

**ROAD MAINTENANCE AGREEMENT FOR
THE GMT EXPLORATION INVICTA 3-65-28 WELL SITE DEVELOPMENT
(DA-2371-00 / DA-2371-01, OIL AND GAS APPLICATION PERMIT)
WITHIN THE CITY OF AURORA**

THIS ROAD MAINTENANCE AGREEMENT, ("Agreement"), is made and entered into on this August 8, 2024, by and between the CITY OF AURORA, COLORADO ("City"), a home rule municipal corporation of the State of Colorado, located within Adams, Arapahoe and Douglas Counties, Colorado and GMT Exploration Company, LLC (hereinafter referred to as "Operator," and together with the City, the "Parties") for the maintenance and repair of certain streets and/or roadways within the City of Aurora, Colorado which Operator will use in association with Well Name: Invicta 3-65-28 ("Wells or Well Sites").

WHEREAS, Operator is in the business of oil and gas exploration and production and, in connection therewith, will be engaged in drilling and production activities on property within the city limits of Aurora as permitted by the City which abuts, is adjacent to, and/or is accessed by the Haul Route, as defined in Article 2, within the City of Aurora; and

WHEREAS, the use of the Haul Route by the Operator for the purpose of performing the activities described hereinabove may require said Haul Route to be improved and may result in damage to the Haul Route which may require Operator to maintain said Haul Route; and

WHEREAS, the City and Operator, for the mutual consideration hereinafter stated, desire to enter into this Agreement for Operator to repair and maintain said Haul Route for the duration of the term of this Agreement in consideration of Operator's use of said Haul Route for the purpose of the activities described herein.

IT IS NOW THEREFORE AGREED THAT:

**ARTICLE 1.
APPLICABILITY**

This Agreement is solely applicable to the aforementioned Wells and Well Sites (Development Application No. DA-2371-00 / DA-2371-01) and shall govern the rights and obligations of the Parties with regard to Operator's use and maintenance of roadways within the City.

**ARTICLE 2.
PAVEMENT DISTRESS SURVEY – VISUAL**

1. The Operator will use the Haul Route depicted on City-approved site plan for the Wells. Operator will have a third party (approved by the City), conduct a road condition survey ("Road Survey"), and provide a baseline analysis ("Baseline Study") for the present condition of the Haul Routes, and an Alternative Haul Route described in Section 1.a. below, and a post-line analysis ("Post Study") for the condition of the Haul Route, and Alternative Haul Route if used by Operator, after drilling and completions of the Wells. The Baseline Study will be done in advance of usage of the Haul Routes. The Road Survey will be conducted in accordance with the standards as set forth in "Exhibit A," which is attached hereto and made part of this Agreement by this reference. The Baseline Study and Post Study will be reviewed and, if found satisfactory to the City, approved by the City. The City will have ten (10) business days to evaluate the Baseline Study and/or Post Study.
 - a. The Alternate Haul Route will be identified by the Operator and provided to the City in the Baseline Study. The Alternative Haul Route will only be used by the Operator in the event that the Haul Route is closed temporarily for repairs that cannot be deferred until the Post Study has been completed for the Haul Route. Operator will provide advance written notice to the City if the Alternate Haul Route is proposed to be used.

