

1974, by and between

6th day of August.

Michael E. Lutesh  
555 17th Street Denver, Colorado 80202

# ACTIVITY

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555 17th Street Denver, Colorado 80202

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County, Colorado.

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including all oil and gas underlying lakes and streams of which all or any of the land is riparian, roads, easements and rights-of-way which traverse or adjoin said land and including all lands owned or claimed by Lessor as a part of any of said land; containing 1260.0 .....acres, more or less. This lease covers all the land now owned by, or hereafter vested in, Lessor, and Lessor releases and waives all rights under the homestead exemption laws of this State, in calculating any interest based on acreage, Lessee may consider the land contains the acreage stated, whether it actually contains more or less. Lessee may inject water, salt water, payments based on acreage, Lessee may consider the land contains the acreage stated, whether it actually contains more or less. Lessee may inject water, salt water, under said land and not productive of fresh water.

2. This lease shall remain in force for a period of ten (10) years from this date, called primary term, and automatic extension terms.
3. Lessee shall pay royalties to Lessor as follows: (a) one-eighth ( $\frac{1}{8}$ )th of the oil produced and saved from said land, to be delivered at the wells or to the credit of Lessor into this pipeline to which the wells may be connected; Lessee may, at any time or times, purchase any royalty oil, paying the market value in the field on the day it is run to the storage tanks or pipeline; (b) the market value at the wells of one-eighth ( $\frac{1}{8}$ )th of the gas (including casinghead gas or other gaseous substances) produced from the land and sold, provided that on gas sold at the well the royalty shall be one-eighth ( $\frac{1}{8}$ )th of the amount realized from the sale of other substances produced from said land with oil or gas.

such sales: (c) one-tenth (1/10th) of the amount realized from the sale of other than oil and gas property.

If Lessee discovers gas on the land or on land unitized with any of it, Lessee may, at any time or times during or after the primary term, pay Lessor a sum equal to the rental on the acreage covered by this lease which shall be a shut-in gas payment and continue this lease for a period of one year, with which event shall commence on the anniversary of this lease immediately preceding such payment. Any such payment shall be made to the Lessor and in the same manner as the such year shall commence on the anniversary immediately following such payment. Any such payment shall be in lieu of any royalty based on actual production. Payment of rental and shall be in lieu of the rental covering the same period of time, if any, but shall not be in lieu of all operations hereunder.

4. If drilling operations are not commenced on said land on or before one year from this date, this lease shall terminate unless Lessee may use, free or royalty, oil and gas on said land.

Wray Colorado 80758 or any successor, the sum of

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.....) which shall extend for one (1) year, the time wi  
dollars

same manner and upon the same payment or tender, called "rental," this lease shall be produced from any "oil and gas" shall be produced from any drilling or reworking operations conducted on said land of one (1) year during the primary term; provided that, if any "oil and gas" shall be produced from any drilling or reworking operations conducted on said land of one (1) year during the primary term, the rental accruing on such anniversary shall be excused and the first material is moved in or the first work done. Payments shall be made within ninety (90) days prior to any anniversary of this lease duration shall be commenced when the first material is moved in or the first work done. Payments shall be made in advance of the date of payment. If the anniversary of this lease duration falls on a Saturday or a Sunday, the payment shall be made on the next business day.

tenders of rental may be made by mailing or delivering cash or Lessor's check or draft to Lessor or to the depository bank on or before the date of payment. If Lessor or the depository bank fails or refuses to accept the rental, this lease shall not terminate, nor shall Lessor be held in default for failure to pay rental unless Lessor fails to pay such rental for thirty (30) days after Lessor has delivered to Lessee a recordable instrument designating another depository bank. Any bank designated as depository shall continue as such and as Lessor's agent regardless of changes in ownership of Lessor's interest and Lessee may pay or tender rental jointly to the depository and Lessor or to the depository, bank or Lessor's check or draft to Lessor or to the depository, bank on or before the date of payment.

of all parties having any interest. All rental payments may be made to the parties named as Lessor. If Lessee shall, in good faith and with reasonable diligence, attempt to pay any rental but fails to pay or incorrectly pays part of the rental, this lease shall not terminate unless Lessee fails to rectify the error or failure within thirty (30) days after written notice of it. Lessee may at any time or from time to time surrender this lease as to all or any part of the land or as to any stratum or strata by mailing or tendering to Lessor or to the depository bank or by filing same with the county clerk and recording the same. The portion surrendered, after which the rental shall be reduced in the same proportion that the acreage is reduced.

b. Lessee may at any time of its choice pool any part of one or more well spacing units so as to constitute a pooling unit to facilitate an orderly or uniform well spacing pattern or to comply with any order, rule or regulation of the State or Federal regulatory or conservation agency having jurisdiction. Such pooling shall be accomplished by filing of record a declaration of pooling or production from any party in interest in the lease, which shall allocate to this lease the proportionate share of such spacing unit shall be, for all purposes of this lease, such operations or production from this lease. Lessee shall allocate to this lease the proportionate share of such spacing unit shall be, for all purposes of this lease, such operations or production from this lease. Lessee shall allocate to this lease the proportionate share of such spacing unit shall be, for all purposes of this lease, such operations or production from this lease.

