

OIL AND GAS LEAS.

effective May 2, 1980
September 19 79/

Book 884
No. 1810837

26th

day of

AGREEMENT, Made and entered into this

by and between **MAPLEWOOD ACRES, INC.,** a Colorado corporation
10300 West 62nd Place
Arvada, Colorado 80004

Party of the first part, hereinafter called lessor (whether one or more) and
CORAL GULF EXPLORATION CORPORATION, 707 Wilshire - Suite 3200
Los Angeles, California 90017 the second part, hereinafter called lessee

WITNESSETH,

That lessor, for and in consideration of a rental of ****TEN AND MORE**** Dollars (\$ ***10.00***), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by lessee, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto lessee for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casing, head gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in **Weld** County, **Colorado**, to-wit:

TOWNSHIP 4 NORTH, RANGE 67 WEST, 6th T.M.

Section 7: SW/4 LESS AND EXCEPT tract described in Book 656 under Reception No. 1577982 (approx. 1 acre) and LESS AND EXCEPT tract described in Book 716 under Reception No. 1638391 (approx. 1 acre) of the records of Weld County, Colorado

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and containing **Five (5) years from May 2, 1980** acres, more or less. It is agreed that this lease shall remain in force for a term of **Five (5) years from May 2, 1980** and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee, its successors and assigns:

In consideration of the premises the said lessee covenants and agrees:
First. The lessor shall deliver to the credit of lessor as royalty, free of cost in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved from the leased premises, or, at lessee's option, may buy or sell such one-eighth royalty and pay lessor the market price for oil of like grade and gravity prevailing in the field on the day such oil is run into pipe lines or into storage tanks.

Second. The lessee shall pay lessor, as royalty, one-eighth of the proceeds from the sale of the gas, as such, for gas from wells where gas only is found and where not sold shall pay a sum equal to the annual delay rental herein as royalty, and while such royalty is so paid such well shall be held to be a producing well. The lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at the lessor's sole risk and expense.

Third. To pay lessor one-eighth (1/8) of the market value at the well for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas.

Lessee has paid rental hereunder to and including the **2nd** day of **May**, 19 **81**. If operations for the drilling of a well for oil and gas are not commenced on said land on or before the last mentioned date, 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 **BOX 460 BERTHOUD, COLO 80513**

BERTHOUD NATIONAL BANK Bank at **ARVADA, COLORADO**
or its successor or successors, which bank and its successors are lessor's agents and which shall continue as the depository regardless of changes in the ownership

of the land, the sum of ****ONE HUNDRED FIFTY-EIGHT AND NO/100 (\$158.00)**** Dollars which shall operate as a rental and cover the privilege of deferring the commencement of operations for the drilling of a well one year from said date. In like manner and upon payments or tenders the commencement of operations for the drilling of a well may be further deferred for like periods successively during the primary term of this lease. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the rights granted to the date when said rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. 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 this lease as to such portion or portions 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. Notwithstanding the death of the lessor, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors and administrators of such persons.

Should any well drilled on the land above described be a dry hole or cease to produce and there are no other producing well or wells on the land or drilling operations are not being conducted thereon, then and in that event if a well is not commenced before the next rental paying date this lease shall terminate as to both parties, unless the lessee on or before the next rental paying date shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided, and it is agreed upon the resumption of the payment of rentals, as above provided, the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force as though there had been no interruption in the rental payment.

If said lessor owns a less 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 rentals shall be increased at the next succeeding rental anniversary after any reversion having occurred to cover the interest so acquired with or without notice of said reversion to lessee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells and reservoirs of lessor. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

Lessee shall pay for all damages caused by its operations on said lands. When requested by the lessor, lessee shall bury his pipe lines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall have the right to drill to completion with reasonable diligence and dispatch (1) any well commenced within the term of this lease, and (2) any well commenced before the completion of a well which has been commenced within such term. If oil and gas or either of them be found in paying quantities in any such well this lease shall continue and be in force with like effect as if such well had been completed within the term of years herein first mentioned.

