

COPY

SURFACE USAGE AGREEMENT

This Agreement is made this 25 day of October, 2016, by and between **Lowell S. Adams and Marilyn S. Adams, Trustees of the Adams Living Trust Dated November 24, 2015**, whose address is **1503 Forest Green Drive, Ogden, UT 84403**, hereinafter collectively referred to as ("Owner"), and **White Star Petroleum, LLC**, whose mailing address is P.O. Box 13360, Oklahoma City, OK 73113, hereinafter called ("Operator").

Whereas, Owner is the undivided two-thirds $2/3$ interest owner of the surface on a tract of land located in the **East Half (E/2) of the Southeast Quarter (SE/4) and the North 58 acres of the West Half (W/2) of the Southeast Quarter (SE/4) of Section Six (6), Township Nineteen (19) North, Range Three (3) East of the Indian Meridian, Payne County, Oklahoma** (the "Lands"), as further depicted on the Exhibit "A" attached hereto and made a part hereof.

The "Pad Site" covers an approximate usable area defined as **390' N-S by 270' E-W or 2.4 acres more or less** of the Lands (depicted on the Exhibit "A" attached hereto) upon which Operator has the right to conduct drilling and completion operations and daily operations for two (2) horizontal wellbores whose surface holes ("Wells") are to be located upon the Pad Site; and

Whereas, Operator is a bonded oil and gas operator under the laws of State of Oklahoma, and is the owner of oil and gas leases and rights in oil and gas underlying **Section 6 and 7 of Township 19N, Range 03E** and adjoining lands that can be reached from the Pad Site utilizing horizontal drilling techniques; and

Whereas, Operator desires to conduct oil and gas operations on the Pad Site and following negotiations pursuant to 52 O.S. Section 318.2, et seq, Owner has reached an agreement with Operator for all normal and reasonable surface damages for the drilling, completion, equipping, producing and daily oil and gas operations upon the Pad Site and Easement right-of-way for a produced water pipeline and natural gas pipeline are more fully set out herein; and

Now therefore, it is agreed by and between Owner and Operator, as follows:

Owner represents it is the owner of and in sole possession of the stated two-thirds ($2/3$ rds) interest in the surface of the Lands above described, and further represents and warrants it, along with the co-owner, has the authority and the right to settle surface damages; and

Operator agrees to pay Owner the sum of **Twenty-Eight Thousand NO/100 Dollars (\$28,000.00)** to Owner for the use of its $2/3$ rds interest in the Lands (Operator shall negotiate and have co-owner execute a substantially similar agreement for use of the other $1/3$ rd of the Lands), which sum is hereby acknowledged as full and sufficient compensation and settlement for all normal and reasonable surface damages that may be incurred in conjunction with the following:

1. Operator's operations in drilling, completing, equipping, producing and daily oil and gas operations for two (2) horizontal wellbores to be located upon the Pad Site;
2. A strip of land approximately 100' in width at the mouth and 25' at the rear to be used for the roadway connecting the Pad Site to **E 600 Rd.** (the "Access Easement"); and,

Operator has the right, but not the obligation, to drill and operate additional horizontal wellbores on the Pad Site. If after Operator has drilled the initial two (2) horizontal wells, Operator elects to drill additional **third and/or fourth** horizontal wellbore(s) on the Pad Site then Operator shall within five (5)

days prior to spud of each additional third and/or fourth horizontal wellbore(s), pay the two-thirds (2/3rds) Owner the sum of Three Thousand Three Hundred Thirty and NO/100 dollars (\$3,330.00) per well for the right to drill and operate each of said additional third and/or fourth horizontal wellbore(s) on the Lands.

Owner also grants Operator the right to lay on top of the ground a temporary fresh water line(s) for the drilling and completion of any well drilled pursuant to the terms of this agreement.

Additional provisions pertaining to this said Surface Usage Agreement of which both Owner and Operator have agreed to are depicted in Exhibit "C" attached hereto and made a part hereof.

