposed affected area described within Exhibit A, of the Reclamation Permit Application for <u>Keenesburg No. 2 Mine</u> (operation name),

File Number M-\_\_\_\_\_.

This form has been approved by the Colorado Mined Land Reclamation Board pursuant to its authority under the Colorado Land Reclamation Act for the Extraction of Construction Materials and the Colorado Mined Land Reclamation Act for Hard Rock, Metal, and Designated Mining Operations. Any alteration or modification to this form shall result in voiding this form.

[The remainder of this page has intentionally been left blank]

# NOTARY FOR PERMIT APPLICANT

ACKNOWLEGED BY:

Applicant Colorodo Sand Company	Repres	sentative Name Stavid Autterson
Date _ april 24, 20 2.0	Title _	CO-President
STATE OF Texas		
COUNTY OF Harris ) ss.		

The foregoing was acknowledged before me this <u>24</u><sup>4</sup> day of \_\_\_\_\_\_, 2020, by

Ane Marin Barga My Commission Expires: May 5, 2023

Notary Public



# **NOTARY FOR STRUCTURE OWNER**

ACKNOWLEGED BY:
Structure Owner White Cliffs Pipeline, LLC
Representative Name Kenn Talieferro
Date May 4th, 2020 Title Sr. Director - Land and Right of Way
STATE OF TEXAS
) ss. COUNTY OF <u>DALLAS</u> )
The foregoing was acknowledged before me this <u>4</u> day of <u>May</u> , 2020, by <u>Kevin Tallaferro</u> as <u>Sr. Director Land and Right of Var</u> of White Cliffs Pipeline, LLC by
SemCrude Pipeline, LLC, its member
My Commission Expires: 05-01-2023
Notary Public Megan Renea Retrict
MEGAN RENEA HETRICK Notary Public, State of Texas Comm. Expires 05-01-2023 Notary ID 131996786