

STATE OF
COLORADO

Hays - DNR, Peter <peter.hays@state.co.us>

**SUA for Bennett Pit - Pioneer Land Company, LLC and Northern Colorado Constructors
USR 17-0072**

JC York <jcyork@j-tconsulting.com>

Fri, Apr 16, 2021 at 10:01 AM

To: "Hays - DNR, Peter" <peter.hays@state.co.us>

Cc: Chris Zadel <chrisz@ncconstructors.com>, Tom Bennett <tbennett@diamondspas.com>

Peter –

I am attaching the correspondence that we had with Anadarko prior to our Weld County Planning Commission and Board of County Commissioners hearings where they did not object to our mining plan (see e-mail below dated January 22, 2019) and also the last agreement and exhibit that we sent to them. We commented back to them about the agreement as shown below that there were certain items that could be removed from the agreement (see e-mail below dated October 10, 2018 to Don Jobe). We were then told by Joe Kemock that their legal was reviewing it (see e-mail below dated January 3, 2019). We never received anything after that date and Weld County told us we had done enough based on our correspondence.

Regards,

J.C.

J.C. York, P.E.

J&T Consulting, Inc.

305 Denver Avenue, Suite D

Fort Lupton, CO 80621

Office: (303) 857-6222

Mobile: (970) 222-9530

FAX: (303) 857-6224

From: Kemock, Joseph [mailto:Joseph.Kemock@anadarko.com]**Sent:** Tuesday, January 22, 2019 8:46 AM**To:** JC York**Cc:** Jobe, Don; McGraw, Brandon; Bursey, Sherry; Martin, Chris (Land)**Subject:** ** Possible Spam ** SUA for Bennett Pit - Pioneer Land Company, LLC and Northern Colorado Constructors USR 17-0072

JC,

It does not appear that our review of the SUA, the plugging and abandoning plan for existing wells, and/or our future access routes into existing wells (whether plugged and abandoned or active) are going to be completed by the time of your upcoming hearing. However, we do not object to the USR permit and will continue in good faith to negotiate and cooperate with you to come to a mutually

beneficial agreement with regards to the plugging and abandonment of existing wells, access to and set-back boundaries around existing and/or plugged wells, and any liability associated with the aforementioned.

Thank you very much for your time and consideration in this matter, I look forward to continuing to work with you toward a mutually satisfactory agreement in these matters.

Joe

Joseph Kemock

Anadarko Petroleum Corporation

1099 18th Street, Suite 1800

Denver, CO 80202-1918

720-929-4371 (Direct)

814-421-5347 (Mobile)

joseph.kemock@anadarko.com

From: Kemock, Joseph [mailto:Joseph.Kemock@anadarko.com]

Sent: Thursday, January 03, 2019 9:57 AM

To: JC York; Jobe, Don

Cc: 'Chris Zadel'; 'Tom Bennett'

Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

JC,

APC legal is reviewing the finalized version of the SUA now while I am running some traps and gathering information on the existing wells & access roads associated with the development. I will touch base with you early next week to give you a more in depth update.

Thank you,

Joe

From: JC York <jcyork@j-tconsulting.com>

Sent: Thursday, January 03, 2019 9:33 AM

To: Kemock, Joseph <Joseph.Kemock@anadarko.com>; Jobe, Don <Don.Job@anadarko.com>

Cc: 'Chris Zadel' <chrisz@nccconstructors.com>; 'Tom Bennett' <tbenett@diamondspas.com>

Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

WARNING! This email originated from a source external to Anadarko. If you do not recognize the sender or are suspicious of its content, forward this email to ITSecurity@anadarko.com. **DO NOT** reply, open attachments or click on any links in a suspicious email.

Joe –

I left a voicemail for you yesterday and wanted to follow-up with an e-mail to see if we could get the SUA finalized for the Bennett Pit. Please give me a call at your earliest convenience.

Regards,

J.C.

J.C. York, P.E.

J&T Consulting, Inc.

305 Denver Avenue, Suite D

Fort Lupton, CO 80621

Office: (303) 857-6222

Mobile: (970) 222-9530

FAX: (303) 857-6224

From: Kemock, Joseph [mailto:Joseph.Kemock@anadarko.com]

Sent: Tuesday, October 30, 2018 6:46 AM

To: jcyork@j-tconsulting.com; Jobe, Don

Cc: 'Chris Zadel'; 'Tom Bennett'

Subject: Re: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Best number to reach me is my office which is:

720-929-4371

Sent via the Samsung Galaxy S8, an AT&T 4G LTE smartphone

----- Original message -----

From: JC York <jcyork@j-tconsulting.com>

Date: 10/30/18 6:41 AM (GMT-07:00)

To: "Kemock, Joseph" <Joseph.Kemock@anadarko.com>, "Jobe, Don" <Don.Job@anadarko.com>

Cc: 'Chris Zadel' <chrisz@nccconstructors.com>, 'Tom Bennett' <tbenett@diamondspas.com>, jcyork@j-tconsulting.com

Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Joe –

What number can I call you at around 2:00 PM today?

Regards,

J.C.

From: Kemock, Joseph <Joseph.Kemock@anadarko.com>
Sent: Monday, October 29, 2018 4:03 PM
To: JC York <jcyork@j-tconsulting.com>; Jobe, Don <Don.Job@anadarko.com>
Cc: 'Chris Zadel' <chrisz@ncconstructors.com>; 'Tom Bennett' <tbennett@diamondspas.com>
Subject: Re: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

J.C.