**ARTICLE 3.
REPAIR OBLIGATION**

1. During the term of this Agreement, the City Public Improvement Inspection staff shall be responsible for frequent, periodic inspections of the Haul Route or any Alternative Haul Route to determine when and where general maintenance, repair, or rehabilitation is needed. If the City or the Operator discover damages that require immediate attention and warrant closing the road, the City Engineer and Fire Department will be notified immediately. If the City or the Operator close the Haul Route or any portion thereof, the City will make such repairs so that the Haul Route may be reopened as reasonably determined by the Director of Public Works. The City shall promptly provide notice to Operator of needed general maintenance, repair or rehabilitation and an estimate of the cost of repairs. Operator agrees to reimburse City, with no cap, for damages caused by Operator or its contractors, subcontractors, employees, and agents, to the Haul Route or any Alternative Haul Route. This obligation will continue during the term of this Agreement, and Operator will, prior to the termination of this Agreement, as provided herein, reimburse City for such damages to such roadways, up and to the condition in which such roadways existed immediately prior to the execution of this Agreement.
2. In connection with its obligation to repair said roadways, City and Operator agree to use materials of the same or better quality than those utilized to surface and/or repair the roadways prior to execution of this Agreement and in accordance with the current standards and specifications of the City. Deviation from the materials described herein will not be permitted without the prior written consent of the City Engineer. Repairs will be completed in accordance with the City's "Roadway Design and Construction Specification" manual, latest edition.
3. City will repair the damage to the roadways at Operator's sole cost and expense.
4. The City shall promptly provide notice to Operator of needed general maintenance, repair or rehabilitation and Operator will, within two (2) business days, work out a schedule for the work. Repairs will take place within thirty (30) days or immediately if the damage affects the immediate health and safety of the Public. If it is determined by the City and verified by Operator's third-party vendor, that the damage was caused by Operator or its contractors, subcontractors, employees, and agents, then Operator will, within ten (10) business day, submit a deposit to the City of one hundred twenty-five percent (125%) of the estimated costs of doing the work as set forth in the notice. Upon completion of the work, any unused funds will be returned to Operator.
5. The Operator will ensure that its contractors, subcontractors, employees and agents shall only use the approved Haul Routes. A warning will be issued for the first violation of this provision. However, a fine of \$1,000.00 will be imposed for non-utilization of the approved Haul Route or the approved Alternative Haul Route. If Operator and City determine additional routes are necessary, Operator will not use the additional routes until a new Road Condition Survey can be completed for the new route(s) which will identify all road rehabilitation work for existing paved routes. Said Road Condition Survey must be submitted to the City Engineer for review and approve. City will submit a cost estimate and then an invoice to Operator for costs of all general repair and maintenance obligations.

**ARTICLE 4.
TERM OF AGREEMENT**

This Agreement will commence upon the date indicated above and will continue in full force and effect until Operator has conducted completions operations upon the Wells or permanently discontinued the activities upon the Haul Routes and completed all necessary general maintenance, repair, or

rehabilitation to the roadways caused by Operator's use of said roadways, whichever occurs last.

ARTICLE 5. IMPACT FEE

The Operator will pay to the City of Aurora via Certified Check a one-time impact fee for each Well upon the commencement of any operations. The Impact Fee shall be in the amount of \$40,000.00 per new Well spud and shall be made payable to: City of Aurora.

ARTICLE 6. PAYMENT BONDS

1. The Operator will provide a performance bond, unless a performance bond has been provided for with the issuance of the Oil and Gas Wells Permit for the Invicta 3-65-28 wells under the terms, conditions and general authority described in Chapter 135 of the Aurora City Code that covers the obligations of this Agreement, in an amount not less than the amount necessary to repair the roadways, as determined by the City Engineer.
2. Prior to the beginning of any activity pursuant to the issuance of any Oil and Gas Wells Permit, unless a performance bond has been provided for the issuance of Oil and Gas Wells Permits for GMT Exploration Company, LLC under the terms and conditions described in Chapter 135 of the Aurora City Code, Operator will provide the City of Aurora with a security instrument in the form of a bond as follows:
 - a. Bond - A bond in the amount of \$2,500,000.00 will be executed by a reliable bonding or insurance institution authorized to do business in Colorado, acceptable to the City. The bond will become effective on or before the earlier date upon which GMT Exploration Company, LLC's Oil and Gas Well Permit is issued and will remain in force and effect for at least a period of six (6) months after completion of construction of the last and final Well at the site. The Operator will be listed as principal and the instrument will run to the City, as obligee, and will be conditioned that the Operator will comply with the terms and regulations of this Agreement and applicable City Code. The original bond will be submitted to the City Engineer.
 - b. Whenever the Inspector or the City Engineer finds that an alleged default has occurred in the performance of any requirement or condition imposed by this Agreement, a written notice alleging such default will be given to Operator. Such notice will specify the work to be done, the estimated cost and the period of the time deemed by the Inspector or the City Engineer to be reasonably necessary for the completion of such work. After receipt of such notice, the Operator will, within the time therein specified, either cause or require the work to be performed, or failing to do so, will pay over to the City one hundred twenty-five percent (125%) of the estimated cost of doing the work as set forth in the notice.
 - c. The City will be authorized to draw against any irrevocable letter of credit or bond to recover such amount due from Operator. Upon receipt of such monies, the City will proceed by such mode as deemed convenient to cause the required work to be performed and completed, but no liability will be incurred other than for the expenditure of said sum in hand.
 - d. In the event Operator does not cause the work to be performed and fails or refuses to pay over to the City the estimated cost of the work to be done as set forth in the notice, or the issuer of the security instrument refuses to honor any draft by the City against the applicable irrevocable letter of credit or bond, the City may proceed to obtain compliance and abate the default by way of civil action against Operator, or by criminal action against the Operator, or by both such methods.
 - e. The cancellation of any bond or letter of credit for the sole purpose of the repair of roadways will not release the obligation of the Operator to meet all requirements of

