

COPY

MEMORANDUM OF EASEMENT

State: Utah

County: Uintah

Grantor: Ballard Water Improvement District, a political entity of Uintah County, Utah whose address is 2774 E 2000 S Ballard City, UT 84066

Grantee: SM Energy Company, whose address is 1700 Lincoln Street, Suite 3200, Denver Colorado 80203

Effective Date: October 1, 2024

As of the Effective Date stated above, Grantor, named above, executed and delivered to Grantee, named above, a Pipeline Easement Agreement (the "Agreement") in which Grantor has granted Grantee certain rights to access the lands described below ("The Lands") for the purpose of constructing and operating pipelines. The Lands, all of which are situated in Uintah County, Utah, are described as follows:

Township 2 South, Range 1 West, U.S.M.

Legal Description: BEG AT N1/4 Corner SEC 36, T 2 S, R 1 W, U.S.M. Thence S 80 RDS, W 2403.52 FT, N 1323.04 FT, E 2403.52 FT TO The Beginning. Containing 72.82 ACRES

Parcel: 170540002

as more particularly described and depicted on Exhibit "A", attached hereto and made part hereof.

This Agreement shall terminate upon the expiration or termination of the Agreement.

This Memorandum of Easements is executed by Grantor and Grantee and placed of record in the county in which the Lands are located for the purpose of placing all persons on notice of the existence of the Easement, which is not, at the request of both parties, being filed of record.

IN WITNESS WHEREOF, this instrument is duly signed and sealed on the earliest date set forth in the acknowledgments below but is effective as of the Effective Date.

*******Remainder of this page intentionally left blank. Signature Page to Follow*******

GRANTOR:

Ben Mower
Director of Public Works
Ballard City Water Improvement District

ACKNOWLEDGEMENT

STATE OF UTAH

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2024
by Ben Mower as Director of Public Works of **Ballard City Water Improvement District.**

Witness my hand and official seal.

My commission expires: _____

Notary Public

GRANTEE:

SM Energy Company

By: _____

Richard A. Harris

Regional Land Manager-Utah

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ACKNOWLEDGEMENT(S)

STATE OF _____)
) SS
COUNTY OF _____)

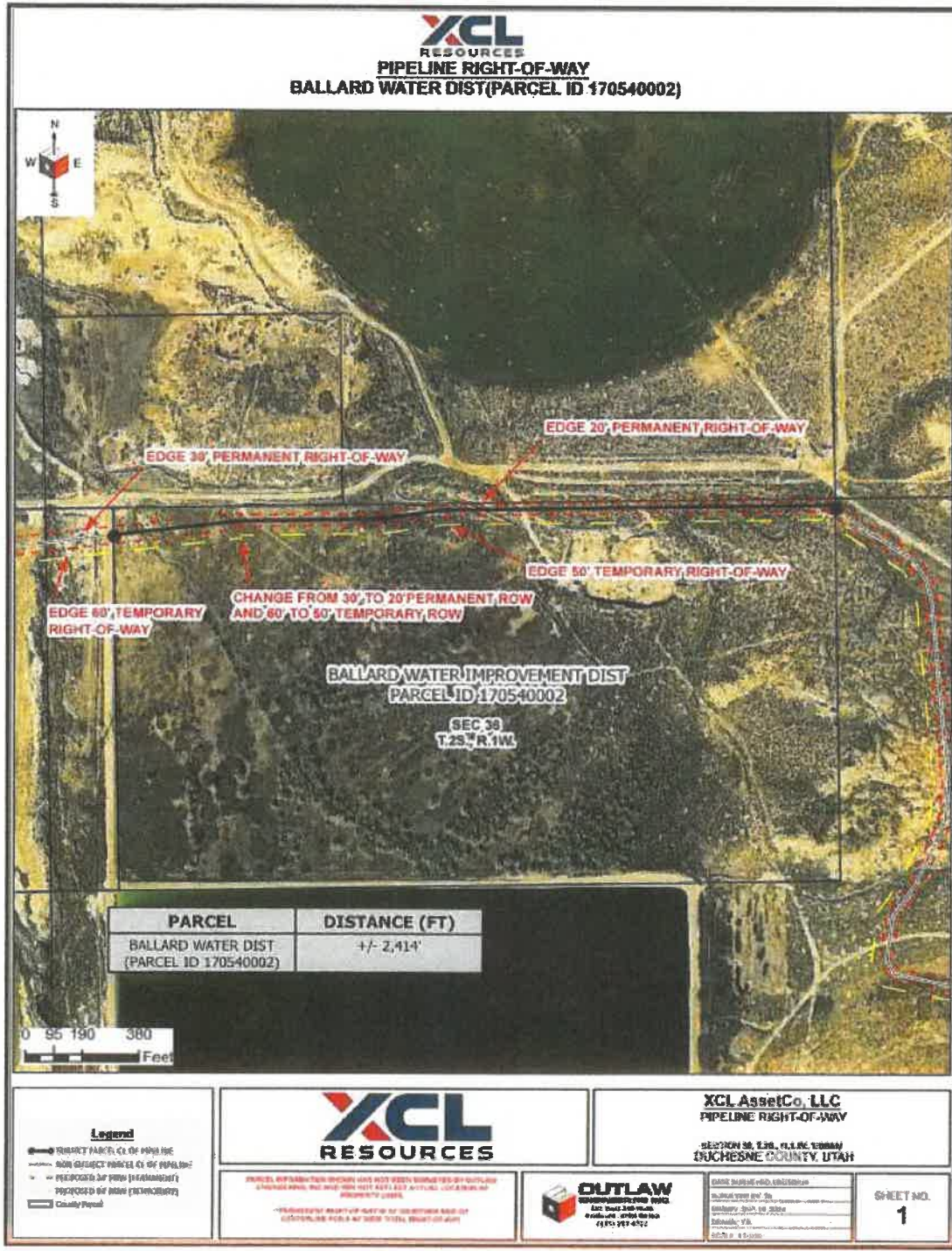
This instrument was acknowledged before me on this _____ day of _____,
2024 by
Richard A. Harris, Regional Land Manager-Utah of SM Energy Company, on behalf of said entity.

