MASTER ROAD USE AGREEMENT
AGAVE OIL & GAS – HAAS #1-29

THIS ROAD USE AGREEMENT (hereinafter "Agreement") is made this 6th day of August, 2014 (hereinafter "Effective Date"), by and between **ELBERT COUNTY**, whose address legal address is 215 Comanche Street, P.O. Box 7, Kiowa, Colorado 80117 (hereinafter "County") and Agave Oil & Gas, LLC, whose legal address is 512 Main Street, Suite 600, Fort Worth, Texas 76102, its successors and assigns (hereinafter "Company").

RECITALS

WHEREAS, Company desires to conduct operations related to the exploration and production of oil & gas at a well location in Elbert County; and

WHEREAS, Company's agents, employees, affiliates, contractors, subcontractors, workforce and related service companies may utilize equipment and heavy vehicles that are recognized as being above existing limits set by the County in weight, height and/or width on County Roads in connection with the above-described operations; and

WHEREAS, Company's use of County Roads may cause impacts which require mitigation and repair to ensure the public's continued ability to use County Roads.

NOW, THEREFORE, IT IS HEREBY AGREED THAT:

1. **Purpose of Agreement.**
   The purpose of this Agreement is to define the terms and conditions under which the County and the Company agree with respect to the cost of excess maintenance and repair of excess damage arising from the use of County Roads by the equipment and/or heavy vehicles of the Company and/or by Contracting Companies in excess of normal wear and maintenance of County Roads as carried out by the County. The Company has indicated that it intends on utilizing approximately 7 miles of County Roads, of which approximately no miles are asphalt-paved and 7 miles are gravel surfaced (See Exhibit 1). The Company has further indicated that its operation may be divided into three (3) phases, generating up to 1,014 vehicle trips per day over County Roads (see Exhibit 2). Vehicle type and weight will vary with the heaviest vehicle weighing 92,000 pounds. This Agreement is intended to engage both the County and the Company in an effort to avoid damage to County Roads and Appurtenances and to minimize interruptions to the traveling public. The parties acknowledge that this Agreement is entered to address these matters and to protect County Roads and Appurtenances from damage.

2. **Definitions.**
   a. "Appurtenance" means a sidewalk, ditch, culvert, or any type of wall, fence, guardrail, curb, pavement marking, traffic control device, illumination device, mailbox or barrier adjacent to or in, along or on a road, or any construction, obstruction, erection or any situation, arrangement or disposition of any earth, rock, tree or other material or thing adjacent to or in, along or on a road that is not on the traveled portion of the road.

b. "Contracting Companies" means any agent, employee, affiliate, contractor, subcontractor, workforce or related service companies engaged by the Company in connection with the Company's installation of a cross county pipeline.

c. "County Roads" means a roadway under the direction, control and management of the County, including:
   i. A developed road on which improvements such as grading or surfacing have been made for the purpose of public access and included any Appurtenances, and includes a bridge forming part of a public road and any structure incidental to a public road;
   ii. An undeveloped surveyed road allowance or road plan.

3. **Repair and Maintenance Obligations.**
   a. The Company shall be responsible for all costs and expenses required to repair road damages in excess of Normal Maintenance (defined below) of County Roads used by the Company or its Contracting Companies to conduct operations for the Project. It is the preference of the parties to this Agreement that all road repair and maintenance work be carried out by the County and reimbursed by the Company.
   b. In the event it is more practical for the Company to perform the necessary repair and maintenance work, County approval shall be required in advance of any repair and maintenance work to be performed by the Company. Any repair and maintenance work performed by the Company or its Contracting Companies shall comply with County standards. If required by the County, the Company shall provide, at its sole expense, all equipment, materials and labor required to maintain the road surface in the same condition it was immediately prior to the use of County Roads.
   c. The Company and its Contracting Companies shall use best efforts to abate, control and mitigate dust generated as a result of the use of County Roads.
   d. When Company operations are completed, it is agreed that the Company shall perform or provide for all necessary work on County Roads used by the Company and its Contracting Companies to restore those roads to an equal or better condition as they existed on the Effective Date.
   e. During the time when the Company, or any of its Contracting Companies, is engaged in the use of a County Road for access to conduct operations for the exploration of oil or gas, the Company shall be responsible for road damage and excess maintenance resulting from such use, including but not limited to Examples of Road Damage (defined below) in this Agreement.