EASEMENT: Owner hereby grants, bargains and conveys to Operator, an easement for one (1) produced water pipeline and one (1) natural gas pipeline (60' in width for construction and 30' in width permanently) with rights of ingress and egress along the Lands located in **Section Six (6), Township Nineteen (19) North, Range Three (3) East of the Indian Meridian, Payne County, Oklahoma**, as further depicted on the Exhibit "B" attached hereto and made a part hereof, for the installation, maintenance, protection and repair of one (1) produced water pipeline and one (1) natural gas pipeline within the easement. Official Plat of pipeline coordinates will be provided and recorded with Memorandum of this Agreement before the commencement of pipeline construction. Operator agrees to pay two-thirds (2/3rds) Owner the sum of **\$100.00 per rod** for the produced water pipeline and **\$100.00 per rod** for the natural gas pipeline easement right-of-way. Payment for installation is a one-time event which sum is hereby acknowledged as full and sufficient compensation and settlement for the said easement, but such payment shall not include damage suffered by Owner's land in the event of a leak, or any other maintenance or repair. Operator agrees to over seed disturbed lands within the pipeline easement with Owner's recommendation of grass seed and apply sufficient amounts of fertilizer after installation of said pipeline. All such planting and fertilizing shall be done by Operator and at the expense of Operator.

Operator agrees to utilize the "double-ditch" construction method on excavated areas across crop and pasture lands within the Easement. Top soil shall be separated from sub-soil in the excavated area of the easement during Operator's construction operations to prevent the mixing of topsoil and sub-soil. Topsoil and subsoil shall be properly replaced following Operator's placement of the pipeline. Furthermore, Operator agrees to bury pipeline at least **48 inches** below ground level.

Operator shall pay all damages to crops, livestock and fences, which may arise, directly from construction, maintenance, and operation of facilities. It is mutually understood and agreed that in the event any dispute arises relative to the amount of damages suffered, which are caused by the exercise of the rights granted herein, said damage, if not mutually agreed upon, shall be ascertained and determined by three disinterested persons, one to be appointed by the Owner, or by the person or persons claiming an interest in the land derived from Owner, one by the Operator, its successors and assigns, and the third person by the two persons before mentioned, and the decisions of the arbitrators thus selected shall be final and conclusive.

Operator shall maintain the Pad Site in a neat and orderly manner, free of trash and debris and shall keep the grass, weeds and other vegetation mowed. No machinery or vehicles of any kind that are in a "junk" state, unless enclosed within structures or screened from sight by fencing or other sight barrier, shall be allowed on the Pad Site. No animals shall be kept or allowed on the Pad Site.

The Pad Site may be located in areas that contain sandy or rocky soil conditions, hillsides, slopes and maybe even low lying areas ("Irregular Terrain"), in an attempt to control, reduce and hopefully prevent erosion, Operator may from time to time, require an additional strip of land North and only North of and adjoining the Pad Site, this strip of land being called a "Construction Easement". The Construction Easement is needed so Operator may negotiate the Irregular Terrain by constructing a gentle berm or grade where needed adjoining the Pad Site. The width of the Construction Easement may be up to (50') wide at the base (not the hypotenuse) of the berm or grade adjoining the Pad Site, as needed in Operator's sole discretion. The Construction Easement is temporary in nature and will be seeded with native grass seed. Additionally, Operator may in its sole discretion set or install square hay bales and construction fabric barriers, as needed along certain elevations of the Construction Easement to slow water run-off and prevent erosion. No mineral materials, such as crushed rock products, may be applied within the Construction Easement.

Operator agrees to create a privacy barrier around the North, South, and East perimeter of the Pad Site by way of planting trees to create a blocked view from the Owner's Lands. Said trees are to be planted following the construction process and placed around the perimeter of said Pad Site. Furthermore, Operator agrees that tree species will be of the evergreen type, but no species of cedar, and planted when weather is deemed favorable for young tree survival. Operator will replace any tree planted for the privacy fence that dies within a 24 month period with a new tree of like species.

Operator agrees that all operations on the Pad Site are to be conducted in accordance with the rules and regulations of the Oklahoma Corporation Commission (the "OCC").

TAXES: Operator shall pay all taxes which may be levied or assessed on the installation, use and operation of Pad Site or pipeline installed pursuant to this Agreement and easement and Operator further agrees to promptly reimburse Owner for the amount of taxes which may be assessed against Owner by the sole reason of Operator having installed its pad or piping and related equipment upon the real estate of Owner covered by this Agreement. However, if Operator pays taxes which are levied or assessed against Operator due to the installation, use and operation of Pad Site or pipeline installed pursuant to this Agreement, Operator shall not be liable for any reimbursement to Owner for any taxes which may be assessed against Grantor by reason of Operator having installed Pad Site or pipeline and related equipment upon the real estate of Owner by this Agreement.