I will be available tomorrow afternoon until about 3 p.m., please let me know what time you would like to set up call

Joe

Sent via the Samsung Galaxy S8, an AT&T 4G LTE smartphone

----- Original message -----

From: JC York <jcyork@j-tconsulting.com>
Date: 10/29/18 3:58 PM (GMT-07:00)
To: "Kemock, Joseph" <Joseph.Kemock@anadarko.com>, "Jobe, Don" <Don.Job@anadarko.com>
Cc: 'Chris Zadel' <chrisz@ncconstructors.com>, 'Tom Bennett' <tbennett@diamondspas.com>
Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Joe –

Let me know if you are available for a call tomorrow afternoon?

Regards,

J.C.

J.C. York, P.E.

J&T Consulting, Inc.

305 Denver Avenue, Suite D

Fort Lupton, CO 80621

Office: (303) 857-6222

Mobile: (970) 222-9530

FAX: (303) 857-6224

From: Kemock, Joseph [mailto:Joseph.Kemock@anadarko.com]

Sent: Wednesday, October 24, 2018 3:04 PM

To: JC York; Jobe, Don

Cc: 'Chris Zadel'; 'Tom Bennett'

Subject: Re: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

J.C.

I will give you a call tomorrow morning, I'm currently in the field and will be the remainder of the afternoon but I'll be in the office all morning tomorrow.

Thank you I look forward to speaking with you tomorrow.

Joe

Sent via the Samsung Galaxy S8, an AT&T 4G LTE smartphone

----- Original message -----

From: JC York <jcyork@j-tconsulting.com>

Date: 10/24/18 11:03 AM (GMT-07:00)

To: "Jobe, Don" <Don.Job@anadarko.com>

Cc: 'Chris Zadel' <chrisz@nccconstructors.com>, 'Tom Bennett' <tbennett@diamondspas.com>, 'Kemock, Joseph' <Joseph.Kemock@anadarko.com>

Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Don / Joe –

Just checking in to see if we could catch up and talk about the SUA as we wanted to make sure everyone understands the remaining items we would like to finalize with the agreement. Let me know when you may have a time to discuss via conference call.

Regards,

J.C.

J.C. York, P.E.

J&T Consulting, Inc.

305 Denver Avenue, Suite D

Fort Lupton, CO 80621

Office: (303) 857-6222

Mobile: (970) 222-9530

FAX: (303) 857-6224

From: Jobe, Don [mailto:Don.Job@anadarko.com]

Sent: Thursday, October 18, 2018 1:10 PM

To: JC York

Cc: Chris Zadel; 'Tom Bennett'; Kemock, Joseph

Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

J.C. –

I've cc'd Joe Kemock, who will be assisting you with the finalization of the SUA. We have the attached SUA in review with our legal and operations team. We will be in touch next week with an update.

Thank you,

Don Jobe | Land Supervisor – DJ Basin

ANADARKO PETROLEUM CORPORATION | 1099 18th Street, Suite 1800, Denver CO 80202 | Office: 720-929-6026 | Mobile: 817-992-9545

From: JC York <jcyork@j-tconsulting.com>

Sent: Thursday, October 18, 2018 12:52 PM

To: Jobe, Don <Don.Job@anadarko.com>

Cc: Chris Zadel <chrisz@ncconstructors.com>; 'Tom Bennett' <tbennett@diamondspas.com>

Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Don –

Just wanted to check in to see if you had someone assigned to this yet?

Regards,

J.C.

J.C. York, P.E.

J&T Consulting, Inc.

305 Denver Avenue, Suite D

Fort Lupton, CO 80621

Office: (303) 857-6222

Mobile: (970) 222-9530

FAX: (303) 857-6224

From: JC York [mailto:jcyork@j-tconsulting.com]

Sent: Wednesday, October 10, 2018 11:09 AM

To: 'Jobe, Don'

Cc: Chris Zadel; 'Tom Bennett'

Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Don –

The e-mail correspondence is below and the latest SUA is attached. We are pretty close on this as I believe we can achieve the offsets she wanted.

As far as the agreement I believe the language you were proposing should probably be changed as you proposed the following:

1. KMG retains the 25' buffer around the wellhead, could possibly adjust liability language since KMG will still have access to the wells in event of emergency/issues

Paragraph 5 would need to be revised as we won't need to have the abandoned wells cut off as mining goes down to bedrock. Probably don't need the last two parts of this section.

Paragraph 9 would need to be revised or removed as that had the liability language in it regarding the water storage.

Regards,

J.C.

J.C. York, P.E.

J&T Consulting, Inc.

305 Denver Avenue, Suite D

Fort Lupton, CO 80621

Office: (303) 857-6222

Mobile: (970) 222-9530

FAX: (303) 857-6224

From: Jobe, Don [mailto:Don.Job@anadarko.com]

Sent: Wednesday, October 10, 2018 10:45 AM

To: JC York

Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Good morning J.C.,

I apologize for the late response to your email below. I am working to hand this off to someone on my team. Once assigned, we will reach out and continue to work through the SUA. Will you please send me the latest correspondence you had with Katherine and associated agreements you have received from her? I want to make sure we are all on the same page when this is re-assigned. We look forward to working with you.

Thank you,

Don Jobe | Land Supervisor – DJ Basin

ANADARKO PETROLEUM CORPORATION | 1099 18th Street, Suite 1800, Denver CO 80202 | Office: 720-929-6026 | Mobile: 817-992-9545

From: JC York <jcyork@j-tconsulting.com>

Sent: Saturday, September 22, 2018 3:16 PM

To: Jobe, Don <Don.Job@anadarko.com>

Subject: FW: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Don –

I am contacting you about the above referenced project as I see Katherine is out on leave. See the e-mail below on the SUA we were working on with her. We were close to finishing up but we got delayed on our access by Weld County and now we have addressed their concerns so we are back on the docket for our planning commission hearing in November and county commissioners in December. We would like to get the SUA finalized before the hearings so we can let Weld County know that everything is finalized. Please give me a call when you have a moment to discuss.

Regards,

J.C.

