

01225741

Ten

Weld

State of \_\_\_\_\_

## Colorado

and described as follows:

For description, see Exhibit A attached hereto:

## EXHIBIT A

Weld County, Colorado:

Township 2 North, Range 67 West:

Section 6: NE<sup>1</sup>/4NE<sup>1</sup> except strip of land conveyed by Deed recorded in Book 316 Page 142 of Weld County records and except a parcel described in Book 1499 Page 236, Weld County records.

Township 3 North, Range 67 West:

Section 32: All that part of W<sub>2</sub> lying west of right-of-way of Union Pacific Railroad and except that portion lying north of the center of Public Highway described in Book 296, Page 556 of Weld County records.

Section 31: That part of the E $\frac{1}{2}$  described as follows: Beginning at a point on the west line of the E $\frac{1}{2}$  of said section 2,611 feet south of the north quarter corner of said section; thence north 75° 23' east (var. 14° 13' east) 1,110.4 feet; thence north 57° 47' east 140.8 feet; thence north 69° 42' east 48.8 feet; thence south 78° 38' east 87 feet thence south parallel with said west line 3,014.6 feet more or less to the south line of said section; thence west along said south line 1,325.5 feet more or less to said west line of said E $\frac{1}{2}$ ; thence north on west line to the point of beginning.

Containing 237 acres, more or less.

[illegible]

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agree that the lessee, at its option, may pay and discharge in whole or in part any such tax, mortgage and other liens existing against, assessed on or against the above described land, or in part it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

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 commence prior to or on the existing rental paying date; or, provided lease begins or resumes the payment of rentals at the maximum and minimum thereafter provided. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for re-working or drilling a well within sixty (60) days from such cessation and this lease shall remain in force during the prosecution of such operations and, if production results, therefrom, then as long as production continues.

11. Lessee is hereby expressly granted the right and privilege (which Lessee may exercise at any time either before or after production has been obtained upon this premises or any premises consolidated herewith) to consolidate the gas (including natural gas) created by the execution and delivery of this lease, or any part or parts thereof, with any other gas (including natural gas) or estates to form one or more gas operating units of not in excess of approximately 650 acres, each. If such operating unit or units is or are created by adding to this lease, then the acreage included in such unit or units shall be the acreage included in this lease plus the acreage included in the lease or leases so added. The acreage included in such unit or units shall be the acreage included in such unit or units at the time of the commencement or completion of a well, or the continued operation or production of gas from an existing well, on any portion of an operating unit shall be construed and considered as the commencement or completion of a well, or the continued operation of, or production of gas from a well on each and all of the lands within and comprising such operating unit. The acreage included in such unit or units shall be the acreage included in such unit or units at the time of the commencement or completion of the premises included in such unit, but this lease as to such portions of this premises not included in a unit, shall be deemed to be a separate lease. In the event portions of the above described lands are included in several units, each portion so included shall constitute a separate lease, and the particular owner or owners of the lands under each separate lease shall be severally entitled to the benefits of and he or she shall be obligated to comply with the provisions of this lease. A separate record shall be made and a separate record for the conveyance of each of the above described lands is situated on instrument identifying and describing the consolidated acreage.

14. This lease and all its terms, conditions and stipulations shall extend to, and be binding on each of the parties who signs this lease, regardless of whether each lessee is named above and regardless of whether it is signed by any of the other parties herein named as lessees. This lease may be signed in counterparts, each to have the same effect as the original.

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

FRED CRAIG

Recorded at 81<sup>2</sup> o'clock A MAY 26 1970

Rec. No. 157-0000 Ann Spomer, Recorder

2-1

THIS AGREEMENT, entered into this the

28th

day of

April

1970

FRED CRAIG, Route 3, Box 301, Golden, Colorado

and MARTIN J. FREEDMAN, 904 Midland Savings Bldg., Denver, Colorado

hereinafter called lessor,

hereinafter called lessee.