Notary Public

[SEAL]

My Commission Expires: _____

Exhibit "A"



PIPELINE EASEMENT AGREEMENT

COPY

KNOW ALL MEN BY THESE PRESENTS:

KNOW ALL PERSONS BY THESE PRESENTS, Ballard Water Improvement District, a political entity of Uintah County, Utah whose address is **2774 E 2000 S Ballard City, UT 84066** (“Grantor”), whether one or more, in exchange for the good and valuable consideration described elsewhere in this Pipeline Easement Agreement (this “Agreement”), does hereby GRANT, BARGAIN, SELL, CONVEY and WARRANT unto **SM Energy Company, whose address is 1700 Lincoln Street, Suite 3200, Denver Colorado 80203** (“Grantee”), its successors and assigns, an exclusive, perpetual, and permanent right-of-way and easement (the “Pipeline Easement”) of forty feet (40’) in width, for the purpose of laying, installing, constructing, maintaining, operating, inspecting, repairing, replacing, protecting, changing the size of and removing pipelines, related equipment, and appurtenances thereto, for the transportation of oil, gas, and other hydrocarbons, related substances and vapors of such products, fresh or produced water, and/or other substances related to operations for exploration and production of oil, gas, and related hydrocarbons (the “Pipelines”), upon and along a route to be selected by Grantee in consultation with Grantor, on, under, and across the lands of Grantor, situated in the County of Uintah, State of Utah, more particularly described as follows (the “Property”):

Township 2 South, Range 1 West, U.S.M.

Legal Description: BEG AT N1/4 Corner SEC 36, T 2 S, R 1 W, U.S.M.
Thence S 80 RDS, W 2403.52 FT, N 1323.04 FT, E 2403.52 FT TO The
Beginning. Containing 72.82 ACRES

Parcel: 170540002

and as further described and depicted on Exhibit “A”, attached hereto and made part hereof, together with the rights of ingress and egress to and from said Pipelines or Pipeline Easement, for the purposes aforesaid.

In addition to the Pipeline Easement, during any period of time that Grantee is installing or maintaining the Pipelines and the Pipeline Easement, Grantor does HEREBY GRANT, BARGAIN, SELL, CONVEY and WARRANT unto Grantee an additional temporary easement of forty feet (40’) in width, except that such easement shall be to a width of sixty feet (60’) at all road, ditch and waterway crossings and any areas of severely uneven ground (the “Temporary Workspace”).

Grantor reserves the right to use and fully enjoy the Property, except as to the rights herein granted.

No permanent above-ground structures may be located within any pipeline easements except for the Pipeline related equipment and associated facilities.

Grantee shall use its best efforts to provide written notice to Grantor at least two (2) weeks prior to any construction or installation within the Property or Pipeline Easement.

Grantee will bury pipelines placed within the Pipeline Easement at a depth not less than thirty-six inches (36"). Grantee's agreement to bury pipelines shall in no way restrict Grantee from installing above ground appurtenant facilities (markers, risers, headers, block valves, monitors, cathodic protection equipment, AC Mitigation equipment, electrical power lines, etc.) related to the operations of said pipelines; however, Grantee agrees to reasonably attempt to locate said appurtenant facilities so as to minimize the impact of same to Grantor's use of the Property.

Grantee shall use its best efforts to immediately repair any roadway crossings, existing water infrastructure and fences on or enclosing the Property that are damaged or temporarily taken down during any construction on or use of the Pipelines or Pipeline Easement.