J.C. York, P.E.

J&T Consulting, Inc.

305 Denver Avenue, Suite D

Fort Lupton, CO 80621

Office: (303) 857-6222

Mobile: (970) 222-9530

FAX: (303) 857-6224

From: Ross, Katherine [mailto:Katherine.Ross@anadarko.com]

Sent: Thursday, March 01, 2018 9:24 AM

To: JC York; 'Tom Bennett'

Cc: 'Chris Zadel'

Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

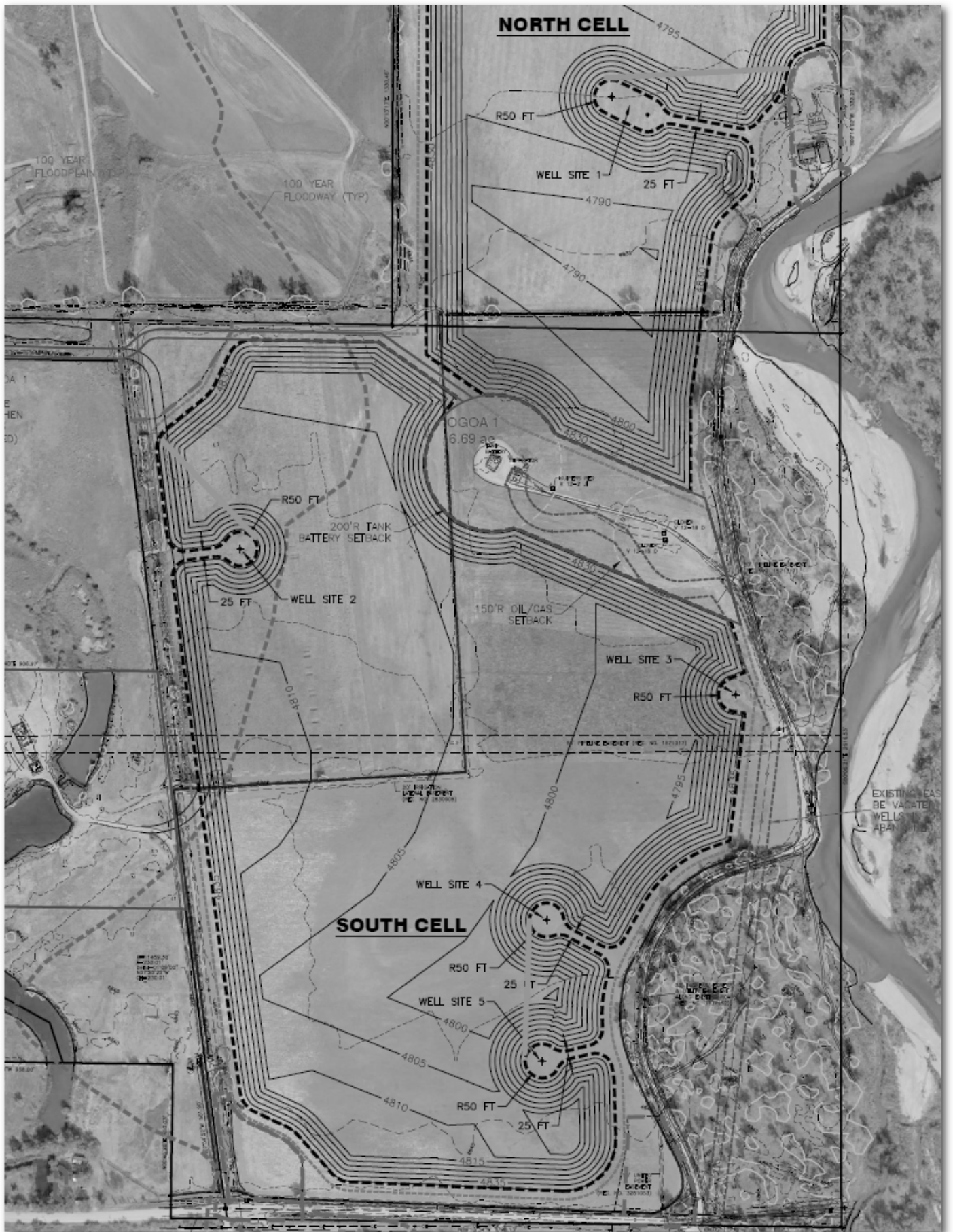
JC,

Sorry for the delayed reply regarding paragraph 9. Here is another possible solution. Our engineers could do whatever we might need in the future for the P&A wells if we had 200 or so feet on at least 2 sides of the wells. If we cut the corners a bit (ideas roughly shown in green below), then we would have confidence that we could address any future issues and remove paragraph 9. Otherwise, if you want to leave the wells with the perimeter shown below, we'd like to keep the language in the agreement.

Please review and let me know what you think.

Thanks,

Katherine



Katherine Ross

Landman

Kerr-McGee Oil & Gas Onshore LP, A subsidiary of Anadarko Petroleum Corporation

Office: 720-929-6671 Cell: 970-443-2905

From: JC York [mailto:jcyork@j-tconsulting.com]
Sent: Wednesday, February 14, 2018 5:08 PM
To: Ross, Katherine <Katherine.Ross@anadarko.com>; 'Tom Bennett' <tbennett@diamondspas.com>
Cc: 'Chris Zadel' <chrisz@ncconstructors.com>
Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Tom and JC,

How are the updated plans coming? With the hearing coming up, I need to know if we are close on an agreement or if we need to submit an objection. Let me know.

