

13a. This lease gives the right to exclusive use of a shallow gas well in Section 3, T7S, R9E, S4E4, Grant A. Knight and his wife Harriett R. Knight

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Garfield

That hereafter, for and in consideration of the sum of \$100.00 Dollars, to be paid by the Lessee to the Lessor, the Lessor has granted, sold, conveyed and confirmed unto the Lessee, his heirs and assigns forever, all that certain tract or parcels of land, situated in the County of Garfield, State of Colorado, and described as follows:

Township 7 South, Range 9S West, 6th P.M.

Sec. 3: SW $\frac{1}{4}$  NW $\frac{1}{4}$ , Lot 2(10.92), Lot 3(40.75)

Sec. 4: S $\frac{1}{2}$  NE $\frac{1}{4}$ , S $\frac{1}{2}$  NW $\frac{1}{4}$ , NW $\frac{1}{4}$  SE $\frac{1}{4}$ , Lot 2(20.10), Lot 3(17.10), Lot 4(9.70), Lot 5(18.70)

Sec. 5: Lot 6(17.50), Lot 7(37.00)

A tract of land in Sec. 3 containing 37.4 ac - Beginning at the meander corner on West line of said Sec. 3: thence N 475.2 ft; thence S 20° 51' E 1,741.08 ft; thence N 86° 0' E 400.0 ft; thence N 42° 0' E 940.0 ft; thence S 967.80 ft; thence S 50° 0' W 760.0 ft; thence N 68° 0' W 2201.1 ft to the Point of Beginning

A tract of land in Sec. 4 containing 74.5 ac - Beginning at the meander corner on the East line of said Sec. 4: thence N 88° 0' W 2640.0 ft; thence S 79° 32' W 2686.86 ft; thence N 900.0 ft; thence N 88° 45' E 1320.3 ft; thence N 82° 0' E 1333.0 ft; thence S 84° 20' E 1326.5 ft; thence S 78° 08' E 1349.4 ft; thence South 310.0 ft to Point of Beginning

A tract of land in Sec. 5 containing 53.6 ac - Beginning at the meander corner on the East line of said Sec. 5: thence S 63° 0' W 2316.0 ft; thence N 27° 50' W 470.0 ft; thence N 19° 0' E 860.0 ft; thence N 71° 05' E 800.0 ft; thence N 63° 08' E 750.0 ft; thence N 75° 02' E 597.5 ft; thence South 930.0 ft to the Point of Beginning

Total 577.27 acres more or less

payable hereunder shall be reduced in the proportion that the acreage owned hereon is reduced by said release or release.

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 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 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 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 hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants herein 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 payable thereon 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 in 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 proportionable part of the rent due from him or them, such default shall not operate to breach 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. Lessee 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.

13. In witness whereof, 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 amount and manner 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 its terms shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.