4. **Term.**
   This Agreement shall commence on the Effective Date and remain in full force and effect until the Company and the County determine that the Company's Project is completed in Elbert County; provided, however, if either the Company or the County breach any of their obligations contained herein, the non-breaching party may terminate this Agreement upon providing sixty (60) day written notice to the breaching party. In the event notice is provided to the breaching party, the breaching party shall have such sixty (60) day period to cure their breach, and if such breach is cured to the satisfaction of the non-breaching party during such sixty (60) day period, this Agreement shall remain in full force and effect. Notwithstanding

the termination of this Agreement, the provisions contained herein regarding the settlement of accounts, liability and indemnification, to the extent of liabilities may have accrued prior to the termination, shall remain in full force in accordance with their terms.

5. **Pre-Inspection Meeting.**
The Company or its designated representative shall meet with the appropriate County personnel in advance to:

   a. Confirm specific routes for heavy vehicle traffic associated with the conduct of a particular operation (See Exhibit 1); and

   b. Confirm with County personnel as to the type of vehicles and duration of road use for a particular operation; and

   c. Discuss the expected damage to occur and the Company's plan for repair during the operation as well as upon completion of the operation.

6. **Security.**
On or before the Pre-Inspection Meeting as detailed in Section 5 of this Agreement, the Company or its designated representative shall deliver to the County a Surety Bond or Letter of Credit in the amount equal to thirty five thousand dollars ($35,000) per mile, or a total of two hundred forty five thousand dollars ($245,000) based on the use of 7 miles of County Road by the Company during its operation. THIS BOND AMOUNT IS BASED ON THE TRAVEL ROUTES, VEHICLE TRIP AND VEHICLE TYPE IMFORMATION PROVIDED BY THE COMPANY. IF AT ANY TIME DURING THE COMPANY'S OPERATION IT IS DETERMINED BY THE COUNTY THAT THE DESIGNATED TRAVEL ROUTES, VEHICLE TRIPS, AND/OR VEHICLE TYPE INFORMATION IS NOT CONSISTENT WITH THE INFORMATION PROVIDED, THE COUNTY MAY STOP ALL COMPANY OPERATIONS AND REASSESS ROAD IMPACTS AND ASSOCIATED BOND AMOUNT OR LETTER OF CREDIT AMOUNT.

7. **Inspections.**
   a. Inspections of County Roads identified in this Agreement shall be carried out at the following times in the presence of official designates of both the County and the Company at a time set by the County or the County's official designee if so agreed to by the Company:
      i. Prior to use of County Roads; and
      ii. Following completion of use of County Roads.

   b. Following the Pre-Inspection Meeting as detailed in Section 5 of this Agreement, the County shall videotape each segment of County Roads to be used by the Company as identified in this Agreement.

c. During the course of the Project and any additional time that the Haas #1-29 well location is accessed by the Company, the County shall periodically inspect the travel routes used by the Company as identified in this Agreement and record any damage or road degredation

d. Once the Company and the County have determined that the Project is complete in Elbert County, the County Roads used by the Company as identified in this Agreement shall be videotaped by the County. Road damages and road degredation shall be identified and the level of Company responsibility related to road damages and road degredation shall be determined and agreed upon by the County and the Company. Road restoration means and methods shall be determined and agreed upon by the County and Company.

8. **Description of County Roads.**

a. The following is a fair and correct description of the normal use and condition of County Roads to be used hereunder:

i. County Roads are gravel and paved roads.

ii. County Roads are generally 24 feet to 32 feet in width.

b. The Company will be responsible for all costs required to repair road damages in excess of Normal Maintenance of the County Roads when used by the Company or by its Contracting Companies for the conduct of its operations. Normal Maintenance of County Roads as carried out by County includes but is not limited to the following:

i. Pothole patching is completed throughout the asphalt production season.

ii. Grading is performed on a routine schedule based upon traffic loads and surface conditions. Typical road grading occurs on a weekly or bi-weekly basis.

iii. Shoulder maintenance is performed on a routine schedule, based primarily on weather conditions. Typical shoulder maintenance occurs two to three times per year

iv. Ditch cleaning is done as necessary, usually due to storm conditions or gradual sediment build-up.

v. Culvert replacement is performed as pipes wear out or are damaged.

vi. Culvert flushing is only necessary when pipes are plugged, which is typically due to heavy storm run-off.

vii. Gravel top coating is applied throughout the year as necessary.

viii. Asphalt-paved surfaces are maintained, as necessary with maintenance activities that include, but are not limited to pothole patching, crack sealing, and pavement failure remove and replace.

ix. Roads are cleared of snow (snow plowing) throughout the winter months as needed. Salt sand is applied to the roads as an anti-skid material where needed.

c. Examples of Road Damage include but are not limited to the following:

i. Potholes or wheel-depressed areas after the roads have been maintained or graded.

ii. Damage to shoulders due to heavy vehicles running off the edge of the road.

iii. Damage to ditches due to heavy vehicles squeezing the ditches closed by running on the shoulders of the road.
iv. Damage to culverts crushed by heavy hauling activities or being "plugged" by sediment from closed ditches.
v. Damage to road surface by heavy traffic.
vi. Damage to the existing road base by heavy traffic.