Thanks,

Katherine

Katherine Ross

Landman

Kerr-McGee Oil & Gas Onshore LP, A subsidiary of Anadarko Petroleum Corporation

Office: 720-929-6671 Cell: 970-443-2905

From: Tom Bennett [mailto:tbennett@diamondspas.com]
Sent: Wednesday, January 31, 2018 9:49 AM
To: Ross, Katherine <Katherine.Ross@anadarko.com>
Cc: JC York <jcyork@j-tconsulting.com>; Chris Zadel <chrisz@ncconstructors.com>
Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Thanks J.C. is working on plans showing roads going to the 4? abandoned wells

Tom Bennett

Owner; Diamond Spas, Inc.

www.diamondspas.com

1.800.951.7727 / 720.864.9115

From: Ross, Katherine [mailto:Katherine.Ross@anadarko.com]
Sent: Wednesday, January 31, 2018 7:57 AM
To: Tom Bennett
Cc: JC York; Chris Zadel
Subject: RE: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Hi Tom,

I am not aware of a third party that could certify, but it might be something you could look into. We have to submit to the state that we have performed the plugging procedures, and our internal process takes a few steps beyond the minimum requirements. I'm not aware of a way to make a leak impossible, but it is very unlikely. Let me know if there is more information I can provide. I've been doing some research trying to understand the offshore process but I think it overall is very similar to the onshore process.

Katherine Ross

Landman

Kerr-McGee Oil & Gas Onshore LP, A subsidiary of Anadarko Petroleum Corporation

Office: 720-929-6671 Cell: 970-443-2905

From: Tom Bennett [mailto:tbennett@diamondspas.com]
Sent: Saturday, January 27, 2018 7:59 AM
To: Ross, Katherine <Katherine.Ross@anadarko.com>
Cc: JC York <jcyork@j-tconsulting.com>; Chris Zadel <chrisz@ncconstructors.com>
Subject: Re: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Thanks Katherine is there a way to make leaking impossible and is there a third party that could certify or guarantee

Sent from my iPhone

On Jan 26, 2018, at 2:05 PM, Ross, Katherine <Katherine.Ross@anadarko.com> wrote:

Tom,

As follow up to our conversation, here are some more details on the P&A process. I spoke with our HSE group and they said that any issues with recently P&A wells, while not impossible, are very uncommon. There are much stricter requirements today for P&A, so any issues we have seen are more frequently with wells plugged in the 1970s-1980s.

For new P&A wells, we set the following layers of cement and plugs:

- Set a cast iron bridge plug and cement over every portion of the wellbore that has been perforated
- Set cement over every possible or probable productive formation (any formation with hydrocarbon potential)
- Cement from surface to the depth of the deepest water well within a mile (or base of the aquifer, if water well is crazy deep)

Let me know if you have more questions, or how you want to proceed with the SUA language.

Thanks,
Katherine

Katherine Ross

Landman

Kerr-McGee Oil & Gas Onshore LP, A subsidiary of Anadarko Petroleum Corporation

Office: 720-929-6671 Cell: 970-443-2905

From: JC York [mailto:jcyork@j-tconsulting.com]
Sent: Wednesday, January 24, 2018 11:01 AM
To: Ross, Katherine <Katherine.Ross@anadarko.com>
Cc: Chris Zadel <chrisz@ncconstructors.com>; 'Tom Bennett' <tbennett@diamondspas.com>
Subject: Bennett Pit - USR17-0072 Notice for Planning Commission and Board of County Commissioners Hearings

Katherine –

This is the notice letter we are sending out today certified mail. Please let me know if you have any issues.

Regards,

J.C.

J.C. York, P.E.

J&T Consulting, Inc.

305 Denver Avenue, Suite D

Fort Lupton, CO 80621

Office: (303) 857-6222

Mobile: (970) 222-9530

FAX: (303) 857-6224

2 attachments

 **Bennett SDA and Letter Agreement_SB Redlined.doc**
99K

 **JT-BennettBase-Oil-Gas Exhibit B 2.14.18.pdf**
1999K

**EASEMENT, RIGHT-OF-WAY
and
SURFACE DAMAGES AGREEMENT**

This Easement, Right-of-Way and Surface Damages Agreement ("Agreement") is entered into as of , 2017, by and between Pioneer Land Company LLC, ("Surface Owner"), whose address is 4409 Coriolis Way, Frederick, CO 80504, and Kerr-McGee Oil & Gas Onshore LP, ("KMG"), with offices at 1099 18th St., Suite 1800, Denver, CO 80202, covering certain lands (the "Lands") situated in Weld County, Colorado, described as follows:

Township 2N, Range 66 West, of the 6th P.M.
Section 1: SW4 of the SE4 [need deed reference] |

Township 2N, Range 67 West, of the 6th P.M.
Tract I: Lot B of Amended Recorded Exemption No. 1311-12-1 AMRE-3466, being a part of the N/2 of Section 12, Township 2 North, Range 67 West of the 6th P.M., County of Weld, State of Colorado, recorded April 18, 2006 as Reception No. 3380229

Tract II: Lot A of Recorded Exemption No. 1311-12-1 RE 4439, being a part of the N/2 of Section 12, Township 2 North, Range 67 West of the 6th P.M., County of Weld, State of Colorado, recorded March 2, 2007 as Reception No. 3459435.

Tract III: Lot B of Amended Recorded Exemption No 1311-12-2 AMRE-4439, Section 12, Township 2 North, Range 67 West of the 6th P.M., County of Weld, State of Colorado, recorded June 30, 2011 as Reception No. 3777478.

For and in consideration of the sum of ten dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees to the terms and provisions set forth as follows:

1. Compensation for Operations; Release of All Claims

KMG shall pay to Surface Owner the sum and perform the obligations set forth in and according to the terms of that certain Letter Agreement by and between Surface Owner and KMG of even date, as full consideration and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of KMG drilling and completion operations on the Lands, and its continuing activities for the production and/or transportation of oil, gas, or other hydrocarbons or products associated with such operations and activities including, but not limited to, surface use, access, mud and reserve pits, wellhead equipment, separators, tank batteries, pipelines, gathering lines, flowlines, pipeline interconnections, and any and all other reasonable and customary uses of land related to said operations or activities.