Operator agrees to indemnify and hold Owner harmless from and against all claims or damages relating in any manner to the exercise of the rights granted to Operator by this agreement, including, but not limited to, the payment by Operator to Owner of all costs, liabilities and expenses (including but not limited to expense of legal representation) which are reasonably incurred by Owner as a result of any claims or damages; LESS AND EXCEPT ANY CLAIMS, DAMAGES, COSTS, LIABILITIES OR EXPENSES THAT STEM FROM OWNER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The term of this Agreement shall remain in effect as long as Operator's oil and gas leases in or under **Section 6 and 7 of Township 19N, Range 03E** and adjoining lands ("Leases"), remain in effect, and any covenant to restore the ground will survive expiration of said Leases. This Agreement is intended as a covenant running with the Lands.

ABANDONMENT: Should Operator abandon or cease to use the Wells upon the Pad Site and/or Pipeline within the granted Easement for the purposes herein granted for a period of twenty four (24) consecutive months or longer, or should this Agreement be terminated, then the Pad Site and/or Easement shall revert to Owner, its successors or assigns, without the necessity of Operator executing a conveyance or release of same. Operator shall have the right, within six (6) months following any termination or abandonment of this Agreement, to remove the pipe or facilities placed on the Pad Site and/or within the Easement, and restore the land to its original condition in accordance with applicable law.

This Agreement may be signed in multiple counterparts, each of which shall be deemed an original for all purposes. The rights granted herein to Operator shall be assignable in whole or in part and the terms and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and unto their heirs, executors, administrators, personal representatives, devisees, successors and assigns.

OWNER:

Lowell S. Adams and Marilyn S. Adams, Trustees of the Adams Living Trust Dated November 24, 2015

By: Lowell S. Adams
Lowell S. Adams, Trustee

By: Marilyn S. Adams
Marilyn S. Adams, Trustee

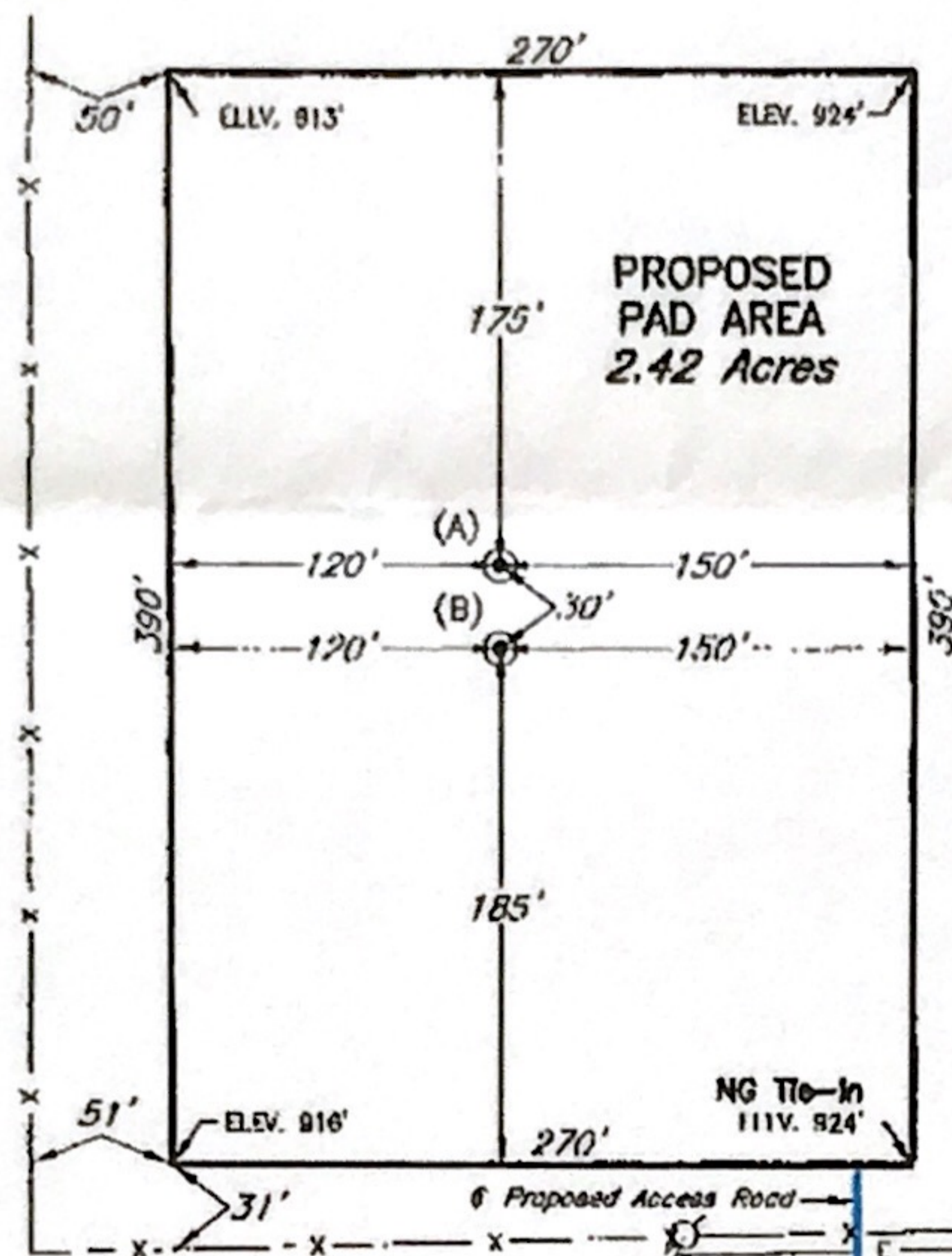
OPERATOR:

White Star Petroleum, LLC

By: ADJ
Adam Doty, Director-Field & Water Management

EXHIBIT "A"

T 19 N - R 3 E
(INDIAN MERIDIAN)



SECTION 6
SE/4

- (A) MARILYN (LOCATION STAKE)
7-18-19N-3E 1WH
NAD-27
281' FSL-1204' FFL
H.I.V: 920' (GR.)
X= 2289624
Y= 418574
LAT: 36.145881° N
LONG: 97.019064° W
- (B) MARILYN (LOCATION STAKE)
7-18-19N-3E 2WH
NAD-27
251' FSL-1204' FEL
ELEV: 921' (GR.)
X= 2289624
Y= 418544
LAT: 36.145791° N
LONG: 97.019065° W

TOTAL ACREAGE WITHIN
PAD & ROAD CONSTRUCTION
2.45 ACRES

PLAT SHOWING
PROPOSED PAD AREA AND
ACCESS ROAD IN THE
SE/4 OF SECTION 6, T19N-R3E
PAYNE COUNTY, OKLAHOMA



NOTE:
The information shown herein
is for construction purposes.

This plat was prepared exclusively for WHITE STAR PETROLEUM				SCALE: 1" = 100'
and may not be relied upon by any other party without the written consent of Topographic Land Surveyors of Oklahoma.				DATE: 9-15-16
NO.	REVISION	DATE	BY	INVOICE NO.: 263069
SURV. BY: JF 9-14-16				FILE NAME: L2004A.DWG
DRAWN BY: NMB				DRAWING NO.: 12.31.35-L2-004-A
APPROVED BY: TH				SHEET 1 OF 1
SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA 6709 N. Classon, Okla. City, OK. 73116 (405) 843-1847 Certificate of Authorization No. 1293 LS				

EXHIBIT "B"

(Illustration to serve as placeholder until official plat is provided)

