

SURFACE DAMAGE AGREEMENT

All roads ("the roads") to be built by Company on Owner's land shall be located as agreed upon by and between Owner and Company but Owner may not reasonably withhold permission to build a road on "the land" and shall be reasonable in its location. These roads shall contain speed bumps every 1,000 feet which shall be constructed and maintained by Company. If any fence is cut by Company, it shall properly brace same with 3 post H brace constructed out of pipe before cutting and shall install and maintain a proper cattle guard, and at the

request of Owner shall install a pipe gate across the cattle guard capable of being locked. Company shall paint all H braces, cattle guards and the like, with ranch red paint. Keys will be distributed only to those requiring access to "the land". For so long as the road is used by Company, it shall maintain the road and shall not permit or cause production vehicles (or any other vehicles) to enlarge the margin of the road. Company's use of "the road" shall be limited to the development of minerals under Owner's land.

Cattle guards shall be used by the Company during the drilling and completion stage of the well. After completion and during the production stage of the well, the cattle guards installed by Company shall be removed and metal gates shall be installed in place thereof. Each such gate shall be kept closed and locked at all times and keys distributed only to the appropriate personnel. Owner may request at Owner's option that any one or more cattle guards remain in place rather than being replaced with a metal gate, and at Owner's option may further request that a pipe gate, which can be locked, be installed across the cattle guard. Company shall be responsible for the maintenance and upkeep of each such gate and each such cattle guard that it uses.

Company shall keep all of its production equipment located on Owner's land painted BLM Tan.

- (2a). Until such time the well is plugged and abandoned, Company shall pay to Owner, an annual road use fee in the amount of \$1,500.00 per well, per year, for roads used by Company located on Owner's land. If Company uses the road to access three (3) wells, then the annual road use payment would be \$4,500.00. When Company no longer uses "the road" to access its wells, on "the land", Company shall, within six (6) months thereof, remove, "the road" and restore the surface to its condition prior to Company activities.
- (2b). Company shall purchase topsoil from Owner for \$6.00 per loose yard and Company shall purchase caliche from Owner for \$6.00 per loose yard for its operations.
- (3) All pits used by Company shall be lined with plastic material of sufficient thickness to prevent the escape of saltwater and other materials on or into "the land". If requested by Owner, Company shall fence off the entire well location, including drill site pad, reserve pit, and, if applicable, tank batteries and pumping unit, so as to prevent any livestock from coming on the drill site location at any time. If livestock enter upon the drill site location and become "oiled" or otherwise injured due to Company's negligence in fencing off the location, Company shall be liable to Owner for such damages.
- (4) No fresh water from beneath Owner's land shall ever be used for secondary recovery or repressure operations (or any like operations) by Company. Upon written request of Owner, Company agrees to bury all production lines, flow lines

or injection lines (or any type "line") at least 24" beneath the surface, and to thereafter clean and level the land affected thereby (with there being no mound or rocks over the ditch line) and restore it to its state of condition prior to the burying thereof.

- (5) Company shall stockpile, adjacent to the location, the topsoil taken during the building of the drill site location. If the well is a producer, Company shall redistribute the topsoil over the reserve pit area and restore the surface to its condition prior to drilling operations. If the well is a dry hole, Company shall pick up the caliche pad, redistribute the topsoil over the drill site location and restore the surface to its condition prior to drilling operations.

Upon completion of the drilling operations, the reserve pit will be "cutout" and allowed to evaporate until dry, after which all plastic and contents of the pit shall be removed and disposed of off-site of Owner's land. Clean margins will be established both horizontally and vertically in the removal of reserve pit contents. Company will purchase clean soil from Owner at \$6.00 per yard to back fill reserve pit. The pit shall be leveled, leaving such land suitable for replanting. Rocks larger than 3" in diameter will be buried below ground level. After the above procedures are completed, the Company shall reseed the reserve pit area with native grass seed.

Company will cooperate with Owner as to the type and quantity of seed to be planted and the time of year and technique of planting grass seed until a native stand of grass has been established.