2. Acknowledgement of Right of Way and Easement

Surface Owner acknowledges and understands that KMG, as owner or lessee of the oil and gas estate for the Lands, owns an easement and right-of-way that burdens the Lands, and that KMG has a continuing right and entitlement to construct, own, operate, maintain, repair and replace all flowlines, gathering lines, other pipelines and related equipment that may be necessary or convenient to its operations on the Lands, including but not limited to, constructing, using and maintaining access roads, locations for surface equipment and subsurface gathering lines, pipelines and pipeline interconnections for its operations and activities; provided, however, KMG agrees that it will not construct pipelines in a manner that interferes with existing improvements on the Lands at the time the pipelines are proposed to be constructed.

Surface Owner further grants KMG the right to drill oil and gas wells on the Lands that may be horizontal, vertical or directional that produce and drain oil and gas from lands other than the lands covered by the oil and gas lease(s) that include all or a portion of the Lands and to locate, construct, use, and maintain surface equipment, including but not limited to flowlines, compressors, wellheads, and all associated production equipment and facilities, related to

transportation of oil and natural gas from lands other than lands covered by leases pooled with the Lands.

Surface Owner further agrees that, Kerr-McGee Gathering LLC, an affiliate of KMG, or another third party gas gatherer designated by KMG, may exercise the easement rights described herein.

3. Waiver of Setback Requirements

Commented [RK1]: Moved after OGOA section

a. ~~Surface Owner understands and acknowledges that the COGCC has rules and regulations that apply to the distance between a wellhead and public roads, production facilities, building units and surface property lines, among other things. Surface Owner hereby waives all setback requirements in COGCC Rules 603 and 604, and any successor rule or amendment to the COGCC setback rules (including the high density setback distances and all Exception Zone setbacks) and to any other state or local setback requirements or other requirements or regulations that are or become inconsistent with this Agreement or that would prohibit or interfere with the rights of Kerr McGee, or its successors and/or assigns, to explore for and produce the oil and gas from the Property or contiguous property. Surface Owner understands that Kerr McGee may cite the waiver in this Section 8 in order to obtain a location exception or variance under COGCC rules or from a local jurisdiction. Surface Owner agrees that this Agreement satisfies any requirement for a consent to an exception or variance signed by the surface owner, Building Unit Owner (as that term is defined in the COGCC Rules and any successor rules or amendments), homeowner or the like and agrees that KMG and its successors and assigns may provide a copy of this Agreement to the COGCC or to any other state or local body in satisfaction of such requirement. In addition, Surface Owner agrees to execute and deliver to KMG and its successor and assigns all consents and waivers requested, including waivers required from Building Unit Owners, homeowners and the like.~~

b. ~~In addition to the general waiver of setbacks and state and local setback regulations contained in Subsection 8.a., Surface Owner hereby specifically agrees that it will not file an application with the COGCC or request that the COGCC designate any portion of the Property as a “designated outside activity area” or other similar designation, and Surface Owner hereby waives its rights to do so. Nor shall Surface Owner promote, support or in any participate in the filing by any third party of such an application or request.~~

c.

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4. Surface Locations

Commented [RK2]: Added more specifics in Section 4 to cover this

~~Locations for ingress and egress to the well(s) and the Oil/Gas Operations Area, shall be depicted on the attached Exhibit “A”. This Agreement does not in any way limit the rights of KMG to drill additional wells with associated facilities at OGOA 2 (the 15.19 acre OGOA), access and pipeline easements on the Lands or to exercise all rights consistent with its mineral ownership or lessee rights. This agreement does limit the rights of KMG to drill additional wells with associated facilities at OGOA 1 (the 6.69 acre OGOA), and once the existing wells (Kuipers Red V12-2 J1, Glover V12-18, Glover V12-27) located in this area have reached their life expectancy or 10 years whichever comes first, they shall be abandoned and activities will be ceased in this area. The existing access to the facilities at OGOA 1 shall be terminated once the new access from County Road 23 is constructed. The access from County Road 23 shall be terminated once the existing wells have reached their life expectancy or 10 years whichever comes first. The existing gas line easement from the facilities at OGOA 1 shall be vacated once the existing wells have reached their life expectancy or 10 years whichever comes first.~~

3. Release of Surface Rights. In consideration of this Agreement and in consideration of Ten Dollars (\$10.00), the receipt and sufficiency of which are hereby acknowledged, KMG hereby permanently releases to Surface Owner all of KMG’s rights to enter upon, access, or otherwise use the surface of the Lands, including but not limited to the Colorado Oil and Gas Conservation Commission (“COGCC”) established Greater Wattenberg Area drilling windows located in: the S2NW4 and NE4 of Section 12, Township 2 North, Range 67 West, Weld County, Colorado, except as otherwise provided in this Agreement.

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Notwithstanding the foregoing, KMG expressly reserves, retains and excludes from this release of surface rights all of its working interests in all zones, depths, and formations or any other mineral interest it may own currently or in the future in the Lands. KMG reserves all necessary subsurface easements to produce the mineral estate in the Lands and adjacent lands. KMG reserves a subsurface easement for passage of any portion of a wellbore including the right to occupy and use the subsurface and the subsurface pore space displaced by the wellbore and the subsurface casing, pipe, and cementing appurtenant thereto. KMG retains and reserves in connection with its mineral rights in the Lands the right to develop through vertical, horizontal or directional drilling or otherwise its mineral interest from the OGOA, provided, however, such mineral interest development is consistent with this Agreement.