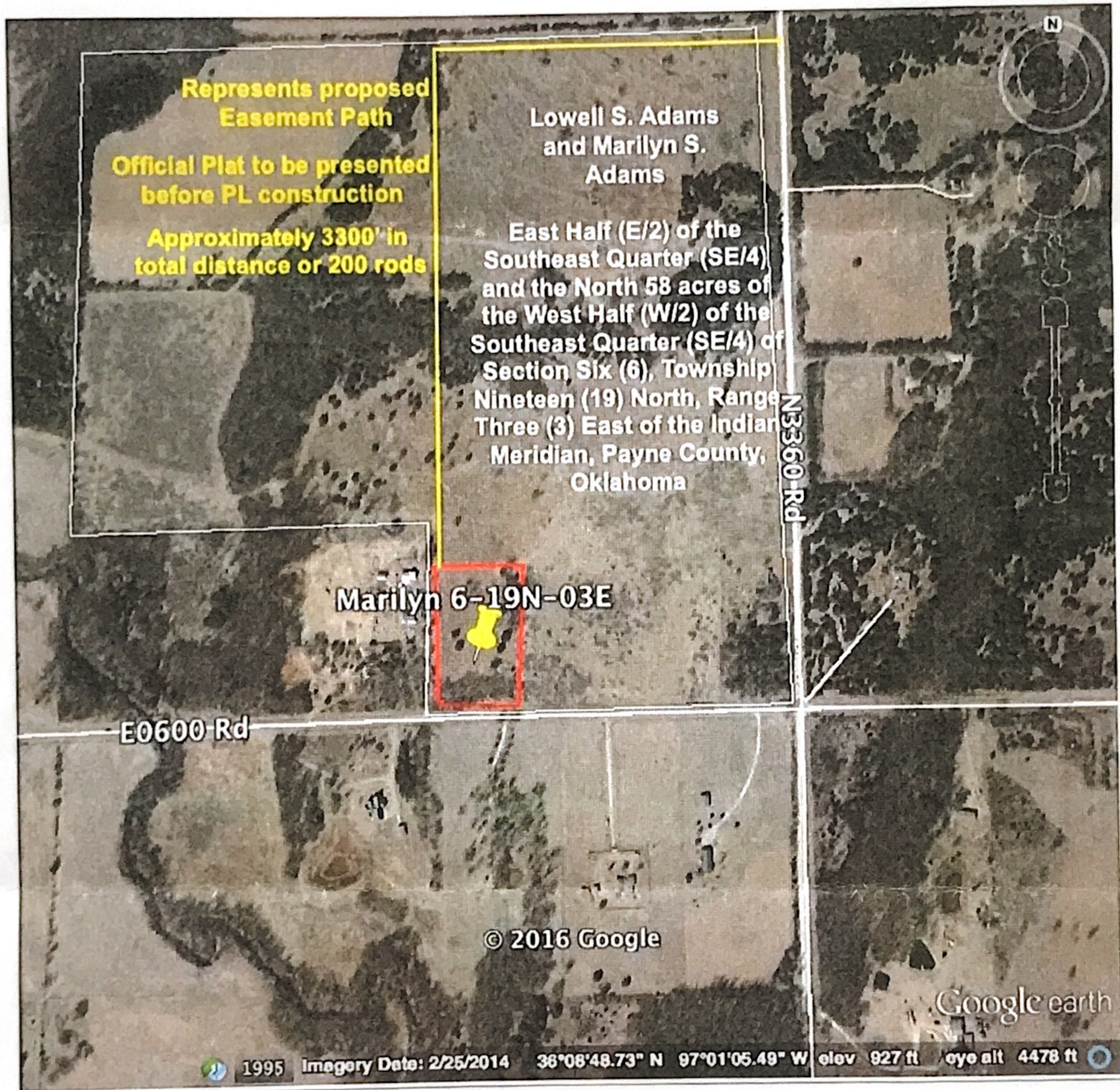


EXHIBIT "C"

Attached to that certain Surface Usage Agreement dated this _____ day of _____, 2016, between Lowell S. Adams and Marilyn Adams, Trustees of the Adams Living Trust Dated November 24, 2015, as "Owner" or "Surface Owner", and White Star Petroleum, LLC, as "Operator", (hereinafter referred to as the "Agreement") covering the following lands in Payne County, Oklahoma:

Township 19N, Range 03E of the I.M.:
Section 06:

The East Half of the Southeast Quarter (E/2 SE/4) and the North 58 acres of the West Half of the Southeast Quarter (W2 SE/4) as further depicted on Exhibit "B" attached hereto and made a part hereof. (Hereinafter "Land")