1. That lessee, for and in consideration of the sum of

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In Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ and containing 231 acres, more or less.

2. It is agreed that this lease shall remain in full force for a term of five (5) years from this date, and as long thereafter as oil or gas or other of them is produced from said land or from lands with which said land is consolidated or the premises are being developed or operated.

3. In consideration of the premises the said lessee covenants and agrees: To deliver to the credit of lessor, free of cost, in the pipe line in which lessee may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

4. The lessor shall monthly pay lessor as royalty on gas marketed from each well where gas only is found, one-eighth (1/8) of the proceeds if sold at the well, or if marketed by lessor off the leased premises, then one-eighth (1/8) of its market value at the well. The lease shall pay the lessor (a) one-eighth (1/8) of the proceeds received by the lessor from the sale of casinghead gas, produced from any oil well; (b) one-eighth (1/8) of the value, at the month of the well, computed at the prevailing market price, of the casinghead gas, produced from any oil well and used by lessor off the leased premises for any purpose or used on the leased premises by the lessee for purposes other than the development and operation thereof. Lessor shall have the privilege at his own risk and expense of using gas from any gas well on said land for stores and inside lights in the principal dwelling located on the leased premises by making his own connections thereto.

Where gas from a well or wells, capable of producing gas only, is not sold or used for a period of one year, lessee shall pay or tender as royalty, an amount equal to the delay rental as provided in paragraph (5) hereof, payable annually on the anniversary date of this lease following the end of each such year during which such gas is not sold or used, and while said royalty is so paid or tendered this lease shall be held as a producing property under paragraph numbered two hereof.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 28th day of April, 1971, this lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor or for the lessor's credit in the

sum of Two Hundred Thirty-Seven and no/100-- Dollars, which shall be payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals in accretion hereunder, the sum of Two Hundred Thirty-Seven and no/100-- Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of lessor or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assigns or to said lessee's attorney at law, and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessor's option of extending that period as aforesaid and any and all other rights conferred. Lessee may at any time execute and deliver to lessor, or place of record, a release or releases covering any portion or portions of the above described premises and thereby surrender or portions thereof and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

6. Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof shall continue in force just as though there had been no interruption in the rental payments.

7. If said lessor owns a lease interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipelines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of, this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing. Lessee agrees, upon the completion of any test as a dry hole or upon the abandonment of any producing well, to restore the premises to their original contour as near as practicable and to remove all installations within a reasonable time.

9. If the estate of either party herein is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.

10. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

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 rental 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 on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for re-working or drilling a well within sixty (60) days from such cessation and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

13. Lessee is hereby expressly granted the right and privilege (which lessor may exercise at any time either before or after production has been obtained upon this premises in any unit or consolidated acreage) to consolidate the gas leasehold estate created by the execution and delivery of this lease, or any part or parts thereof, with any other gas leasehold estate or estates to form one or more gas operating units of not to exceed approximately 80 acres each. If such operating unit or units is so created by lessee, lessor agrees to accept and shall receive out of the gas production from each such unit such portion of the gas royalty as the number of acres out of this lease placed in such unit bears to the total number of acres included in such unit. The commencement or completion of a well, or the continued operation or production of gas from an existing well, on any portion of an operating unit shall be construed and considered as the commencement or completion of a well, or the continued operation of, or production of gas from, a well on each and all of the lands within and comprising such operating unit; provided, that the provisions of this paragraph shall not affect the payment or non-payment of delay rentals with respect to portions of this premises not included in a unit, but this lease as to such portions of this premises not included in a unit, shall be deemed to be a separate lease. In the event portions of the above described lands are included in several units, each portion so included shall constitute a separate lease, and the particular owner or owners of the lands under each separate lease shall be solely entitled to the benefits of and be subject to the obligations of lessor under each separate lease. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the consolidated acreage.

14. This lease and all its terms, conditions and stipulations shall extend to, and be binding on each of the parties who signs this lease, regardless of whether such lease is signed alone and regardless of whether it is signed by any of the other parties herein named as lessor. This lease may be signed in counterparts, each to have the same effect as the original.