4. Oil and Gas Operations Areas (“OGOAs”). KMG shall have the right to drill new oil and gas wells (“Wells”) on the Lands through the use of one (1) 16.19 acre Oil and Gas Operations Area as depicted on Exhibit A (“OGOA 2”). OGOA 2 shall be utilized for drilling, completion, reworking/recompleting and production activities. Additionally, KMG shall have the nonexclusive right to a 6.69 acre OGOA (“OGOA 1”) for the purpose of operating, working over, and eventually abandoning the Kuipers Red V12-2 J1, Glover V12-18, and Glover V12-27 wells (“Existing Wells”), as shown on Exhibit A.

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Commented [RK3]: reference

As shown in greater detail on Exhibit A, the OGOAs shall be as follows:
A. OGOA 1, located in the NE4 of Section 12:

KMG agrees to abandon the Existing Wells at KMG’s sole discretion, no later than 10 years from the date of this Agreement. The existing access to OGOA 1 shall be terminated once the new access from County Road 23 is constructed. The access from County Road 23 shall be terminated once the Existing Wells are plugged and abandoned no later than 10 years from the date of this agreement. The existing gas line easement, depicted on Exhibit A, from the facilities at OGOA 1 shall be released and gas line abandoned and removed, once the Existing Wells are plugged and abandoned, no later than 10 years from the date of this agreement.

Commented [RK4]: Need to address future access to P&A wells – a little confused about this sentence

Commented [RK5]: Confirm if this is 1571317? May need partial release

B. OGOA 2 located in the NW of Section 12:

This Oil and Gas Operations Area shall include a Permanent Operations Area consisting of 12.95 acres and an Ancillary Area of approximately 2.25 acres. The parties understand that ground water issues and site conditions may require KMG to import more material to stabilize the operations area to make such area conducive to drilling and production activities.

The Parties agree to the following concerning the respective Permanent and Ancillary Operations Areas within the Oil and Gas Operations Area as depicted on Exhibit A.

(a) The Permanent Operations Area. The Permanent Operations Area shall be the area KMG may locate all Wells to be drilled within the Lands and may also be used for the location of tanks, separators, dehydrators, compressors and all other associated oil and gas drilling and production equipment and facilities, flowlines, electrical equipment, temporary above ground waterlines and portions of pipeline easements and for all related oil and gas operations and facilities and other industry standard facilities as may be authorized by COGCC permit, rules and regulations. The Permanent Operations Area may also include future production equipment including tanks, separators, dehydrators, compressors and all other associated oil and gas drilling and production equipment and facilities, flowlines, electrical equipment, temporary above ground waterlines and portions of pipeline easements and for all related oil and gas operations and facilities. The Permanent Operations Area is for the exclusive use of KMG for its oil and gas operations and the location of wells and facilities.

(b) The Ancillary Operations Area. The Ancillary Operations Area shall be the area KMG may conduct operations related to the preparation, drilling and completion of Wells to be drilled at locations within the Oil and Gas Operations Area and for the temporary location of drilling and production equipment and facilities for such wells. Except for portions of flowlines, access roads and pipeline easements and related electric and water lines, KMG may not locate wells or permanent production facilities within the Ancillary Operations Area without the permission and consent of Surface Owner, but may use the Ancillary Operations Area only for temporary uses related to the drilling and completion of Wells and the temporary location of drilling and production equipment and facilities. Surface Owner may not put any above ground permanent structures in the Ancillary Area.

(c) Upon written request by the Surface Owner and the written consent of KMG, Surface Owner may use the Ancillary Operations Area for mining stockpiles, landscape buffering, parking and for the temporary location of equipment during those times that the areas are not being used by KMG. KMG's consent shall not be unreasonably withheld. During mining operations, Surface Owner will have priority in the Ancillary Operations area. If KMG requires use of the Ancillary Operations Area during mining operations, KMG shall submit a written request to Surface Owner 45 days prior to the desired occupancy date of the Ancillary Operations Area. Surface Owner's agreement to remove topsoil stockpiles or other equipment from the Ancillary Operations Area shall not be unreasonably withheld and shall be performed at the requesting parties' expense. After mining operations are complete, KMG shall in all events and at all times have priority in the use of the Ancillary Operations Area. KMG shall in no event be liable for loss or damage to Surface Owner or any third party for any use of the Ancillary Operations Area except for loss resulting from the intentional misconduct or gross negligence of KMG and Surface Owner will indemnify KMG for same except for loss resulting from the intentional or gross negligence of KMG. Surface Owner shall in no event be liable for loss or damage to KMG or any third party for any use of the Ancillary Operations Area except for loss resulting from the intentional misconduct or gross negligence of Surface Owner and KMG will indemnify Surface Owner for same except for loss resulting from the intentional acts or gross negligence of Surface Owner.

(d) To facilitate KMG's subsequent operations on the Wells located within the Permanent Operations Area, Surface Owner agrees not to construct any permanent structures or improvements, including landscaping (other than native grasses not requiring irrigation) within the Permanent Operations Area. KMG shall in no event be liable for damages to such landscaping caused by its oil and gas operations.

5. ~~Existing~~ Abandoned Wells and Pipelines

~~There are several KMG Existing Wells to be plugged and abandoned, abandoned oil/gas wells (together, "Abandoned Wells") -and abandoned pipelines ("Abandoned Pipelines") within the existing property Lands, owned by Pioneer Land Company, LLC. These wells and pipelines are and within the proposed area of the Bennett Pit sand and gravel mine DRMS Permit M-2016-085. Northern Colorado Constructors, Inc. (NCC) will be the operator of the proposed gravel mine and will require that the abandoned oil/gas wells be cutoff and capped per COGCC rules and regulations at the bottom of the mine as mining is completed at the individual wells. Notification will be provided in writing to KMG of the locations where wells are to be cutoff and capped. KMG shall be responsible for performing the cutoff and capping of these wells. KMG shall begin the cutoff and capping within 45 days of the notification. NCC will also require that any abandoned oil/gas pipelines that are owned by KMG be removed by KMG during the mining. Notification will be provided in writing to KMG of the areas where abandoned pipelines are to be removed. KMG shall have 45 days to begin removal of the oil/gas pipelines identified in the notification.~~

KMG shall plug and abandon the Abandoned Wells in accordance with COGCC Rule 311, and all other applicable laws, ordinances, rules, regulations, and requirements for plugging and abandoning a well. Nothing herein shall create or grant Surface Owner an implied private right of action for enforcement of any federal, state or local law, statute, ordinance or regulation.