1. **Incorporation.** These provisions are incorporated in and made a part of the above-described Agreement and are intended as an integral part of the Agreement. By accepting delivery of the Agreement, Lessee accepts and agrees to these provisions. If any provision contained in the printed form of the Agreement, to which this Addendum is attached, is in conflict with one or more of the provisions of this Addendum, then the provisions of this Addendum shall prevail and the printed form of the Agreement shall be deemed amended accordingly.
2. **Access Routes, Gates, and Roads.** All roads constructed by Operator shall be constructed of gravel, shale or other material as necessary in Operator's opinion to support its operations. Operator shall install culverts under the road as necessary to maintain existing drainage patterns on the Land. Upon cessation of all operations on the Land, the roads shall become property of the Surface Owner and shall be restored by the Operator to their original pre-roads as well as the Pad Site, unless otherwise requested by the Surface Owner. Except during active drilling and completion operations, Operator shall keep any exterior gate along a Section line road securely closed (and locked when designated by Surface Owner). The Surface Owner reserves for itself and any tenant of Surface Owner and such other persons as Surface Owner may determine, the right to use the access roads.
3. **Escape of Deleterious Substances.** This Agreement does not encompass a settlement of damages caused by the accidental or intentional release of salt water, oil, or other deleterious substances onto the Land or into potable groundwater under the Land.
4. **Location Size.** The Pad Site shall be approximately 2.42 acres as depicted in Exhibit A. In the event the Pad Site is unintentionally and slightly larger than provided herein, Operator will pay Surface Owner additional damages in an amount per square foot proportionate to the consideration paid for the Pad Site and first two (2) wells as set forth in the Agreement, paid as one-time compensation for such excess damages. Should Operator's operations require a slightly larger Pad Site, the Surface Owner agrees to negotiate in good faith the location and the additional damages payment for such an expansion.
5. **Fences.** Operator shall build and maintain a five (5) strand barbed wire fence around the Pad Site in conjunction with its Operations. If, in Operator's sole discretion, the Pad Site should be open to the county road, Operator shall build the above described fence around the remaining three sides of the Pad Site.

6. **Pipelines.** Except for any temporary above-ground water supply lines, Operator shall bury and maintain all pipelines and flow lines and other utility lines, including electric lines, at least 48" below the surface of the ground. Operator agrees to restore the surface of buried lines so surface drainage will not be obstructed. For pipelines and flow lines installed by Operator on the easement, Surface Owner grants Operator a right of way and easement for said pipelines across Surface Owner's Land.
7. **Equipment Storage.** No equipment of any kind may be stored by Operator on the Land unless Operator intends to use the equipment for operations on a well located on the Land within six (6) months. Such equipment may be stored only on the Pad Site for a well or on the location of production facilities or storage tanks for a well, unless otherwise approved by Surface Owner.
8. **Water and Water Wells.** Operator agrees that no surface water, including, but not limited to, water from ponds, streams or creeks located on the Land, or sub-surface water from Surface Owner's water wells, will be used in the drilling or completion of any well without the prior consent and approval of the Surface Owner. For water acquired from Surface Owner, Operator agrees to separately compensate the Surface Owner for the purchase of same.
9. **Restoration Upon Abandonment of Operations.** Operator shall, within six (6) months after abandonment of a well, remove its salvageable equipment. Upon abandonment of all operations on the Land, Operator shall be responsible for reclaiming the access road and location and shall restore the surface to as near its former condition as reasonably possible. All lands reclaimed by Operator shall be tilled and leveled back to as near as reasonably possible the original grade; provided that, at Surface Owner's request, all or any part of the access road and location may be left for use by Surface Owner, in which case Surface Owner shall assume ownership of such part of the access road and location left for use by Surface Owner, as well as all responsibility and liability therefor.
10. **Livestock and Property Protection.** Operator shall use reasonable care in the conduct of all operations on the Land to prevent injury or damage to livestock, fences, gates, cattle guards, buildings, windmills, tanks and water wells or other property of Surface Owner or his tenants situated on the surface of the Land.
11. **Hunting, Fishing, and Weapons Prohibited.** It is expressly agreed and understood that a material condition to Surface Owner's execution of this Agreement is that no agent, employee, representative or contractor of Operator, or any other person allowed to come upon the Land by Operator, shall be permitted to hunt, fish, swim, picnic or hike on the Land, and no dog, gun, firearm, trap or fishing equipment or other type of sport paraphernalia will be permitted on the Land.
12. **Indemnification.** Except as otherwise provided by the terms of this Agreement, Operator agrees to indemnify and hold Surface Owner harmless from and against any and all third-party claims, damages, and expenses of any and every kind or character incurred by Surface Owner and which said claims, damages and expenses arise from Operator's operations in the drilling and production of the Well(s).
13. **Pipeline Appurtenant Facilities.** No above ground appurtenances will be placed within the pipeline easement granted herein except markers, vent pipes and cathodic protections equipment that will be located at road and railroad crossings, fence lines, tree rows, top banks

of streams, or at other such locations so as not to interfere with Grantor's operations, use or enjoyment.

