

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

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