KMG shall coordinate with Surface Owner and Northern Colorado Constructors ("NCC") to ensure that gravel mining in the vicinity of the Abandoned Wells does not affect the integrity of the plugged wellbore. KMG and Surface Owner shall take any reasonable measures necessary to ensure the continued integrity of the plugged wellbore during mining operations on the surrounding lands, including providing for required inspections and Mechanical Integrity Tests to be conducted by or for the COGCC. In the Lands immediately surrounding the plugged wellbore, NCC shall mine the gravel resource leaving a setback of twenty-five feet (25') around the plugged wellbore. Periodically, at intervals to be agreed between NCC and KMG, and after giving notice and allowing NCC to be present, KMG shall enter the Lands to cut the plugged wellbore. This sequence of operations shall continue until the mining operation reaches the reservoir bottom.

At the completion of mining, KMG shall place a permanent cap on the plugged wellbore at the reservoir bottom and ensure that concrete extends downward through the wellbore of the Abandoned Wells as required by the COGCC.

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Surface Owner shall provide KMG written advance notice of times when, according to reservoir maintenance and operation schedule, the reservoir will not contain water, and will cooperate reasonably with KMG to make the surface of the plug available for inspection purposes during such normal, scheduled times. Surface Owner assumes no obligation to depart from its normal, customary, and sound reservoir maintenance practices in order to accommodate inspections by KMG. Surface Owner acknowledges that KMG will from time to time require a temporary access road across the reservoir bottom to access the Abandoned Wells. The location of such access road will be determined by KMG with Surface Owner's consent, which will not be unreasonably withheld.

6. Waivers

Surface Owner understands and acknowledges that the COGCC has rules and regulations that apply to the distance between a wellhead and public roads, production facilities, building units and surface property lines, among other things. Surface Owner hereby waives all setback requirements in COGCC Rules 603 and 604, and any successor rule or amendment to the COGCC setback rules (including the high density setback distances and all Exception Zone setbacks) and to any other state or local setback requirements or other requirements or regulations that are or become inconsistent with this Agreement or that would prohibit or interfere with the rights of Kerr-McGee, or its successors and/or assigns, to explore for and produce the oil and gas from the Property or contiguous property. Surface Owner understands that Kerr-McGee may cite the waiver in this Section 8 in order to obtain a location exception or variance under COGCC rules or from a local jurisdiction. Surface Owner agrees that this Agreement satisfies any requirement for a consent to an exception or variance signed by the surface owner. Building Unit Owner (as that term is defined in the COGCC Rules and any successor rules or amendments), homeowner or the like and agrees that KMG and its successors and assigns may provide a copy of this Agreement to the COGCC or to any other state or local body in satisfaction of such requirement. In addition, Surface Owner agrees to execute and deliver to KMG and its successor and assigns all consents and waivers requested, including waivers required from Building Unit Owners, homeowners and the like.

In addition to the general waiver of setbacks and state and local setback regulations contained in Section 6, Surface Owner hereby specifically agrees that it will not file an application with the COGCC or request that the COGCC designate any portion of the Property as a "designated outside activity area" or other similar designation, and Surface Owner hereby waives its rights to do so. Nor shall Surface Owner promote, support or in any participate in the filing by any third party of such an application or request.

7. Limitation of Liability, Release and Indemnity

(a) No Party shall be liable for, or be required to pay for, special, punitive, exemplary, incidental, consequential or indirect damages to any other Party for activities undertaken within the scope of this Agreement.

(b) Except as to claims arising out of pollution or environmental damage (which claims are governed by Section 8 below) or arising out of other provisions of this Agreement (which claims shall be governed by the terms of this Agreement), each Party shall be and remain responsible for its own liability for all losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation attorneys' fees and other costs associated therewith (all of the aforesaid herein referred to collectively as "Claims"), arising out of or connected with each Party's ownership or operations on the Lands, no matter when asserted, subject to applicable statutes of limitations. Each Party shall release, defend, indemnify and hold the other Parties, their officers, directors, employees, successors and assigns, harmless against all such Claims. This provision does not, and shall not be construed to, create any rights in persons or entities not a party to this Agreement, nor does it create any separate rights in Parties to this Agreement other than the right to be indemnified for Claims as provided herein.

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(c) Upon the assignment or conveyance of a Party's entire interest in the Lands, that Party shall be released from its indemnification obligation for all actions or occurrences happening after such assignment or conveyance.

8. Environmental Indemnity

The provisions of Section 7 shall not apply to any environmental matters, which shall be governed exclusively by the following, subject to the limitations of Subsection 7(a) above:

(a) "Environmental Claims" means all Claims asserted by governmental bodies or other third parties for pollution or environmental damage of any kind, arising from operations on or ownership of the Property or ownership of the oil and gas leasehold interests, whichever is applicable, and all cleanup and remediation costs, fines and penalties associated therewith, including but not limited to any Claims arising from Environmental Laws or relating to asbestos or to naturally occurring radioactive material. Environmental Claims do not include the costs of any remediation undertaken voluntarily by any Party, unless such remediation is performed under the imminent threat of a Claim by a governmental body or other third party.