Grantee may record a Memorandum of this Agreement attaching a plat as Exhibit "A" thereto substantially identical to Exhibit "A" attached hereto. Grantor acknowledges and agrees that Grantee shall have the right to modify the location of the Pipeline Easement and/or Temporary Workspace within the Property as a result of various engineering factors or to correct the legal description of the Pipeline Easement and/or Temporary Workspace to conform with the actual location of the required Pipeline Easement and/or Temporary Workspace. In the event such a modification is required by Grantee, Grantee may modify the location of the Pipeline Easement and/or Temporary Workspace by recording a "Notice of Location" referring to this instrument and setting forth the modified legal description of the Pipeline Easement and/or Temporary Workspace, which description may be set forth by map attached to said Notice. A copy of the Notice shall be delivered to Grantor. Without limiting Grantee's right to modify the location of the Pipeline Easement and/or Temporary Workspace by recording a "Notice of Location" as foresaid, Grantor agrees to execute and deliver to Grantee any additional documents Grantee may request to modify or correct the legal description of the Pipeline Easement and/or Temporary Workspace to conform with the actual location of the required Pipeline Easement and/or Temporary Workspace. If such documents are required, they will be prepared by Grantee at its expense. Grantor shall receive additional reasonable compensation only if the acreage within the Pipeline Easement and/or Temporary Workspace increases as a result of the changed location.

Grantor agrees not to construct or create any obstruction, structure or engineering work on the herein granted Pipeline Easement that will interfere with rights and interests of Grantee herein granted and provided further that Grantee shall have the right hereafter to keep clear obstructions from the herein granted Pipeline Easement.

During installation or construction upon the Property and at all times thereafter, Grantee shall minimize disruption of and interference with any ranching, agriculture, or

other operations conducted on the Property now or in the future. No camping, recreating, hunting, or any other non-pipeline related activities are permissible at any time on the Property by Grantee.

Within one hundred twenty (120) days, if season is conducive, after installation of any pipeline or appurtenances, or any maintenance or repair of any pipeline or appurtenances that disturbs the surface of the Property, Grantee shall restore any affected area to its approximate pre-disturbance topography. Grantee agrees at its sole cost to re-seed all such areas with appropriate native grasses or alfalfa for ground cover and erosion control. Grantee shall insure a naturally contoured surface over the Pipeline Easement and Temporary Workspace.

To have and to hold said easement, rights, and right of way, unto the said Grantee, its successors, and assigns, for a period of time extending two (2) continuous years without interruption beyond the date the Pipeline and Pipeline Easement are no longer in use. Upon the passing of two (2) continuous years without interruption that the Pipeline and Pipeline Easement are no longer in use by Grantee, its successors or assigns, should such continuous period of non-use occur, the easement, rights, and right-of-way assigned and conveyed hereby shall terminate and revert to the Grantor.

Grantor acknowledges receipt and sufficiency of Five Hundred Dollars and No/100 (\$500.00) as a down payment at said time of execution of this Agreement (the "Down Payment"), with the balance of the consideration due, if any, to be paid prior to the commencement of construction, but Grantee shall have the right to enter upon said premises for purposes of inspection and survey.

Upon commencement of operations for construction or installation of the first pipeline or lines of the Pipelines, Grantee shall pay to Grantor a one-time payment in the sum of Eight dollars (\$8.00) per linear foot less the Down Payment, which payment shall be consideration for all damages to the Property, Pipeline Easement, and Temporary Workspace. Payments shall be made by Grantee by check mailed to Grantor. Nothing herein contained shall obligate Grantee to construct any pipeline(s) hereunder.

Should additional pipelines be laid at any time under this grant, after the construction of the initial line or lines for which payment has been made under the preceding paragraph hereof, an additional consideration of Four dollars (\$4.00) per linear foot shall be paid for each pipeline so laid after the initial line or lines; provided, however, that multiple pipes laid in a single excavation shall constitute a single pipeline for the purposes hereof.

For the consideration aforesaid, Grantor does hereby release and discharge Grantee of and from any and all claims and causes of action arising out of or in any way connected with the reasonable exercise by Grantee of the rights and easement herein granted.

As to the rights hereby granted, all rights of dower and homestead are hereby released and waived.

This Agreement may be executed in several counterparts, each of which shall be an original of this Agreement but all of which, taken together, shall constitute one and the same Agreement and be binding upon the parties who executed any counterpart, regardless of where it is executed by all parties named herein.

This Agreement embodies the entire agreement between Grantor and Grantee with respect to the subject hereof, including the consideration paid or to be paid in connection therewith. The easement and rights hereby granted, and all of the terms and conditions hereof shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, successors and assigns of the parties hereto; and the rights and easement herein granted shall be assignable together or separately and in whole or in part.

IN WITNESS WHEREOF, this instrument is duly signed and sealed on the earliest date set forth in the acknowledgment below but is dated effective _____, 2024.

******Remainder of this page intentionally left blank. Signature Page to Follow******

GRANTOR:

Ben Mower
Director of Public Works
Ballard City Water Improvement District

ACKNOWLEDGEMENT

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2024 by Ben Mower as Director of **Ballard City Water Improvement District**.

Witness my hand and official seal.

Notary Public
My commission expires: _____

GRANTEE:

SM Energy Company

By: _____

Richard A. Harris

Regional Land Manager-Utah

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ACKNOWLEDGEMENT(S)

STATE OF _____)
) SS
COUNTY OF _____)

This instrument was acknowledged before me on this _____ day of _____,
2024 by
Richard A. Harris, Regional Land Manager-Utah of SM Energy Company, on behalf of said entity.

Notary Public

[SEAL]

My Commission Expires: _____

Exhibit A

