

THIS AGREEMENT, Entered into this the 29th day of August, 1973, between JAMES F. ATKINSON and DOROTHY E. ATKINSON, husband and wife, P. O. Box 1123, Rifle, Colorado 81650

and GMW COMPANY, a partnership, 1800 First National Bank Bldg., Dallas, Texas 75202

That lessor, for and in consideration of the sum of Ten & 00/100 dollars in hand paid, and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let unto the lessee, and unto the lessee's heirs, assigns, and assigns, all and singular the hereinafter described land, and with the right to utilize this lease or any part thereof for the purpose of carrying on geological, geophysical and other exploring work, including coring, drilling, mining, and operating for, producing and saving all of the oil, gas, casinghead gas, casinghead gasoline and all other gases and their respective constituent vapors, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, telephone lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and for housing and boarding employees, said tract of land with any reversionary rights therein being situated in the County of Garfield State of Colorado and described as follows:

Township 6 South, Range 94 West of the 6th P. M.  
Section 23: Lots 6, 8 and 9, NW1/4, SE1/4SW1/4  
Section 24: Lot 5, NW1/4SW1/4

and containing 267.10 acres more or less

2. It is agreed that this lease shall remain in full force for a term of ten (10) years from this date, and as long thereafter as oil or gas, or either 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 to which lease may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

4. The lessee 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 lessee off the leased premises, then one-eighth (1/8) of the proceeds if marketed at the well. The lessee shall pay the lessor: (a) one-eighth (1/8) of the proceeds received by the lessee from the sale of casinghead gas, produced from any well; (b) one-eighth (1/8) of the proceeds if sold at the well, or if marketed by lessee 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 stoves and inside heating 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 29th day of August, 1974, 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 First National Bank at Rifle, Colorado 81650, or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said

land or in the oil and gas or in the rentals to accrue hereunder, the sum of Two hundred sixty seven & 10/100 (\$267.10) 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 lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assigns or to said depository bank, 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 lessee'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 this lease as to such portion or portions and be released of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage so surrendered bears to the total acreage of the premises surrendered or released.

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 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 rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so required.

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 pipe lines 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 and land premises without the 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 hereto 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 a certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is applicable, 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, trustee, administrator, executor, or heir of lessor.

10. It is hereby agreed that in the event this lease shall be assigned as to a part of as to part 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 rentals 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 shall be reimbursed by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