Company agrees that it will not bring topsoil and/or caliche into the ranch from a source outside of the boundaries of the ranch.

- (6) Company agrees to remove the rig and its associated equipment from "the land" within ten (10) days of completion of the well. Should, for whatever reason, the rig and equipment not be removed by that time, the Company shall owe and pay to Owner a daily rental of \$60.00 per day.

Upon cessation of production, or if the well is non-commercial, Company shall within six (6) months, remove all equipment, all production lines and all other items of equipment used directly or indirectly by Company as it pertains to the well drilled by it on "the land", and restore the site to its original condition.

- (7) In the event of a dry hole or upon cessation of production and the abandonment of the well, Company agrees that all caliche and all other material as may have been placed or otherwise deposited on "the land" by it shall be removed by Company within six (6) months of abandonment thereof. Company also agrees to remove and/or remediate any and all soil and water contamination resulting from the Company's operations within ten (10) days of such occurrences.

- (8) In the event that any cleanup and/or remediation work be undertaken by Lessee on Lessor's lands, either during the term of the Lease or upon its expiration or termination, then, for so long as such remediation and/or cleanup work is ongoing, and continuing until the NMOCD or any successor agency, issues a written final closure approving of such remediation or cleanup, Lessee shall pay to Lessor a monitoring fee in the amount of Five Hundred Dollars (\$500.00) per week or any portion thereof, in consideration of the disruption of Lessor's operations caused by the remediation and cleanup work undertaken by Lessee or at Lessee's direction.
- (9) Company shall indemnify, defend and hold Owner and its Trustees, officers, employees and agents harmless from and against any and all claims, demands, causes of action, costs, expenses, and liability of any nature whatsoever, including court costs, attorney's fees, and any expenses incurred, which may result from, arise out of, be related to, or in any way be connected with Company's operations; provided, however that nothing herein shall be construed to require or obligate Company to indemnify Owner against, or hold Owner harmless from Owner's own negligent acts or omissions. Further, Company shall indemnify and save Owner and its Trustees, officers, employees and agents harmless from any and all damages, cleanup expenses, fines, or penalties, resulting from a fire or any violation of, or non-compliance with, applicable local, state, or federal laws and regulations resulting from Company's operations.
- (10) The parties agree, with respect to any other matters, damages or uses which are not provided for herein, that they will diligently and in good faith negotiate same as to issue by issue basis.

THIS AGREEMENT shall be binding on Company's successors, assigns and agents and it shall be binding on Owner's heirs, successors, representatives, administrators and assigns. Company agrees to provide copies of this Surface Damage Agreement to its agents and independent contractors who will enter upon "the land" and shall require that the agents and independent contractors comply with the terms and conditions set forth therein. The covenants hereunder shall be performable in Lovington, Lea County, New Mexico.

SIGNED this 5th day of March, 2014.

OWNER: Limestone Livestock, LLC

By: 

Managing Partner

COMPANY: Tritex Energy A, LP

By: 

Donald G. Ritter, CEO

STATE OF NEW MEXICO)
 :SS
COUNTY OF LEA)

Before me, a notary public in and for said County and State, on this 31st day of March, 2014, personally appeared **Bill Angell**, Managing Member of Limestone Livestock, LLC to me known to be the identical person who executed the foregoing instrument and acknowledged to me that he executed same as his free and voluntary act for the uses and purposes therein set forth.

My Commission Expires:

5-19-2014

Julie Harris
Notary Public

STATE OF TEXAS)
 :SS
COUNTY OF MIDLAND)

Before me, a notary public in and for said County and State, on this 5th day of March, 2014, personally appeared **Donald G. Ritter**, CEO of Tritex Energy A, LP, a Texas limited partnership, to me known to be the identical person who executed the foregoing instrument and acknowledged to me that he/she executed same as his/her free and voluntary act for the uses and purposes therein set forth.

My Commission Expires:

05-06-2017

Peggy A. Redman