14. **Crossing Easement.** Owner reserves the right to construct, maintain and repair fences across the pipeline easement at any angle not less than forty-five degrees (45°) to the pipeline(s); provided, however, Owner shall exercise any of the rights reserved in such a manner so that Operator's pipeline and facilities located on the easement shall not be obstructed, endangered, injured or interfered with.
15. **Other Easements.** Owner may grant other easements across the land subject to the easement so long as such other easements do not interfere with Operator's purposes and uses of the easement after obtaining the prior, written consent of Operator, which shall not be unreasonably withheld, and which shall be provided within thirty (30) calendar days after receipt of request therefor. Operator shall have no right to grant additional easements or sub-easements on, along or across the easement.
16. **Owner's Use of Easement.** Owner retains, reserves and shall continue to enjoy use of the surface of the land subject to the easement for any and all purposes that do not interfere with and prevent the use by Operator of the easement, including the right to build and use the surface of the granted land subject to the easement for drainage ditches, private streets, roads, driveways, alleys, walks, gardens, lawns, grazing, plantings and crops, parking areas, and other like uses, and to dedicate all or any part of the land subject to the easement to any public entity for use as a public street, road or alley. Owner may construct fences across the land subject to the easement, but Owner shall not construct any permanent structure (structure with foundation or that is affixed to ground) or plant trees in the land encumbered by the easement without Operator's prior written consent, which shall not be unreasonably withheld. If the Owner shall dedicate all or any part of the land encumbered by the easement, the Operator shall execute all instruments that may be necessary or appropriate to effectuate the dedication, without, however, extinguishing the rights granted in this easement.
17. **Relocation of The Easement.** Owner reserves the right, at Owner's expense, to relocate the pipeline easement and the pipeline installed therein provided the relocated easement and pipeline can be reasonably used for its intended purpose by Operator. Owner may exercise this right by giving Operator a minimum of sixty (60) calendar days' prior written notice of the intention to relocate the Easement. Written notice shall include proposed relocation details at a minimum: vertical alignment, horizontal alignment, material specifications and installation specifications. Operator shall have 14 days to provide written review of the proposed relocation and relocation shall not occur without Operator's approval, such approval shall not be unreasonably withheld.
18. **Restriction of Easement.** Notwithstanding anything to the contrary contained in the Agreement the Permanent Easement/right of way easement shall consist of a thirty foot (30') wide, free and unobstructed permanent easement and right of way, and an additional thirty foot (30') wide temporary easement work area located adjacent to and parallel with the permanent easement. The two pipelines contemplated by this agreement shall run parallel to one another and be fully contained within the single contiguous easement contemplated herein. The northern boundary of the pipeline permanent easement running east-west shall abut the north boundary line of the property.
19. **Reclamation Grasses, Stumps and Brush.** Operator shall not leave "piled up" any timber, brush, stumps, etc. cut by during the course of operations, but shall, chip, haul away or

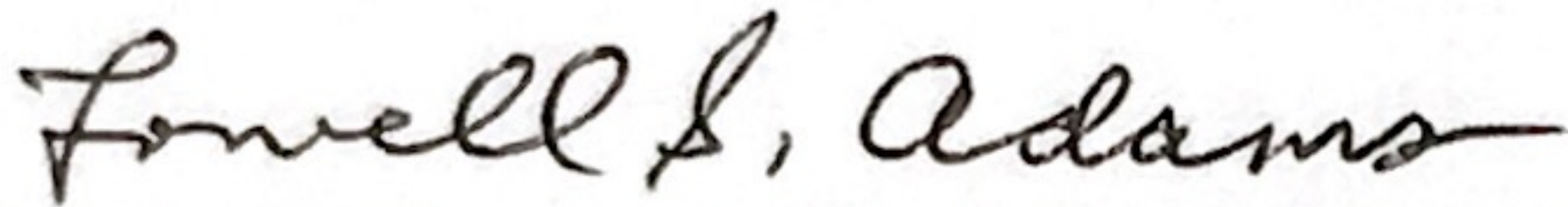
otherwise dispose of said timber, brush, stumps, etc. Owner may spread chipped organic material having an origin located within the right-of-way granted by this Agreement provided that such disposal is done in a manner which allows for seeding or re-seeding to be effective. Seed mixture shall be a native grass mixture, in order to leave the Easement area grasses in as near to previous existing conditions as reasonably practical. Upon completion of the construction phase any land disturbed by construction activities shall be restored to its original or better condition.

