

Exhibit "A"

ADDENDUM

This Addendum is attached to and by this reference made a part of that certain Oil & Gas Lease made the ___ day of _____ 202__ (the "Lease"), and effective as of _____, 202__ (the "Effective Date"), by and between the Town of Johnstown, Colorado, as Lessor and PDC Energy, Inc., as Lessee.

In the event of a conflict or inconsistency between the printed terms of the Lease and the terms of this Addendum, the terms of this Addendum shall govern and control and shall be deemed to supersede the printed terms of the Lease.

1. **Lessor.** The Lessor is the Town of Johnstown, whose address is 450 S. Parish Ave., Johnstown, CO 80534.
2. **Lease Term.** The following printed provision in this Lease in Paragraph 1 is hereby deleted in its entirety:

"Subject to the other provisions herein contained, this lease shall remain in force for a term of three (3) years (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises, or lands pooled or unitized therewith, or as long as Operations, as defined below, are being conducted at the end of the primary term and are continuously prosecuted thereafter in accordance with Section 5 below. For purposes of this lease, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. The term "Operations" shall mean any activity conducted on or off the leased premises that is reasonably calculated to obtain or restore production on the leased premises or lands pooled or unitized therewith, including without limitation, (i) drilling and completing or any act preparatory to drilling and completing (such as testing, fracking, obtaining permits, surveying a drill site, staking a drill site, building roads, clearing a drill site, or hauling equipment or supplies); (ii) reworking, plugging back, deepening, treating, stimulating, refitting, installing any artificial lift or production-enhancement equipment or technique; (iii) constructing facilities related to the production, treatment, transportation and marketing of substances produced from the leased premises; (iv) contracting for marketing services and sale of oil or gas; and (v) construction of water disposal facilities and the physical movement of water produced from the leased premises. Operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days elapses between (a) the cessation of Operations or the permanent cessation of all production from any cause, including a revision of unit boundaries pursuant to the provisions of this lease or the action of any governmental authority, and (b) either the commencement of Operations or the restoration of production. Operations shall be deemed to have commenced for a new well at such time as the construction of the wellsite location or the road which provides access to the wellsite location has been initiated."

Paragraphs 5 and 19 of the Lease are also deleted in their entirety. Paragraphs 5, 19, and the above-described provision are hereby replaced with the following:

"This Lease shall remain in force for a primary term of three (3) years from 12:00 A.M. _____, 202__ (effective date) to 11:59 P.M. _____, 202__ (last day of primary term) and shall continue beyond the primary term as to the entirety of the leased premises if one of the following "Operations" is satisfied on or before the end of the primary term: (i) actual drilling operations are commenced on the leased premises, or lands pooled or unitized therewith, in search of oil, gas, or their constituents, (ii) a well capable of production is located on the leased premises, or lands pooled or unitized therewith, or (iii) Lessee tenders to Lessor payment equal to the initial consideration (i.e., bonus) given for the execution of this Lease, whereby such payment shall extend the primary term of this Lease by an additional two (2) years. If, at the expiration of the primary term of this Lease, oil or gas is not being produced on the leased

premises, or lands pooled or unitized therewith, but Lessee is then engaged in drilling, re-working, completing, equipping, or dewatering operations thereon, then this Lease shall continue in force so long as such operations are being continuously prosecuted on the leased premises, or lands pooled or unitized therewith; and such operations shall be considered to be continuously prosecuted if not more than sixty (60) consecutive days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Lessee commences additional drilling, completion, equipping, or re-working operations within sixty (60) days from the date of cessation of production, or from the date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this Lease, this Lease shall continue in force so long as oil or gas is produced from the leased premises, or lands pooled or unitized therewith.”

3. **Royalty.** The printed provision in this Lease at Paragraph 2 is hereby deleted in its entirety, and replaced with the following:

“1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on the Premises, the equal 20% part of all oil produced and saved from the leased premises.

2nd. The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of twenty percent (20%) of the gas sold or used, provided that on gas sold the royalty shall be twenty percent (20%) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. Price shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders.

3rd. In calculating royalties on production hereunder, Lessee may deduct Lessor’s proportionate part of any ad valorem, production and excise taxes.”

4th. Lessee shall make or cause to be made payment of any sum due as Royalty within ninety (90) days following the month of production for which the Royalty is due and owing.

4. **Market Enhancement Clause.** In the event lessee compresses, treats, purifies or dehydrates such gas (whether on or off the leased premises) or transports gas of the leased premises, lessee in computing royalty hereunder may not deduct from such price the actual charge incurred by lessee for each of such functions performed. However, if before the sale of the gas an unaffiliated third party compresses, treats, purifies, dehydrates, or processes such gas (whether on or off the leased premises) or transports gas off the leased premises, then Lessee shall pay Lessor a 20% royalty on the net proceeds received by lessee after accounting for such third party charges.

