

State of Colorado, Weld County Clerk & Recorder

Form 88—(Producers)
Kan., Okla. & Colo. 1957

Rev 1974

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 6th day of May

DAVIS Farms, Inc., a Colorado Corporation
P. O. Box 836
Greeley, Colorado 80631

and The Colton Company, D 204 Petroleum Center, San Antonio, Texas 78209

[illegible]

Weld State of Colorado

Township 5 North, Range 65 West, 6th P.M.
Section 4: Lot 1, S₁NE₄ (also described as NE₄)

Township 6 North, Range 65 West, 6th P.M.
Section 33: E1/4NE1/4, E1/4SW1/4, N1/4NE1/4, SE1/4NE1/4, and
that part of the SW1/4NE1/4 lying east
of the Bliss lateral, formerly the
McCall lateral.

and containing 401.36 acres, more or less.

It is agreed that this lease shall remain in full force for a term of five (5) years from this date; and, in the event, hereafter, as or for any of them is produced from said land or from lands with which said land is consolidated, or the premises are being developed or operated in connection with the development or operation of said land, this lease shall be extended for a term of five (5) years from the date of the production of oil or gas from said land or from lands with which said land is consolidated, or the date of the development or operation of said land or from lands with which said land is consolidated, or the date of the development or operation of said land or from lands with which said land is consolidated.

14. The Lessee shall monthly pay Lessor, as royalty on Gas marketed from each well where Gas is found, one-eighth (1/8) of the proceeds if sold at the well or if marketed by lease; off the leased premises, then one-eighth (1/8) of its market value at the well. The Lessee shall pay the Lessor, in addition 1/8 of the proceeds of Gas marketed by lease, from the sale of casinghead gas, produced from any oil well, at one-eighth (1/8) of the value of the Gas marketed by lease, computed at the prevailing market value of the Gas at the well. The Lessee shall pay the Lessor, in addition 1/8 of the value of the Gas marketed by lease, on the lease premises by the Lessee for purposes other than the production of casinghead gas, produced from any oil well and used by leasee off the leased premises for any purpose of exportation, as casing gas from any gas well sold land sold for stores and other things in the production of casinghead gas, produced from any oil well and used by leasee off the leased premises at his own risk and

[illegible]

This lease shall terminate as to both parties, unless the lessee shall pay or tender to the lessor or for the lessor's credit to the
 First National Bank of Greeley, Colorado \$80631

[illegible]

the above described land be a dry hole, then, and in either event, if a second well is not commenced on said land within twelve months after the expiration of the first rental period, then the lease shall terminate as to both parcels on or before the expiration of said second period. And it is agreed that upon the expiration of rentals and the effect thereof shall continue in force, but as to the above provided, that the last preceding paragraph herein governing the

8. The lessee shall have the right to use free of cost the entire and undivided fee-simple estate therein then the royalties and rentals herein provided shall be paid the lessee only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be in-
9. The lessee shall have the right to use free of cost the entire and undivided fee-simple estate therein then the royalties and rentals herein provided shall be paid the lessee only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be in-

When received by lessee, the lessor shall bury its pipe line and water found on said land for its operations thereon except water from the wells of said land. The well shall be drilled nearer than 200 feet to the house or barn and no said property for damage caused by its operations to growing crops or other improvements on said land. The lessor shall have the right to remove all machinery, fixtures, houses, buildings and other improvements on said land. Lessor agrees, upon the completion of any test as a dry hole or upon the abandonment of the well, to restore the premises to their original condition.

2. If the estate of either party hereto is assigned and the Privileges of Assigning in whole or in part is expressly allowed, the covenants hereto shall extend to the heirs, assigns, administrators, executors, and assigns, but no change of ownership in the land or in the interests or royalties thereon shall be binding on the estate of either party hereto unless the same has been furnished with either the original recorded instrument, or conveyance or a duly certified true and correct copy thereof.

[illegible]

11. Owner hereby warrants and agrees to defend the title to the land herein described and, agrees that the free use, at his option, may be and discharge in
as part any, lease, mortgage, or other lien existing hereon, is effected by the

13. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that, if, insofar as permitted by law, the lessee shall be permitted to sublease, assign, or otherwise dispose of all or part of the leasehold premises, the lessee shall be deemed to have agreed that the lease shall remain in force and its terms shall continue so long as such disposition is made in accordance with the terms of this lease.

11. If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing regular paying date or provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If after the expiration of the primary term of this lease, production shall be obtained on the leased premises, this lease shall continue in full force and effect until the expiration of the term of the lease then in effect.

12. Lessee is hereby given the right, at its option, at any time and from time to time, to conduct a further drilling or reworking of the well within sixty (60) days from the date of completion of the operations described in the preceding paragraph, and this term shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production is being produced in commercial quantities.

[illegible]

and in any such unit such proportion of the actual production from all wells on such unit as the lessor's interest in the unit bears to the entire acreage of such unit. And it is understood and agreed that the production so allocated shall be considered, for all purposes, including the payment of royalty, to be the entire production from the portion of the above-described land owned by the lessee and in the same manner as though produced from the above-described land under the terms of this lease.

14. This lease and all its terms, conditions and stipulations shall extend to and be binding on each of the parties who sign this lease, regardless of whether such party is named above and regardless of whether it is a party to this lease.

IN WITNESS WHEREOF, we sign the day and year first above written.

ATTEST
By Dona K. Vornholt Secretary
DAVIS/FARMS, INC., a Colorado Corporation
By [Signature]

Stanley Davis, President

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26



BOOK 935

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STATE OF _____ } Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
COUNTY OF _____ } Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT - INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____

day of _____ 19____ personally appeared _____

and _____ to me known to be the identical person _____ described in and who executed
the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free
and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires _____ Notary Public.

STATE OF _____ } Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
COUNTY OF _____ } Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT - INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____

day of _____ 19____ personally appeared _____

and _____ to me known to be the identical person _____ described in and who executed
the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free
and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires _____ Notary Public.

State of: COLORADO }
County of: WELD }
ACKNOWLEDGMENT (For use by Corporation):

On this _____ day of _____ May _____ A.D. 19 81 before me personally
appeared _____ F. Stanley Davis _____ to me personally known, who, being by
me duly sworn, did say that he is the President of Davis Farms, Inc., a Colorado Corporation

and that the seal affixed to said instrument is the corporate seal of said corporation
and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said

F. Stanley Davis _____ acknowledged said instrument to be the free act and deed of said corporation

Witness my hand and seal this _____ 6th _____ day of May _____ 1981

(SEAL) My Commission expires July 11, 1983

No. _____ FROM _____ TO _____
Dated _____ 19____
No. Acres _____ County _____
This instrument was filed for record on this _____ day of _____ 19____ at _____ M., and duly recorded in
Volume _____ Page _____ of the records of this office
By _____ County Clerk
When recorded return to
THE COLTON COMPANY 400
D-204 Petroleum Center
800 N.E. Loop Expressway
San Antonio, Texas 78209