(b) "Environmental Laws" means any laws, regulations, rules, ordinances, or order of any governmental authority(ies), which relate to or otherwise impose liability, obligation, or standards with respect to pollution or the protection of the environment, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.), the Clean Water Act (33 U.S.C. §§ 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. §§ 300f-300j), the Hazardous Material Transportation Act (49 U.S.C. §§ 5101 et seq.), the Clean Air Act and the Toxic Substances Control Act (15 U.S.C. §§ 2601 2629).

(c) Kerr-McGee shall protect, indemnify, and hold harmless Surface Owner from Environmental Claims relating to the Lands or the oil and gas leasehold for the Lands that arise out of Kerr-McGee's oil and gas operations on the Lands. Surface Owner shall protect, defend, indemnify and hold harmless Kerr-McGee from Environmental Claims relating to the Lands that arise out of Surface Owner's operations and activities on the Lands.

9. Water Storage Indemnity

Notwithstanding any provision in this Agreement, Surface Owner shall protect, indemnify and hold harmless Kerr-McGee from Claims and Environmental Claims relating to the Lands and/or the Abandoned Wells that arise from and after water is stored in the reservoir.

Exclusion from Indemnities

The indemnities of the Parties herein shall not cover or include any amounts which the indemnified Party is actually reimbursed by any third party. The indemnities in this Agreement shall not relieve any Party from any obligations to third parties.

10. Notice of Claim for Indemnification

If a Claim is asserted against a Party for which the other Party would be liable under the provisions of Sections 6 or 7 above, it is a condition precedent to the indemnifying Party's obligations hereunder that the indemnified Party give the indemnifying Party written notice of such Claim setting forth all particulars of the Claim, as known by the indemnified Party, including a copy of the Claim (if it is a written Claim). The indemnified Party shall make a good faith effort to notify the indemnifying Party within five days of receipt of a Claim and shall affect such notice in all events within such time as will allow the indemnifying Party to defend against such Claim

5611. Binding Agreement

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

12. Assignment

KMG may assign this Agreement in whole or in part.

13. Counterpart Signatures

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

The undersigned have executed this Agreement as of the day first above written.

Surface Owner

Kerr-McGee Oil & Gas Onshore LP

By: _____
Pioneer Land Company LLC

By: _____
Lindsay Jaffee
Agent & Attorney-in-Fact

ACKNOWLEDGEMENTS

STATE OF COLORADO)
)ss
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____, _____, by _____ on behalf of Pioneer Land Company LLC.

Witness my hand and official seal.

Notary Public

STATE OF COLORADO)
) ss
COUNTY OF DENVER)

This instrument was acknowledged before me this ____day of _____, 2017, by Lindsay Jaffee, Agent & Attorney-in-Fact of Kerr-McGee Oil & Gas Onshore LP, on behalf of said company.

Witness my hand and official seal.

Notary Public

LETTER AGREEMENT

This Letter Agreement is entered into as of _____, 2017, by and between Pioneer Land Company LLC, ("Surface Owner"), whose address is 4409 Coriolis Way, Frederick, CO 80504, and Kerr-McGee Oil & Gas Onshore LP, ("KMG"), with offices at 1099 18th St., Suite 1800, Denver, Colorado 80202, in conjunction with that certain Easement, Right of Way and Surface Damages Agreement of even date, by and between Surface Owner and KMG covering certain lands (the "Lands") situated in Weld County, Colorado, described as follows:

Township 2N, Range 66 West, of the 6th P.M.
Section 1: SW4 of the SE4

Township 2N, Range 67 West, of the 6th P.M.
Tract I: Lot B of Amended Recorded Exemption No 1311-12-1 AMRE-3466, recorded April 18, 2006 as Reception No. 3380229

Tract II: Lot A of recorded exemption No 1311-12-1 RE 4439, recorded March 2, 2007 as Reception No. 3459435.

Tract III: Lot B of Amended Recorded Exemption No 1311-12-2 AMRE-4439, recorded June 30, 2011 as Reception No. 3777478.

1. Compensation for Operations; Release of All Claims

KMG shall pay to Surface Owner an amount based on the number of wells to be drilled on the Lands at the rate of Ten Thousand dollars (\$10,000.00) per horizontal well and Two Thousand Five Hundred dollars (\$2,500.00) per vertical or directional well, whether such well(s) are to be drilled now or in the future. KMG shall remit such payment to Surface Owner on or before KMG commences surface disturbing operations on the Lands in drilling the well(s), which shall be a one time payment as full and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or crops growing thereon that may occur as a result of KMG drilling and completion operations on the Lands, and continuing activities for the production and/or transportation of oil or gas from the well(s) on the Lands, including, without limitation, ingress to, egress from, and construction, use, maintenance, repair, replacement, and monitoring of the well(s), the well location(s) and equipment, mud and reserve pits, separators, tank batteries, pipelines, gathering lines, flowlines and any and all other reasonable and customary uses of the Lands related to the operations and activities for the well(s). Such payment shall not apply as settlement or satisfaction of damages caused by KMG's negligent or willful misconduct or violation of health, safety or environmental laws on the Lands.

2. Non-Disclosure Statement

Surface Owner hereby agrees to the terms and provisions of this Letter Agreement and agrees not to disclose any of the terms contained herein to any third party. This provision excludes disclosure of terms necessary to legal counsel representing Surface Owner. Surface Owner understands that this Letter Agreement shall not be recorded.

3. Binding Agreement

This Letter Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

Commented [RK6]: Cut if surface rights relinquished

The parties hereto have executed this Letter Agreement as of the day first above written.

Surface Owner

Kerr-McGee Oil & Gas Onshore LP

By: _____
Pioneer Land Company LLC

By: _____
Lindsay Jaffee
Agent & Attorney-in-Fact

