

## TANK SITE LEASE AND AGREEMENT

**State:** Colorado

**County:** Garfield

**Lessor:** ExxonMobil Oil Corporation

**Lessor's Address:** Attention: Mr. Tom Adams  
16825 Northchase Drive, Suite 200  
Houston, TX 77060

**Lessee:** Williams Production RMT Company

**Lessee's Address:** Attention: Sandra J. Hotard  
1058 County Road 215  
P.O.Box 370  
Parachute, CO 81635

**Effective Date:** 21<sup>st</sup> day of September, 2010

1. **Lease of Land.** In consideration of the Rental provided below, to be paid by Lessee to Lessor, and the full and faithful performance of all of the covenants to be kept by Lessee as set forth herein and which Lessee agrees to keep and perform, Lessor grants, leases and lets to Lessee, for the construction, operation, and maintenance of eight (8) three hundred barrel (300 BBL) petroleum storage tanks and associated facilities, that certain tract of land (the "Land") located in the county and state named above, and described as follows:

Wheeler Gulch Tank Pad located in the SW/4 SE/4 of Section 27, Township 6 South, Range 96 West as illustrated in the attached **Exhibit "A"**.

2. **Term and Rental.**

- a. This Tank Site Lease and Agreement (the "Lease") shall be for a term of forty (40) years from the Effective Date stated above, unless terminated earlier as provided for herein (the "Term").

 If Lessee discontinues use of the Land or if the Lease is otherwise terminated prior to the

expiration of the 40 year period, Lessee acknowledges and agrees that Lessee shall not be entitled to the return of any portion of the Rental.

- b. If at any time during the 40 year period, i) Lessee fails to use the Land for the storage of petroleum products for a period of two (2) years or ii) production ceases on wells located on the following Pad Numbers: MV 10-23, MV 23-27, GM 32-27, MV 29-27, GM 24-27, Gm 331-34 then this Lease shall terminate and all rights hereunder revert to Lessor. Surviving any termination or expiration of the Lease it shall be Lessee's obligation to comply with the terms of Section 8 hereof.
3. **Permitted Use.** Lessee shall have the right to use the Land for the construction, repair, maintenance, replacement and operation of eight (8) petroleum storage tanks and the above ground and below ground pipes, lines, equipment and facilities (collectively, "Lessee's Facilities") as may be necessary or convenient to Lessee in carrying on the storage of produced petroleum products from the above referenced pads, but for no other purpose (collectively, the "Permitted Use"). Lessee shall be responsible for the conduct of Lessee and Lessee's employees, agents, contractors and representatives (collectively, "Lessee's Related Parties") while on the Land and they shall be prohibited from using the land for any purpose other than the Permitted Use. Without limiting any other rights and remedies set forth in this Lease, in the event that Lessee or Lessee's Related Parties fail to comply with the terms of this Section 3, Lessor may, in its sole and absolute discretion provide written notice to Lessee of such violation and, in the event Lessee fails to cure such violation within three (3) business days, Lessor may terminate this Lease and the rights granted herein.
4. **Taxes.** Lessee covenants and agrees to pay any taxes, which may be levied upon or assessed against structures, fixtures or other equipment, which may be built or installed on the Land by Lessee.
5. **Surface Lease Only.** This is a surface lease only and shall not be construed to limit Lessor's right as the owner of minerals in and under the Land.
6. **As-Is Condition, Assumption of Liability and Indemnity.**
  - a. This Lease is subject to all contracts, leases, liens, easements and encumbrances or claims of title, which may affect the Land, and nothing contained herein shall be construed as a covenant or warranty against the existence of any thereof. Lessee hereby acknowledges that the lease of the Land is made on an "AS-IS, WHERE-IS" basis and that Lessor makes **no warranties or representations, whatsoever as to the nature, quality, condition, or suitability** of the Land. Lessee further acknowledges that Lessee has examined the Land and agrees, as part of the consideration for this Lease, to accept the Land in its present condition

and state of repair. As between Lessor and Lessee, Lessee assumes any and all responsibility, risk, obligation, liability and cost, if any, related to and/or arising out of the Permitted Use, including but not limited to those caused by failure to comply with any law related to health, safety or the environment.