9. **County Road Use Deviations and Restrictions.**
   a. If it becomes necessary by either party to change a route of travel, the other party shall be notified in writing as soon as possible.

   b. The County reserves the right to determine the hours during which vehicles and equipment may be moved on County Roads covered by this Agreement, and may temporarily suspend approvals under this Agreement if, in the opinion of the County, acting reasonably, the prevailing weather conditions, or emergencies warrant such suspension.

10. **Emergencies.**
    The County may, in emergency situations, and acting reasonably, and without giving any notice to the Company as required elsewhere in this Agreement, take immediate and all action necessary to complete repairs to County Roads that the County deems necessary for public safety.

11. **Indemnification.**
    The Company shall indemnify, release and hold harmless the County and its officers, agents, employees, successors and assignees from any and all actions, proceedings causes of action, claims, demands and/or costs attributable to
    damages or injuries arising out of or resulting from the intentional acts or negligence of the Company relating to the performance under this Agreement by the Company, its employees, agents, contractors or subcontractors, or its Contracting Companies, but such indemnity shall not apply to the intentional acts or negligence of the County, its officers, agents, employees, successors and assignees.

12. **Force Majeure.**
    No party shall be deemed to be in default with respect to non-performance if due to strikes, lockouts, fire, storm, acts of God or terrorists, or any other cause (whether similar or dissimilar to those enumerated) beyond the party's control; but lack of finances shall in no event be deemed to be a cause beyond a party's control.

13. **Assignment.**
    Except as otherwise provided herein, or except as may be hereafter determined by the parties, no party to this Agreement may sell, assign, partially assign or transfer its interest in this Agreement, or any of its rights, duties or obligations hereunder, without the prior written consent of the other party. Whenever consent or the approval of a party is require herein, such party shall not unreasonably withhold, delay, or deny such consent or approval.

14. **Waivers.**
    a. Failure by either party to this Agreement to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

    b. By entering this Agreement, the County does not waive, nor shall it be deemed to waive, any immunity or defense that would otherwise be available to it against claims arising by third parties.

15. **Successors and Assigns.**
    This Agreement shall inure to the benefit of, and be binding upon the County and the Company and their respective successors and permitted assigns.

16. **Severability.**
    If any provision of this Agreement shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

17. **Choice of Law.**
    This Agreement shall be interpreted in accordance with the laws of the State of Colorado, and all obligations of the parties hereto, created by the Agreement are performable in Elbert County, Colorado. Venue of any suit or cause of action under this Agreement shall lie exclusively in Elbert County, Colorado.

18. **Entire Agreement.**
    This Agreement constitutes the entire agreement and understanding between the parties and supersedes any prior agreement or understanding relating to the subject matter of this Agreement.

19. **Modification.**
    This Agreement may be modified or amended only by a duly authorized written instrument executed by the parties hereto.

20. **Notices.**
    All notices required to be given under the terms of this Agreement shall be in writing and may be mailed or electronically transmitted, addressed to the parties as follows:

Elbert County: Ed Ehmann, Elbert County Manager/Director of Public Works
215 Comanche Street
P.O. Box 116
Kiowa, Colorado 80117
Email: ed.ehmann@elbertcounty-co.gov

With a copy to: Wade L. Gately, Esq.
215 Comanche Street
P.O. Box 7
Kiowa, Colorado 80117
Email: wade.gately@elbertcounty-co.gov

Company: Jim Holcomb, Member
Agave Oil & Gas, LLC
512 Main Street, Suite 600
Fort Worth, TX 76102

With a copy to: Richard Henninger, Member
Agave Oil & Gas, LLC
512 Main Street, Suite 600
Fort Worth, TX 76102

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

ELBERT COUNTY GOVERNMENT

8-4-14

Ed Ehmann, County Manager Date

AGAVE OIL & GAS, LLC

8-6-14

James A. Holcomb, Member Date