insurance and bonding under this Agreement. Any bond or bonds required by this Agreement relating to oil and gas facilities will stay in full force and effect until the terms and conditions set out in the Chapter 135 are met.

3. If the cost of completing the repair is an amount of \$15,000 or less, as determined by the City Engineer, cash in the amount necessary to complete the repairs, as determined by the City Engineer, may be deposited with a bank or escrow agent pursuant to an escrow agreement acceptable and approved by the City ensuring completion of the repair.

ARTICLE 7. MISCELLANEOUS PROVISIONS

1. Operator understands and agrees that Operator, its employees, servants, agents, and representatives will at no time represent themselves to be employees, servants, agents, and/or representatives of the City. Except as provided by federal, state, local law or regulation, the City will not have any control over the means or methods by which Operator will perform its obligations hereunder. Operator will furnish all equipment and materials necessary to perform hereunder and will at all times be acting as an independent Operator.
2. By entering into this Agreement, the City does not waive, nor will it be deemed to waive, any immunity or defense that would otherwise be available to it against claims arising by third parties.
3. This Agreement may be executed and/ or amended only by written instrument signed by the governing body of the City or those authorized to sign on behalf of the City's governing body.

ARTICLE 8. DIRT AND DUST CONTROL

Operator agrees to primarily use water on dirt, sand and gravel in the area of the Well Site and the surrounding areas trafficked by equipment or vehicles entering and/ or exiting the Well Site in order to suppress dust. Upon request by City, Operator shall spray Magnesium Chloride on the surface as necessary.

ARTICLE 9. ASSIGNABILITY AND CONSENT

Except as otherwise provided herein, or except as may be hereafter determined by the Parties, no Party to this Agreement may sell, assign, or transfer its interest in this Agreement, or any of its right, duties, or obligations hereunder, without the prior written consent of the other Party. Whenever the consent or the approval of a Party is required herein, such Party will not unreasonably withhold, delay, or deny such consent or approval. Failure to respond within twenty (20) business days following a request to assign will be deemed a consent to the assignment. Operator may assign this Agreement to any successor entity to whom the applicable Oil and Gas Wells Permit has been assigned upon ten business days written notice to the City of said assignment.

ARTICLE 10. FUTURE CONSIDERATIONS

In the event of re-fracking at the Well Site, Operator or its Assignee agrees to re-negotiate this Road Maintenance Agreement with the City.

**ARTICLE 11.
MEDIATION**

If a dispute arises relating to this Agreement and is not resolved, the parties must first proceed, in good faith, to non-binding mediation. The Parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire dispute is not resolved within thirty (30) days of the written notice requesting mediation is delivered by one party to the other in accordance with Article 10.

