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MOFFAT COUNTY, CO, BEVERLY JOHNSON - CLERK/RECORDER

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Rev. No. 1 (CNC)

PAGE #: 0001 OF 0002

DOC#: 2000L 3582

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OIL AND GAS LEASE

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This Oil and Gas Lease ("Lease") is made this 12th day of September, 2000, by and between Moffat County, Colorado, acting through its board of Commissioners, whose address is 221 West Victory Way, Craig, Colorado 81625, ("Lessor", whether one or more) and Wobank Resources Corporation whose address is 1690 Stout Street, Suite 1200, Denver, Colorado 80202, ("Lessee").

WITNESSETH, For and in Consideration of TEN DOLLARS, the covenants and agreements contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant, demise, lease and let exclusively unto said Lessee, with the exclusive right for the purpose of mining, exploring by geophysical and other methods and operating for and producing therefrom oil and all gas of whatever nature or kind (including seeped gas), and laying pipelines, telephone and telegraph lines, building tanks, plants, power stations, roadways and structures thereon to produce, serve and take care of said products (including downspacing of seeped gas wells), and the exclusive surface or subsurface rights and privileges related in any manner to any and all such operations, and any and all other rights and privileges necessary, incident to, or convenient for the operation alone or conjointly with neighboring land for such purposes, all that certain tract or tracts of land situated in Moffat County, Colorado, described to wit:

TOWNSHIP 7 NORTH, RANGE 94 WEST, 6TH P. M.

Section 1: Lot 8, SW/4NW/4, NW/4SW/4

Section 2: SW/4NE/4, NW/4SE/4, E/2SW/4

Section 11: E/2NW/4, N/2SW/4

TOWNSHIP 8 NORTH, RANGE 94 WEST, 6TH P. M.

Section 4: Lots 1, 2, 3, 4, 5, 6, 7 and 8, SE/4SE/4

Section 5: Lots 1, 2, 3, 4, 5, 6, 7, 8, 10 and 11

Section 6: Lots 1, 6, 7, 8, 10 and 11

Section 8: S/2SW/4

Section 9: E/2, E/2NW/4, SW/4

Section 10: E/2NE/4, SW/4, SW/4SE/4

Section 11: W/2NE/4, NW/4

Section 14: N/2

Section 15: NE/4, SE/4NW/4, NE/4SW/4, N/2SE/4

Section 17: N/2, N/2SE/2, S/2SE/4

Section 20: SE/4NW/4, NE/4SW/4, SE/4

Section 21: S/2

Section 27: S/2N/2, N/2S/2, SE/4SW/4, SW/4SE/4

Section 28: N/2SE/4, S/2NE/4

Section 29: N/2NE/4

Section 30: Lots 1 (46.70), 3(46.70), 4(46.71), E/2W/2

Section 31: Lots 2 (46.70), 3(46.70), 4(46.71), E/2W/2

Section 33: W/2SE/4, SE/4SE/4, SE/4SW/4

Section 34: E/2W/2, W/2E/2, SW/4NW/4, NW/4SW/4

SEE
AMENDand containing 6,200.45 acres, more or less (the "Premises").

1. It is agreed that this Lease shall remain in full force for a term of five (5) years from the date ("Primary Term") and so long thereafter as oil or gas of whatever nature or kind is produced from the Premises or on acreage pooled or unitized therewith, or operations are conducted as hereinafter provided. If at the expiration of the Primary Term, oil or gas is not being produced from the Premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling, reworking or downspacing operations thereon, then this Lease shall continue in force so long as such operations are being continuously prosecuted. Operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the Premises or on acreage pooled or unitized therewith, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Lessee commences additional drilling, reworking or downspacing operations within ninety (90) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the Primary Term, this Lease shall continue in force so long as oil or gas is produced from the Premises or on acreage pooled or unitized therewith.

2. This is a PAID-UP LEASE. In consideration of the payment made herewith, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or conduct any operations during the primary term. Lessee may at any time or times during or after the Primary Term surrender this Lease as to all or any portion of the Premises and as to any struts or strata, by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter assuming as to the acreage surrendered.

3. The royalties to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, thirteen percent (13%) of that produced and saved from said land, the same to be delivered at the well, or to the credit of Lessor into the pipeline to which the wells may be connected, Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products therefrom, the market value at the well of thirteen percent (13%) of the product sold or used. On product sold at the well, the royalty shall be thirteen percent (13%) of the net proceeds realized from such sale. All royalties paid on gas sold or used off the premises or in the manufacture of products therefrom will be paid after deducting from such royalty Lessee's proportionate amount of all post-production costs, including but not limited to gross production and severance taxes, gathering and transportation costs from the wellhead to the point of sale, marketing, compression, and processing. On product sold at the well, the royalty shall be thirteen percent (13%) of the net proceeds realized from such sale, after deducting from such royalty Lessee's proportionate amount of all of the above post-production costs and expenses, if any.