- b. Lessee shall **release, defend, indemnify and hold harmless**, Lessor, its parent, subsidiaries, and/or affiliate companies and their respective agents, employees or representatives, from and against any and all liability, loss, cost, fines, penalties or damage, including attorney's fees and expenses, resulting from all claims, demands, and causes of action of every kind and character (including claims related to health, safety or the environment) asserted by any person (including, without limitation Lessee's or Lessee's Related Parties', agents, contractors, subcontractors, employees licensees or invitees or any governmental entity), for personal injury, death, or loss of or damage to property in any way arising out of or related to Lessee's use or occupancy of the Land or the exercise of Lessee's rights or performance of Lessee's obligations hereunder, no matter how or when caused.
  - c. The provisions of Sections 6(a) and 6(b) shall survive the expiration or sooner termination of this Lease.
7. **Compliance with Laws.** Lessee warrants and agrees that it will comply with any and all laws, ordinances, orders, rules, regulations, standards and licensing requirements of any state, federal, municipal or local authority or agency, including but not limited to any laws related to health, safety or the environment, now in force and effect or which may be passed, enacted, issued, revised, required or later promulgated, incident to or arising out of or in any way connected with Lessee's utilization of the Land or any activity conducted under, pursuant to or by virtue of this Lease. Moreover, Lessee agrees that it will not discharge, dump, or bury, pollutants of any kind on the Land or into or on any water on, adjacent to or in the area of the Land, including, but not limited to, oil, chemicals, toxic substances or materials, hazardous wastes or hazardous substances, or otherwise pollute or cause the Land or surrounding lands to become environmentally impacted, as the same may be defined in any federal, state or municipal laws, rules, regulations or ordinances. The provisions of Section 6 above include, without limitation, an indemnity by Lessee for any breach or violation of this paragraph.
8. **Restoration of Land.** Lessee shall, within six (6) months of the expiration or sooner termination of this Lease, i) remove any and all buildings, fixtures, above or below ground pipelines, structures and equipment, which it may have placed on the Land, ii) clean, remove, or otherwise remediate any contaminated or polluted soil or water caused by Lessee's operations hereunder, if any, iii) level the surface of the Land, iv) restore vegetation with species that are consistent with adjacent undisturbed areas, and v)



otherwise return the Land to the same condition as it existed immediately prior to the Effective Date, all at Lessee's sole cost and expense.

9. **Non-Exclusive Use and Reservations.** Notwithstanding anything herein to the contrary, the rights granted to Lessee herein shall be non-exclusive and Lessor shall have the continuing right to access and use the Land for any means that do not interfere with Lessee's operations on the Land. This Lease does not, in any way whatsoever, convey any water rights or the right to use water. Lessor reserves unto itself and its successors and assigns all rights not specifically granted to Lessee herein.
10. **Assignment and Subletting.** Lessee may not assign, sublet, or otherwise transfer its rights or obligations under this Lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld. In the event of any assignment such transferee shall assume in writing all of Lessee's obligations hereunder, but Lessee shall not be released from its obligations hereunder.
11. **Default and Remedies.** If either party is in breach (the "Defaulting Party") under this Lease with respect to any required obligation under this Lease and said breach continues for a period of ten (10) days after written notice from the other party (the "Non-Defaulting Party"), then the Defaulting Party shall be deemed to be in default under this Lease and the Non-Defaulting Party shall be entitled to seek adequate relief by the exercise of any rights or remedies, including, without limitation, injunction, damages and any other legal or equitable remedy available. Notwithstanding the foregoing, if the breach is not reasonably capable of being cured in ten (10) days, then the Defaulting Party shall not be deemed to be in default provided that the Defaulting Party commences to cure such breach within the ten (10) day period and thereafter proceeds diligently to cure such breach. The remedies herein shall be cumulative and not exclusive.
12. **Notice.** Any notice or written demand to be given to Lessor or Lessee may be delivered in person, by fax or certified or registered mail, postage prepaid, addressed to the party for who intended in accordance with the addresses set forth above. Either party may give written notice designating a different address to substitute for the one above specified when necessary. Notice shall be deemed given upon receipt.
13. **Time; Business Day.** Time is of the essence of this Lease. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Lease during a certain period of time (or by a particular date) that ends (or occurs) on a non-business day, then such period (or date) shall be extended until the immediately following business day. As used herein, "business day" means any day other than a Saturday, Sunday, or federal or Colorado state holiday.