5. **Shut-In.** The printed provision in this Lease at Paragraph 6 is hereby deleted in its entirety and replaced with the following:

“If after the primary term one or more wells on the leased premises are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, and this Lease is not being held by production or otherwise under the Lease, such well or wells shall nevertheless be deemed to be producing for the purposes of maintaining this Lease. If for a period of sixty (60) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, including dewatering of coalbed gas, the Lessee shall pay an aggregate shut-in royalty of thirty dollars (\$30.00) per acre

then covered by this Lease, such payment to be made to Lessor on or before the anniversary date of this Lease next ensuing after the expiration of the said sixty (60) day period and thereafter on or before each anniversary of date of this Lease while the well or wells are shut in or production therefrom is not being sold by Lessee. Lessee shall have no right to maintain this Lease by payment of shut-in gas royalty for any one shut-in period greater than two (2) consecutive years.”

6. **Delay.** The printed provision in this Lease, Paragraph 15, is hereby deleted in its entirety and replaced with the following:

“Lessee’s obligations under this Lease shall be subject to all laws, rules, regulations and orders of any governmental authority having jurisdiction, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When operations or production are delayed or interrupted by such laws, rules, regulations or orders, or by fire, storm, flood, war, rebellion, insurrection or riot, within thirty (30) days of such delay Lessee shall notify Lessor of the delay in writing, at which point the time of such delay or interruption shall not be counted against Lessee relative to its obligations hereunder and this Lease shall remain in force during such delay and for ninety (90) days after the delay, notwithstanding anything in this Lease to the contrary. Lessee shall not be liable for breach of any provisions or implied covenants of this Lease when operations are so prevented or delayed.”

7. **Right to Redeem.** The printed provision in this Lease at Paragraph 16 is hereby deleted in its entirety and replaced with the following:

“Lessor hereby agrees that Lessee shall have the right to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of Lessor’s default of payment on said mortgages, taxes or other liens. If Lessee redeems any such mortgages, taxes or other liens, Lessee may recover any amount expended out of Lessor’s royalties or shut-in royalties.”

In addition to the foregoing amendments, the following provisions are added to this Lease:

1. **No Surface Operations Clause.** The parties hereto agree that Lessee shall not have the right to drill wells, construct pipelines, construct access roads and/or install any other facilities on the leased premises, nor shall Lessee have the right of ingress to or egress from the leased premises.
2. **No Storage Rights Clause.** Notwithstanding anything herein contained to the contrary, Lessee agrees that the leased premises shall not be used for the purpose of gas storage as defined by the Federal Energy Regulatory Commission. Any reference to gas storage contained in this Lease is hereby deleted. If Lessor wishes to enter into an agreement regarding gas storage using the leased premises with a third party, Lessor shall first give Lessee written notice of the identity of the third party, the price or the consideration for which the third party is prepared to offer, the effective date and closing date of the transaction and any other information respecting the transaction which Lessee believes would be material to the exercise of the offering. Lessor does hereby grant Lessee the first option and right to purchase the gas storage rights by matching and tendering to the Lessor any third party’s offering within 30 days of receipt of notice from Lessor.
3. **Oil & Gas Only.** Notwithstanding anything herein contained to the contrary, this Lease shall be deemed to cover only oil and gas and associated hydrocarbons produced through the wellbore.
4. **No Warranty of Title.** Notwithstanding anything herein contained to the contrary, this Lease is given and granted without warranty of title, express or implied.
5. **Disposal and Injection Wells.** The parties hereto agree that Lessee shall not have the right to drill, construct, or maintain disposal or injection wells on or under the leased premises.
6. **Retained Acreage.** Notwithstanding anything contained in this Lease to the contrary, at the expiration of the primary term, or upon the cessation of drilling, completion, equipping, or reworking operations

sufficient to maintain this Lease beyond the primary term in the absence of production, whichever is the later, this Lease shall automatically terminate and revert to Lessor, its successors and assigns, without re-entry, SAVE AND EXCEPT as to that portion of the leased premises, if any, that is then included in a drilling and spacing unit, wellbore spacing unit, or other unit approved by the governmental authority having jurisdiction. Within sixty (60) days after the date this Lease shall terminate, in whole or in part, as provided herein or in any other provision of this Lease, Lessee shall execute and deliver to Lessor an instrument of designation in recordable form acknowledging such termination and its release of the Lease as to the terminated acreage.

7. **Compliance Clause.** Lessee’s operations on the leased premises shall comply with all applicable federal and state regulations.
8. **Hold Harmless Clause.** Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, indemnify and save and keep harmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by Lessee or those holding under Lessee.
9. **Controlling Document.** All provisions of this Lease and Lease Addendum shall be interpreted together and in harmony with one another. The terms of the Lease Addendum shall govern when any provision of the Lease and Lease Addendum are inconsistent with one another or are in conflict.

LESSOR:

LESSEE:

TOWN OF JOHNSTOWN, COLORADO

PDC ENERGY, INC.

By: _____
 Name: _____
 Its: _____

By: _____
 Name: _____
 Its: _____

STATE OF _____)
) ss.
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 202____, by _____, as _____ of TOWN OF JOHNSTOWN, on behalf of said town.

 Notary Public

My commission expires: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 202____, by _____, as _____ of PDC ENERGY, INC., a Delaware corporation, on behalf of said corporation.

Notary Public

My commission expires: _____