Lessee is hereby granted the right and power to pool or combine the acreage covered by this lease, or any portion thereof, with other land, lease or leases in the vicinity thereof at any time and from time to time, whether before or after production, when in lessee's judgment it is necessary or advisable to do so for the prevention of waste and the conservation and greatest ultimate recovery of oil or gas. Such pooling shall be into a unit or units not exceeding in area the acreage prescribed or required in any Federal or State law, order, rule or regulation for the drilling or operation of one well, or for obtaining the maximum allowable production from one well, or 40 acres each for the production of oil, or 640 acres each for the production of gas, whichever is the larger. Such pooling shall be effected by lessee's executing and filing in the office where this lease is recorded an instrument identifying and describing the pooled acreage. The production of pooled substances and development and operation on any portion of a unit so pooled, including the commencement, drilling, completion and operation of a well thereon, shall be considered and construed, and shall have the same effect, except for the payment of royalty, as production, development and operation on the leased premises under the terms of this lease. The royalties herein provided shall accrue and be paid to lessor on pooled substances produced from any unit in the proportion, but only in the proportion, that lessor's acreage interest in the land covered hereby and placed in the unit bears to the total acreage in the land placed in such unit.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a certified copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands which the said lessee or any assignee thereof shall make due payment of said rentals. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligations hereunder.

Compliance with any now or hereafter existing act, bill or statute purporting to be enacted by any Federal or State legislative authority, or with orders, judgments, decrees, rules, regulations made or promulgated by State or Federal courts, State or Federal offices, boards, commissions or committees purporting to be made under authority of any such act, bill or statute, shall not constitute a violation of any of the terms of this lease or be considered a breach of any clause, obligation, covenant, undertaking, condition or stipulation contained herein, nor shall it be or constitute a cause for the termination, forfeiture, reversion or revesting of any estate or interest herein and hereby created and set out, nor shall any such compliance confer any right of entry or become the basis of any action for damages or suit for the forfeiture or cancellation hereof; and while any such purport to be in force and effect they shall, when complied with by lessee or assigns, to the extent of such compliance operate as modifications of the terms and conditions of this lease where inconsistent therewith.

Lessee may at any time release this lease as to part or all of the lands above described after which all payments and liabilities thereafter to accrue, as to the lands released, shall cease and determine. In the event of a partial release, the annual delay rental above mentioned shall be reduced proportionately.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

This lease and all its terms, conditions and stipulations binds each executing lessor and shall extend to and be binding on his assigns, heirs and devisees and successors, and those of the lessee, though unsigned by either lessors named herein.

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

ATTEST: *Gerald E. Boatright* (SEAL)
Gerald E. Boatright, Secretary (SEAL)

MAPLEWOOD ACRES, INC. (SEAL)
By: *F. Stanton Lewis* (SEAL)
F. Stanton Lewis, President (SEAL)

STATE OF

Oklahoma, Kansas, New Mexico, Wyo. , Montana, Colorado, Utah,

R I D E R

(1) Notwithstanding anything herein to the contrary, it is understood that this lease shall have no effect on the present lease and shall become effective only when and if the present existing oil and gas lease expires or otherwise terminates under its own terms.

(2) The consideration paid by the initial draft for execution of this lease at the present time is earned by Lessor and not refundable.

(3) Lessor agrees not to extend, modify or alter the present existing oil and gas lease.

(4) 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 reworking 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.

MAPLEWOOD ACRES, INC.

ATTEST:

[Signature]
Gerald E. Boavright, Secretary

By: *[Signature]*
K. Stanton Lewis, President

My Commission Expires.....

Notary Public.

State of COLORADO
County of JEFFERSON } ss.

ACKNOWLEDGMENT (For use by Corporation)

On this 28th day of September, A. D. 1979, before me personally appeared K. Stanton Lewis, to me personally known, who, being by me duly sworn, did say that he is the President of Maplewood Acres, Inc., a Colorado corp.

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

K. Stanton Lewis acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 28th day of September, A. D. 1979

(SEAL)

[Signature]
Notary Public.

My Commission expires April 13, 1982

No.	FROM	TO	Dated <u>28th</u> , 19 <u>79</u>	No. Acres	County	Term	This instrument was filed for record on the	day of	o'clock	M., and duly recorded in	Volume	Page	of the records of this office.	County Clerk	By	Deputy	When recorded return to
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OWNERSHIP REPORT

Description:

Township 4 North, Range 67 West, 6th P.M.

Section 7: SW $\frac{1}{4}$ LESS AND EXCEPT tract described in Book 656 under Receipt No. 1577982 (approx. 1 acre) and LESS AND EXCEPT tract described in Book 716 under Reception No. 1638391 (approx 1 acre) in Weld Co Recc Weld County, Colorado -- 158 acres

	<u>Interest</u>	<u>Acres</u>	<u>Lease Status</u>
Maplewood Acres, Inc. a Colorado Corporation 10300 West 62nd Place Arvada, CO 80004	100%	158	Coral Gulf Explora- tion Corporation 5 yrs. from 5/2/80 Expires 5/2/85

Date: September 26, 1979

By: Cassandra Herbert
Cassandra Herbert, Agent

7/3/80

Jim Yarbrough