14. **Severability.** If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.
15. **Waivers.** All waivers must be in writing and signed by the waiving party. One or more waivers of any covenant, term, or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.
16. **Alcohol and Drugs.** Lessee shall not allow the use, possession, transfer, purchase or sale of illegal drugs, narcotics, or other unlawful substances and materials, alcoholic beverages, firearms or other weapons by Lessee or Lessee's Related Parties while on the Land or adjacent lands and all such activity is prohibited.
17. **Successors and Assigns.** This Lease shall bind and inure to the benefit of Lessor and Lessee and their respective heirs, distributees, executors, administrators, successors and permitted assigns, except as otherwise provided herein.
18. **Survival.** The provisions of this Lease that by their nature continue, including, but not limited to the indemnification, allocation of liability, environmental, default and remedy provisions set forth in this Lease, shall survive any expiration or termination of this Lease.
19. **Entire Agreement.** This Lease contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

The parties have executed this Lease the day and year indicated below but effective on the Effective Date set forth above.

**LESSOR**

**ExxonMobil Oil Corporation**

By: \_\_\_\_\_

Name: A. J. Tavano

Title: Agent and Attorney-in-Fact

Date: 9/16/10

**LAW**  
*BSM*

**LESSEE**

**Williams Production RMT Company**

By: \_\_\_\_\_

Name: Sandra J. Hotard

Title: Attorney-In-Fact

Date: \_\_\_\_\_

**DB**

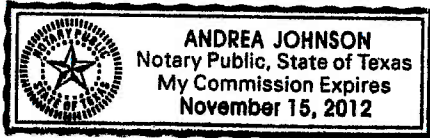
## ACKNOWLEDGMENTS

STATE OF TEXAS                   )  
COUNTY OF HARRIS               )

Before me, a Notary Public, in and for said County and State aforesaid, do hereby certify that **A. J. Tavano**, whose name is subscribed to the foregoing instrument as **Agent and Attorney-in-Fact of ExxonMobil Oil Corporation**, a New York Corporation, appeared before me this day in person and acknowledged that he executed said instrument as his free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 16 day of September, 2010.

My Commission Expires: 15 November 2012 Andrea Ehrst  
(SEAL) Notary Public



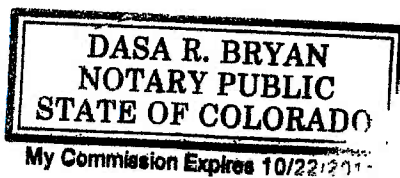
STATE OF COLORADO )  
 )  
COUNTY OF GARFIELD )

Before me, a Notary Public, in and for said County and State aforesaid, do hereby certify that **Sandra J. Hotard**, whose name is subscribed to the foregoing instrument as **Attorney-In-Fact** of **Williams Production RMT Company**, a Delaware Corporation, appeared before me this day in person and acknowledged that she executed said instrument as her free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 2<sup>nd</sup> day of September, 2010.

My Commission Expires: 10/22/2011  
(SEAL)

Notary Public



# WILLIAMS PRODUCTION RMT COMPANY

## PLAT#2 LOCATION LAYOUT FOR WHEELER TANK PAD SECTION 27, T6S, R96W, 6th P.M.