4. Where gas from a well capable of producing gas (or from a well in which downspacing operations have commenced), is not sold or used after the expiration of the Primary Term, Lessee shall pay or tender as royalty to Lessor at the address set forth above Five Dollars (\$5.00) per year per net mineral acre, such payment or tender to be made on or before the anniversary date of this Lease next ensuing after the expiration of ninety (90) days from the date such well is shut in or downspacing operations are commenced and thereafter on or before the anniversary date of this Lease during the period such well is shut in or downspacing operations are being conducted.

5. If Lessor owns a lease interest in the Premises then the entire and undivided fee simple estate therein, then the royalty (including any shut-in gas royalty) herein provided for shall be paid Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, flow of oil, gas, and water produced on the Premises for Lessee's operations thereon, except water from the wells of Lessor.

7. When requested by Lessee, Lessee shall bury Lessee's pipelines below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on the Premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on the Premises.

10. Lessee shall have the right at any time to remove all machinery and fixtures (including casing) Lessee has placed on the Premises.

11. The rights of the Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of the Premises shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this Lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

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Rev. No. 1 (CBO)

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a severing right, either before or after production, as to all or any part of the Premises and as to any one or more of the formations thereunder, to pool or unitize the leasehold estate and the mineral estate owned by this Lessee with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether unitization or pooling is required by law or regulation. The forming or unitizing of any such pool shall be accomplished by Lessee commencing and filing of record a declaration of such unitization or pooling, which declaration shall describe the unit, and may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced, production, including, without limitation, devasting operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this Lease shall be treated as if it were production, drilling, reworking or devasting operations or a well shut in for want of a market under this Lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessee shall reserve royalties on production from such unit only on the portion of such production allocated to this Lessee, such allocation shall be that proportion of the unit production that the total number of surface acres covered by this Lease and included in the Unit bears to the total number of surface acres to such Unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the Premises as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this Lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this Lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this Lease shall not terminate or expire during the life of such plan or agreement. In the event that the Premises or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessee, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and royalty payments to be made hereunder to Lessee shall be based upon production only as so allocated. Lessee shall formally express Lessee's consent to any cooperative or unit plan of development or operation accepted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

13. All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this Lease shall not be terminated, in whole or in part, nor Lessee held liable or damaged, for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation. Any delay or interruption caused by storm, flood, act of God or other event of force majeure shall not be counted against Lessee. If, due to the above causes or any cause whatsoever beyond the control of Lessee, Lessee is prevented from conducting operations hereunder, such time shall not be counted against Lessee, and this Lease shall be extended for a period of time equal to the time Lessee was so prevented, nothing in this Lease to the contrary notwithstanding.

14. Lessee 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 Lessee by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessee, and be subrogated to the rights of the holder thereof, and the undersigned Lessee, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the Premises, together with right of dower and homestead may in any way affect the purposes for which this Lease is made, as recited herein.

15. Should any one or more of the parties named as Lessee herein fail to execute this Lease, it shall nevertheless be binding upon all such parties who do execute it as Lessee. The word "Lessee", as used in this Lease, shall mean any one or more or all of the parties who execute this Lease as Lessee. All the provisions of this Lease shall be binding on the heirs, successors and assigns of Lessee and Lessee.

16. If at any time within the primary term of this lease and while the same remains in force and effect, Lessee receives any bona fide offer, acceptable to Lessee, to grant an additional lease (top lease) covering all or part of the above-described lands, Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing, and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized which form should reflect all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt, from Lessee, of a complete copy of any such offer to advise Lessee in writing of its election to enter into or not enter into the top lease with Lessee on equivalent terms and conditions. If Lessee fails to notify Lessee within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessee shall have the right to accept and enter.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Signature
Lessee:

Moffat County, Colorado, Acting through its Board of Commissioners

Taxpayer Identification or SS No.

By: [Signature]
Title: Chairman

ACKNOWLEDGMENTS FOR USE IN ARIZONA, OREGON, NEBRASKA, KANSAS, COLO., WYOMING, N. DAKOTA, NEW MEXICO

STATE OF Colorado)
COUNTY OF Moffat) ss.

(INDIVIDUAL ACKNOWLEDGMENT)

The foregoing instrument was acknowledged before me this 13th day of September, 2000, by Joe J. Anderson as the Chairman of the Moffat County, Colorado, Board of Commissioners.

My Commission Expires 10-15-2004

[Signature]
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

(CORPORATE ACKNOWLEDGMENT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2000, by _____ of _____, a corporation, on behalf of the corporation.