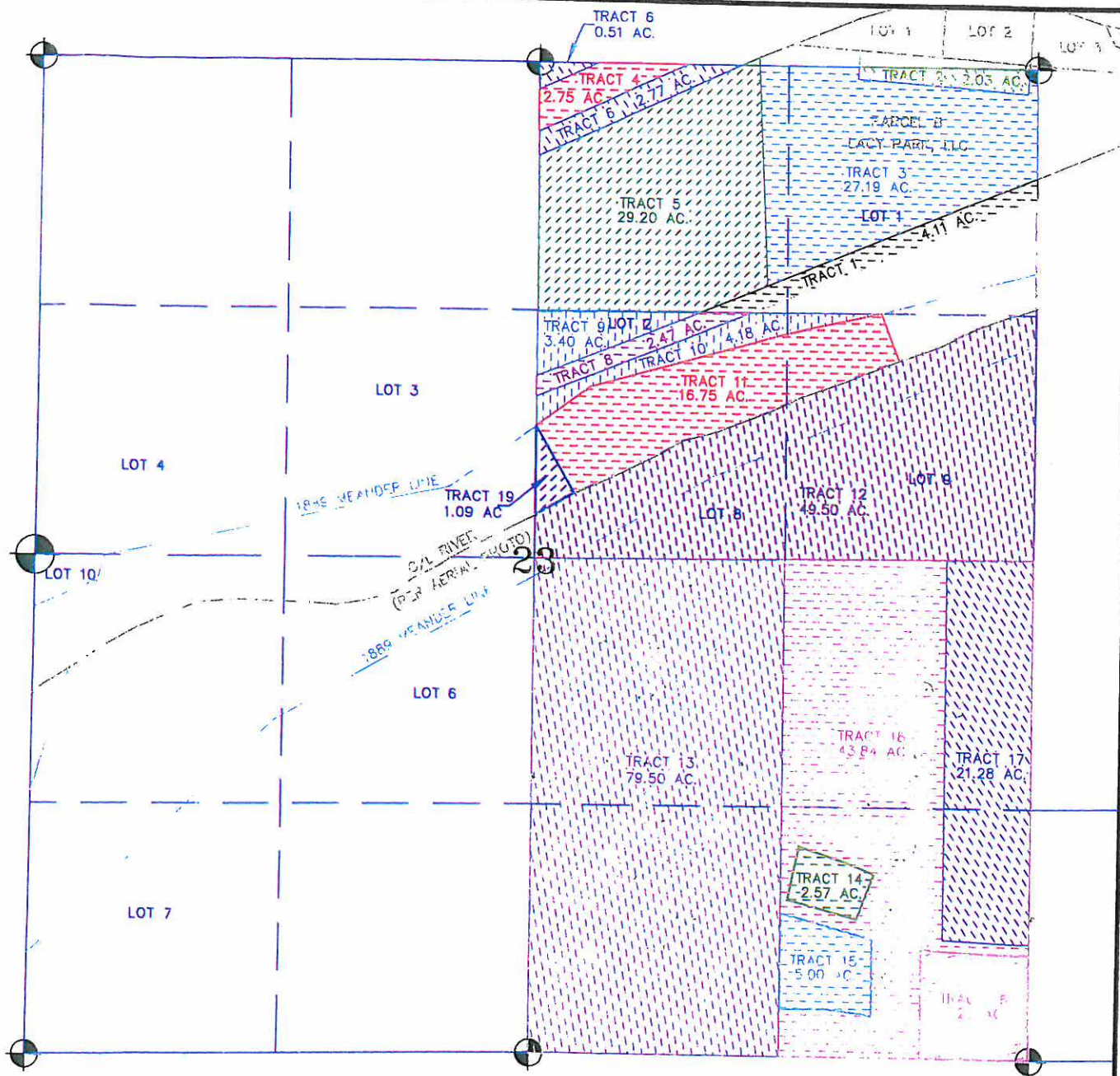
12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that the lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if 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 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 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 in form of one or more estates, or to divide the gas production from each such unit such as each, if such operating unit or units is so created by Lessee. Lessor agrees to accept and shall insure 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 provided for as the commencement or completion of a well, or the continued operation or production of gas from a well on each and all of the lands included in 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 provisions of this lease under each separate lease. Lessee shall execute in writing and record in the conveyance records of the county in which the land is situated an instrument identifying and describing the consolidated acreage.

14. This lease and the covenants and stipulations shall extend to, and be binding on each of the parties who signs this lease, regardless of whether the same is signed by one or more of the parties named herein, and regardless of whether it is signed by any of the other parties herein named as lessors. This lease may be signed in duplicate and each copy shall have the same effect as the original.

Witness my hand and seal of office this 29th day of August, 1973.  
JAMES F. ATKINSON  
Dorothy E. Atkinson



OIL & GAS TRACT ACREAGES  
 E 1/2 OF SECTION 23  
 T. 6 S., R. 94 W. OF THE 6TH P.M.  
 COUNTY OF GARFIELD, STATE OF COLORADO



CONSTRUCTION SURVEYS, INC.  
 0012 SUNRISE BLVD.  
 SILT, CO 81652  
 (970)876-5753

SCALE: 1" = 800'  
 DWG: BARRETT\BUTCHER\_SEC23\_ EHALF\_T6S-R94W  
 DRAFTED: 01/30/07  
 SHEET: 1 OF 1

most recent



23

YOUNBERG BEAVER  
CREEK RANCH

WITHROW,  
RICHARD G  
& ABBIE D

DICK,  
TERRY  
SCOTT

MEAD,  
VICKIE R  
& RONALD D

WELLS FARGO  
FINANCIAL  
COLO INC

WRIGHT,  
JIMMY &  
SHURRE

PIPER,  
DUANE A  
& BECKY

ADAIR,  
DENNIS W

VIGIL, HARRIS STEVEN

RWF 322-23

RWF 323-23

RWF 523-23

RWF 23-23

RWF 423-23

RWF 623-23

RWF 24-23

RWF 324-23

RWF 424-23

RWF 524-23

RWF 521-23

RWF 542-23

RWF 32-23

RWF 533-23

RWF 33-23  
RWF 33-23

RWF 433-23

RWF 333-23

RWF 34-23

RWF 330-23

RWF 34-23

RWF 434-23

RWF 31-26

STILLINGS ROBERT

RWF 42-23

RWF 412-24

RWF 413-24

RWF 13-24

RWF 313-24

MEAD 14-24

RWF 314-24

RWF 14-24  
RWF 14-24

PIPER D A

MEAD R D

RWF 414-24

RWF 311-24

RWF 511-25

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