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

Witness

Fred Craig  
FRED CRAIG

Recorded at 812 o'clock A M. MAY 26 1970

Rec. No. 1546033 Ann E. Jamer, Recorder

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100% 626

1548033

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_

19\_\_\_\_

ss

INDIVIDUAL(S) ACKNOWLEDGEMENT (Colorado, Nebraska,  
Wyoming, Utah, Kansas, North Dakota, South Dakota, Montana,

3-

to me known to be the person(s) described in and whose name(s) is (are) subscribed and who executed the foregoing instrument and acknowledged to me that he (she) (they) duly executed the same as his (her) (their) free and voluntary act and deed, including the release and waiver of the right of homestead, the said wife (wives) having been by me fully apprised of her (their) right(s) and effect of signing and acknowledging the said instrument. Given under my hand and seal the day and year last above written.

My Commission Expires: \_\_\_\_\_

Notary Public

Residing at: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_

19\_\_\_\_

ss

INDIVIDUAL(S) ACKNOWLEDGEMENT (Colorado, Nebraska,  
Wyoming, Utah, Kansas, North Dakota, South Dakota, Montana,

to me known to be the person(s) described in and whose name(s) is (are) subscribed and who executed the foregoing instrument and acknowledged to me that he (she) (they) duly executed the same as his (her) (their) free and voluntary act and deed, including the release and waiver of the right of homestead, the said wife (wives) having been by me fully apprised of her (their) right(s) and effect of signing and acknowledging the said instrument. Given under my hand and seal the day and year last above written.

My Commission Expires: \_\_\_\_\_

Notary Public

Residing at: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_

19\_\_\_\_

ss

INDIVIDUAL(S) ACKNOWLEDGEMENT (Colorado, Nebraska,  
Wyoming, Utah, Kansas, North Dakota, South Dakota, Montana,

to me known to be the person(s) described in and whose name(s) is (are) subscribed and who executed the foregoing instrument and acknowledged to me that he (she) (they) duly executed the same as his (her) (their) free and voluntary act and deed, including the release and waiver of the right of homestead, the said wife (wives) having been by me fully apprised of her (their) right(s) and effect of signing and acknowledging the said instrument. Given under my hand and seal the day and year last above written.

My Commission Expires: \_\_\_\_\_

Notary Public

Residing at: \_\_\_\_\_

No. 1548033

## OIL AND GAS LEASE

FROM

TO

Date \_\_\_\_\_, 19\_\_\_\_

Section \_\_\_\_\_ Twp \_\_\_\_\_ Rge. \_\_\_\_\_

No. of Acres \_\_\_\_\_ Term \_\_\_\_\_

County \_\_\_\_\_

STATE OF \_\_\_\_\_  
County of \_\_\_\_\_

This instrument was filed for record on the

at \_\_\_\_\_ day of \_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded

in Book \_\_\_\_\_ Page \_\_\_\_\_ of

the records of this office.

By \_\_\_\_\_

Register of Deeds.

When recorded, return to

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_

19\_\_\_\_

ss.

CORPORATE ACKNOWLEDGEMENT (Colorado, Nebraska,  
Wyoming, Utah, Kansas, North Dakota, South Dakota, Montana,

(who being by me duly sworn, did say that he is the \_\_\_\_\_

President of \_\_\_\_\_

a corporation, and that the seal affixed to said instrument is the corporate seal of said corporation) who is personally known to me to be the identical person and officer whose name is affixed to the above instrument as \_\_\_\_\_ President of said corporation, and acknowledged the instrument to be his free and voluntary act and deed and the free and voluntary act and deed of said corporation; that said corporation executed said instrument and that said instrument was executed, signed and sealed on behalf of said corporation by authority of its Board of Directors or by authority of its By-Laws.

My Commission Expires: \_\_\_\_\_

Notary Public

Residing at: \_\_\_\_\_