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7. Lessee shall pay for damages caused by Lessee's operations to growing crops, buildings, irrigation ditches and fences. When requested by the surface owner, Lessee shall measure, in accordance with good engineering practices, its area to determine the proper compensation. Lessee shall bury pipelines below ordinary plow depth across cultivated land. No well shall be drilled within two hundred (200) feet of any residence or barn now on the land without the consent of the surface owner. Lessee shall have the right at any time to remove all Lessee's property and fixtures, including the right to draw water, and remove all casing. Lessee shall drill any well which a reasonably prudent operator would drill under the same or similar circumstances to prevent substantial drainage from said land by wells located on adjoining land not owned by Lessee, when such drainage is not compensated by counterdrainage. No default of Lessee's operations with respect to any well or part of the land shall impair Lessee's rights to any other well or part.

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9. Whenever, as a result of any cause reasonably beyond Lessee's control such as fire, flood, windstorm or other natural disaster, war, riot, rebellion, insurrection, strike, labor dispute, or transportation, Lessee is prevented from complying with any local, State or Federal government or governmental agency or inability to secure men, material or transportation, Lessee shall not be liable for damages or forfeiture of this lease and Lessee's obligations shall be suspended so long as such express or implied obligation of this lease. Lessee shall not be liable for cessation of such cause in which to resume performance. Lessee shall have ninety (90) days after cessation of such cause in which to resume performance.

10. Lessee may at any time or times utilize all or any part of said land and lease, or as to any stratum or strata, with other lands and leases in the same field so as to constitute a unit or units whenever, in Lessee's judgment, required to prevent waste or promote or encourage the conservation of oil and gas by any method, including but not limited to, repressuring, pressure-maintenance, repressuring or secondary recovery program. Any such unit formed shall be deemed to be a unit for purposes of this lease, and shall be operated as a unit, and no separate unit shall be formed for any other purpose, and no separate unit shall be operated for any other purpose.

The size of any such unit may be increased by including acreage believed to be productive and decreased by excluding acreage believed to be unproductive or ownerless or owned by a conservation agency having jurisdiction over the land, State and Federal laws and regulations of State or Federal regulatory or conservation agencies shall apply to the unit, but any such change resulting in an increase or decrease of Lessor's royalty shall not be retroactive. Any such unit may be established of which no part joins the unit, but any such change resulting in an increase or decrease of Lessor's royalty shall not be retroactive. Any such unit may be established of which no part joins the unit, but any such change resulting in an increase or decrease of Lessor's royalty shall not be retroactive.

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part of all production from such unit on any one of the following basis:

(a) the ratio between the quantity of recoverable production from the land in this lease in such unit and the total of all recoverable production from all of such units; or

(b) the ratio between the quantity of recoverable production from the land in this lease in such unit and the total of all recoverable production from all of such units; or

(c) any basis approved by State or Federal authorities having jurisdiction. Lessor shall be entitled to the royalties in this lease on the part of the unit production so allocated to that part of this lease included in such unit, and no more.

11. Lessor warrants and agrees to defend the title to said land as to Lessor's interest. The royalties and rental provided are determined with respect to the mineral estate in oil and gas (including all previously reserved non-participating royalty) and if Lessor owns a lesser interest, the royalty and rental shall be reduced proportionately. Lessee may purchase or discharge in whole or in part any tax, mortgage or other lien upon said land, and Lessor shall be reduced proportionately.

the land from any purchaser at any tax sale or adjudication and shall be subrogated to such lien with the right to enforce it, and may reimburse itself from any taxes levied on the land and royalties accruing to the land.

execute this lease. All provisions of this lease shall inure to the benefit of and be binding upon the lessor, successors, administrators, assigns and assigns of the lessor and Lessee.

0130 ORIGINAL SENT FOR TARIENS RECORDING WITH DAN MILLER

This instrument is executed as of the day first above written.

2009

~~Henry J. Williams~~  
Henry J. Williams

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