

LOT OWNER WAIVER OF SETBACKS

This Lot Owner Waiver of Setbacks (“Waiver”) is given this ____ day of _____, 20__ to and for the benefit of Crestone Peak Resources Holdings, LLC, whose address is 1801 California Street, Suite 2500 Denver, CO 80202 (“Crestone”) and Dream Weaver Holdings LLC (“Developer”).

WHEREAS, the residential development known as Dreamers Ridge, 10 lot Subdivision is subject to existing and future operations for the exploration and production of oil, gas and other minerals in and around the real property described in Exhibit “B” attached and incorporated herein by this reference, located in Weld County, Colorado (“Property”). A map of the development is also included in Exhibit “B”.

WHEREAS, the undersigned are or will become, lot owners of a lot within Dreamers Ridge, more particularly described on Exhibit “B”.

WHEREAS, Crestone and Developer have entered into that certain Compatible Surface Development Agreement (“SUA”) to provide for the co-development of the surface and minerals including but not limited to the Dream Weaver well site and production facilities to be located on the Property. Such agreement does not allow for the development or placement of any oil and gas operations upon the surface (ground) of any lot.

WHEREAS, the Reasonable Accommodation law in Colorado, § 34-60-127 C.R.S. (2016), requires operators to conduct oil and gas operations that accommodates surface owners by minimizing intrusion upon and damage to the surface of the land and the Dream Weaver well site and production facilities will be located in accordance with the SUA to conform with this law.

WHEREAS, the undersigned have been provided information concerning the oil, gas and mineral development of the Property and the Dream Weaver well site and production facilities, and have been asked by Developer to waive setbacks in order to accommodate Crestone’s development of the oil and gas upon the Property consistent with the SUA and for the issuance of COGCC drilling and location permits.

WHEREAS, the Colorado Oil and Gas Conservation Commission (“COGCC”) regulates the exploration and production of oil and gas within Colorado and has rules providing for, among other things, the setback distances from Building Units (defined in those rules) for oil and gas wells and surface facilities and the waiver of setbacks by neighboring surface owners to accommodate mineral development and COGCC permitting of wells and locations.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, the undersigned hereby covenants and agrees as follows:

1. The undersigned acknowledge having been provided adequate and complete information concerning the co-development of the surface and minerals in the Property.

2. The undersigned acknowledge that surface and mineral development of the Property will occur concurrently, and the undersigns are aware of the location of the Dream Weaver well site and production facilities as shown on Exhibit "A" dated 3/21/18.

3. The undersigned acknowledge that the surface of their lot will not be used for Crestone Peak's oil and gas operations that are to occur, in locations shown on Exhibit "A".

4. The undersigned agree to waive setbacks as authorized by COGCC Rules 318.c., 318A.a.(4) B. and (5) E., 603.a.(2), 604.a.(1)A.i., 1203.b. and 1204.b, and also to the extent authorized or required by applicable local government.

5. The undersigned agree that they will not oppose applications for development to the applicable local government submitted by Developer and applications for permits to the COGCC submitted by Crestone relating to the Property.

6. Developer and Crestone shall, at their sole and absolute discretion, be entitled to disclose this Waiver to third parties including but not limited to the applicable local government and the COGCC in aid of prosecuting their applications for development and applications for permits.

IN WITNESS WHEREOF, the undersigned have executed this Waiver effective the date appearing above.

Print Name: _____
Lot Buyer

Print Name: _____
Lot Buyer

Print Name: _____
Witness: Developer or Builder

EXHIBIT "A"

Attached hereto and made part hereof that certain Surface Damage and Release Agreement dated the 21st of March, 2018, by and between Dream Weaver Holdings LLC, "Owner" and Crestone Peak Resources Holdings LLC, "CPR" covering the below described lands to-wit:



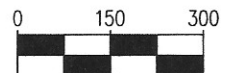
LEGEND

- = 22 PROPOSED WELLS
- ◆ = EXISTING WELL
- ▭ = TEMPORARY WELLSITE: 10.70 ACRES
- ▭ = TEMPORARY COMPLETIONS AREA: 7.74 ACRES
- ▭ = PROPOSED DISTURBANCE AREA
- ▭ = PROPOSED FACILITIES
- ▭ = EXISTING FACILITIES
- ▭ = PERMANENT WORKOVER AREA: 2.26 ACRES
- = PROPOSED TEMPORARY ACCESS ROAD
- = PROPOSED PERMANENT ACCESS ROAD
- - - = EXISTING ROAD



CRESTONE PEAK
RESOURCES

TOWNSHIP 2 NORTH, RANGE 68 WEST
SECTION 21: SW 1/4
WELD COUNTY, COLORADO
FEBRUARY 13, 2018



SCALE: 1" = 300'

EXHIBIT B

LEGAL DESCRIPTION

A PARCEL OF LAND SITUATED IN THE SOUTH HALF OF SECTION 21, TOWNSHIP 2 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING PART OF THAT PROPERTY DESCRIBED IN DEED RECORDED MAY 22, 2014 AT RECEPTION NO. 4017834, COUNTY OF WELD, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 21; THENCE S89°35'35"W ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 21 A DISTANCE OF 1288.24 FEET; THENCE N48°23'39"E A DISTANCE OF 51.26 FEET; THENCE N22°35'25"E A DISTANCE OF 41.65 FEET; THENCE N42°58'02"E A DISTANCE OF 68.08 FEET; THENCE N47°13'49"E A DISTANCE OF 68.16 FEET; THENCE N51°31'19"E A DISTANCE OF 76.89 FEET; THENCE N60°37'32"E A DISTANCE OF 93.31 FEET; THENCE N65°10'10"E A DISTANCE OF 151.59 FEET; THENCE N53°50'09"E A DISTANCE OF 87.55 FEET; THENCE N49°53'41"E A DISTANCE OF 125.69 FEET; THENCE S83°13'11"E A DISTANCE OF 62.67 FEET; THENCE N76°49'05"E A DISTANCE OF 49.46 FEET; THENCE N61°49'25"E A DISTANCE OF 42.95 FEET; THENCE N42°20'35"E A DISTANCE OF 74.99 FEET; THENCE N28°52'44"E A DISTANCE OF 71.21 FEET; THENCE N53°05'32"E A DISTANCE OF 108.19 FEET; THENCE N28°37'37"E A DISTANCE OF 203.98 FEET TO A POINT ON THE EASTERLY LINE OF SAID PROPERTY DESCRIBED IN DEED AT RECEPTION NO. 4017834; THENCE ALONG SAID EASTERLY LINE FOR THE FOLLOWING EIGHT

(8) COURSES:

- 1) S32°33'54"E A DISTANCE OF 16.76 FEET;
- 2) S32°41'25"E A DISTANCE OF 274.49 FEET;
- 3) S32°12'29"E A DISTANCE OF 216.63 FEET;
- 4) S00°13'23"E A DISTANCE OF 58.72 FEET;
- 5) S31°58'16"E A DISTANCE OF 253.06 FEET;
- 6) S33°00'28"E A DISTANCE OF 64.67 FEET;
- 7) S44°23'40"E A DISTANCE OF 91.13 FEET;
- 8) S67°35'50"E A DISTANCE OF 33.81 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 21; THENCE S89°43'33"W A DISTANCE OF 263.06 FEET TO THE **POINT OF BEGINNING**;

CONTAINING 597,354 SQUARE FEET OR 13.713 ACRES, MORE OR LESS.