My Commission Expires _____

Notary Public

09/13/2000 10:45 REC FEE: \$10.00 PAGE #: 0002 OF 0002
MOFFAT COUNTY, CO. BEVERLY JOHNSON - CLERK/RECORDER DOC#: 2000L 3582

FORM 1000 LEASE producers 88 cts
3/98

09/29/2000 10:15 REC FEE: \$5.00

MOFFAT COUNTY, CO, BEVERLY JOHNSON - CLERK/RECORDER

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DOC#: 200013042D **

AMENDMENT OF LEASE

MAY 15 07

THIS AGREEMENT AND AMENDMENT, made and entered into this 22nd day of September, 2000, between Moffat County, Colorado, acting through its Board of Commissioners, whose address is 221 West Victory Way, Craig, Colorado 81615 ("Lessor", whether one or more) and Wyibanka Resources Corporation whose address is 1600 Stout Street, Suite 1200, Denver, Colorado 80202 ("Lessee")

WITNESSETH:

WHEREAS, the parties hereto entered into an Oil and Gas Lease dated September 12, 1998, and such lease having been recorded as Document # 200013581 of the county records of Moffat County, Colorado, on September 13, 1999, at 10:45 a.m.; and

WHEREAS, the parties hereto now desire to amend certain provisions of said Lease.

NOW, THEREFORE, in consideration of the premises, the payment of Ten Dollars (\$10.00) by Lessee to Lessor, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, and for the purpose of amending said lease, it is now and hereby agreed, notwithstanding anything to the contrary in said lease as originally executed or as amended by any previous amendments, that:

The legal description of the lands covered by the aforementioned lease be amended to read as follows:

TOWNSHIP 7 NORTH, RANGE 24 WEST, 6TH P.M.

Section 1: Lot 8, SW/4NW/4, NW/4SW/4
Section 2: SW/4NE/4, NW/4SE/4, E/2SW/4
Section 3: SW/4SE/4, SW/4
Section 4: N/2SE/4, SE/4SE/4
Section 11: E/2NW/4, N/2SW/4

TOWNSHIP 8 NORTH, RANGE 34 WEST, 6TH P.M.

Section 4: Lots 1, 2, 3, 4, 5, 6, 7 and 8, SE/4SE/4
Section 5: Lots 1, 2, 3, 4, 5, 6, 7, 8, 10 and 11
Section 6: Lots 1, 6, 7, 8, 10 and 11
Section 8: S/2SW/4
Section 9: E/2, E/2NW/4, SW/4
Section 10: E/2NE/4, SW/4, SW/4SE/4
Section 11: W/2NE/4, NW/4
Section 14: N/2
Section 15: NE/4, SE/4NW/4, NE/4SW/4, N/2SE/4
Section 17: N/2, N/2S/2, S/2SE/4
Section 20: SE/4NW/4, NE/4SW/4, SE/4
Section 21: S/2
Section 27: S/2N/2, N/2S/2, SE/4SW/4, SW/4SE/4
Section 28: N/2SE/4, S/2NE/4
Section 29: N/2NE/4
Section 30: Lots 2 (46.70), 3 (46.70), 4 (46.71), E/2W/2
Section 31: Lot 2 (46.70), 3 (46.70), 4 (46.71), E/2W/2
Section 33: W/2SE/4, SE/4SE/4, SE/4SW/4
Section 34: E/2W/2, W/2E/2, SW/4NW/4, NW/4SW/4

and containing 6520.45 acres, more or less (the "Premises")

Lessor acknowledges that said lease, as amended, is valid and in full force and effect and for such purpose Lessor hereby grants, leases and lets to Lessee all of Lessor's interest in the above described lands upon the same terms, conditions and provisions as are contained in said lease as amended hereby and by any amendment heretofore executed.

This agreement and amendment shall be binding upon and inure to the benefit of the parties hereto, their successors, personal representatives and assigns.

EXECUTED the day and year first above written

Lessor:

Moffat County, Colorado, Acting through its Board of Commissioners

Taxpayer Identification or SS No.

By: Joe Johnson, Chairman

ACKNOWLEDGMENTS FOR USE IN ARIZONA, OREGON, NEBRASKA, KANSAS, COLORADO, WYOMING, N. DAKOTA, NEW MEXICO

STATE OF Colorado)
COUNTY OF Moffat) ss

(INDIVIDUAL ACKNOWLEDGMENT)

The foregoing instrument was acknowledged before me this 30th day of September, 2000, by Joe Johnson as the Chairman of the Moffat County, Colorado, Board of Commissioners

My Commission Expires 10-15-2001

Notary Public