**ARTICLE 12.
NOTICE**

Any notice given by one Party to the other in connection with this Agreement will be in writing and will be by personal delivery; sent by registered mail or certified mail; or by United States Mail, return receipt requested, postage prepaid; to:

CITY: Attn: City Engineer Public Works Department
City of Aurora, Colorado
15151 E. Alameda Parkway, Suite 3200
Aurora, Colorado 80012
Via Phone: (303) 739-7300
Via Email: hjohanse@auroragov.org

OPERATOR: **GMT Exploration Company, LLC**
4949 S. Niagara St. Ste. 250
Denver, CO 80237
Via Phone: 303-586-9291
720-862-4503
Via Email: mblair@gmtexploration.com

Notice will be deemed to have been received on the date of receipt as shown on the return receipt or other written evidence of receipt.

**ARTICLE 13.
MODIFICATION**

No waiver or modification of this Agreement or of any covenant, condition, limitation herein contained will be valid unless in writing and duly executed by the Party to be charged therewith. No evidence of any waiver or modification will be offered or received in evidence in any proceeding arising between the Parties hereto out of or affecting this Agreement, or the rights or obligations of the Parties hereunder, unless such waiver or modification is in writing, duly executed. The Parties further agree that the provisions of this Article will not be waived unless as herein set forth.

**ARTICLE 14.
SAVINGS/SEVERABILITY**

In the event that any one or more of the provisions hereof contained in this Agreement will for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or enforceability will not affect the other provisions, and the Agreement will be construed as if such invalid, illegal, or unenforceable provisions had never been contained in this Agreement.

**ARTICLE 15.
GOVERNING LAW AND VENUE**

This Agreement will be construed under and governed by, and in accordance with the laws of the State

of Colorado, and venue for any action arising under the terms and conditions of this Agreement will lie in the state courts located in Adams County, Colorado.

**ARTICLE 16.
ENTIRE AGREEMENT**

This Agreement and the exhibit(s) attached hereto, represents the entire agreement between Operator and City for repair of roadways and supersedes all prior negotiations, representations, and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by the governing body of the City or those authorized to sign on behalf of the City's governing body. This Agreement and the exhibits attached hereto, constitute the entire agreement among the Parties hereto with respect to the subject matter hereof, and supersede any prior understandings or written or oral agreements between the Parties with respect to the subject matter of this Agreement. No amendment, modification, cancellation or alteration of the terms of this Agreement will be binding on any Party hereto unless the same is in writing, dated subsequent to the date hereof, and is duly authorized and executed by the Parties hereto.

**ARTICLE 17.
WAIVER OF TERMS AND CONDITIONS**

The failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement will not constitute a general waiver or relinquishment of any such terms or conditions, but the same will be and remain at all times in full force and effect.

**ARTICLE 18.
CAPTIONS**

The captions contained in this Agreement are for informational purposes only and will not in any way affect the substantive terms or conditions of this Agreement.

**ARTICLE 19.
COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties do hereby affix their signatures and enter into this Agreement as of the _____ day of _____, 2024.

CITY:
CITY OF AURORA

Laura Perry, Deputy City Manager, City of Aurora, Colorado

STATE OF COLORADO)
) ss.
COUNTY OF **ADAMS**)

Before me, the undersigned Notary Public, on this day personally appeared Laura Perry, Deputy City Manager, the City of Aurora, Colorado, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me he/she executed the instrument for the purpose and consideration therein expressed.


Given under my hand and seal of office this ____ day of _____, 2024.

Notary Public

My Commission Expires

APPROVED AS TO
FORM:


By: David Scott
David Scott, Assistant City Attorney


Philip G. Wood, VP of Land

STATE OF COLORADO)
COUNTY OF Denver) ss.
)

Given under my hand and official seal, this is the 15th day of August, 2024.

Given under my hand and official seal, this is the 13 day of July



Notary Public

10/14/2027

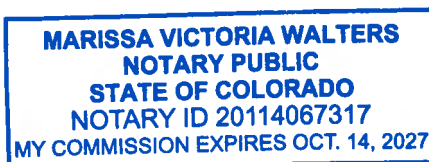


Exhibit A

[Road Survey by _____ , Attached]