20. **Restriction of Use.** In no event shall any well drilled on the Land be used for disposal of any toxic or potentially harmful chemical waste, including salt water. Thus no disposal wells of any kind shall be permitted.

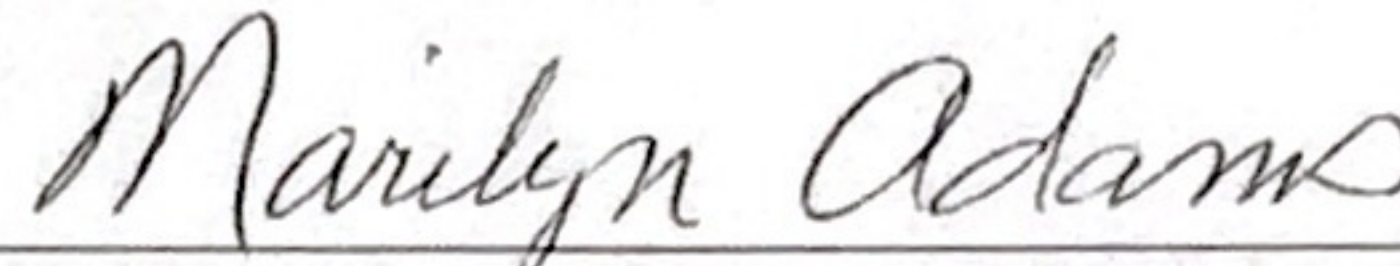
21. **Access Easement.** The Access Easement contemplated by the Agreement shall be between the County road designated as E0600 Rd. on Exhibit B (also known as Lakeview Rd.) and the pad site location. The Access Easement shall not be wider than is necessary and shall not extend beyond the east nor west boundary line of the pad site.

SIGNED FOR IDENTIFICATION:

OWNER:



Lowell S. Adams, Trustee of the Adams Living Trust Dated November 24, 2015

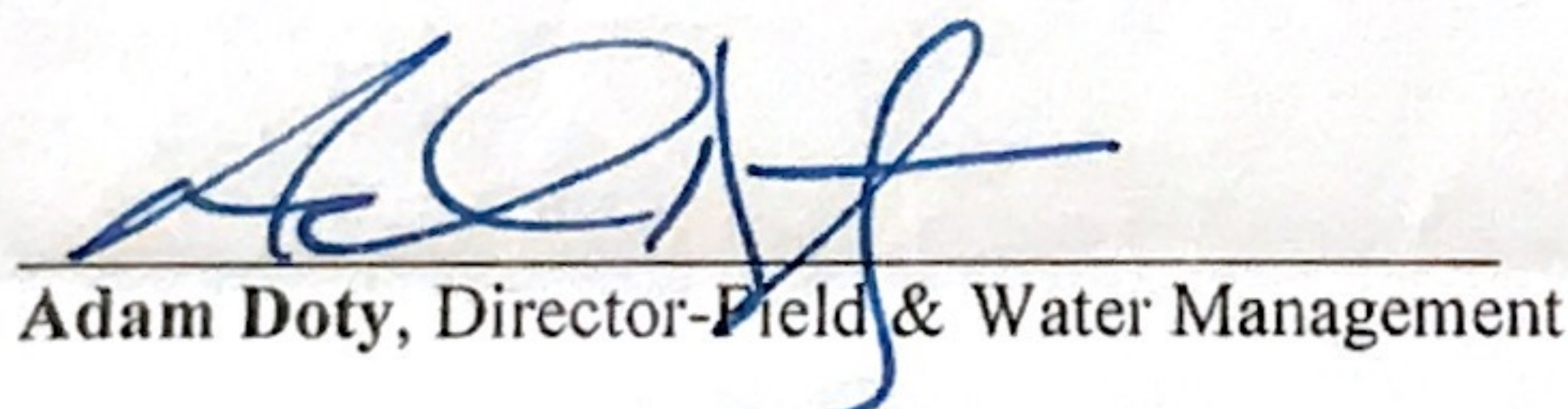


Marilyn Adams, Trustee of the Adams Living Trust Dated November 24, 2015

OPERATOR:

White Star Petroleum, LLC

By:


Adam Doty, Director-Field & Water Management