



2898533 11/06/2001 03:39P JA Suki Tsukamoto  
1 of 20 R 100.00 D 0.00 Weld County CO

533

PARTIAL RELEASE OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS:

That, United States Exploration, Inc., with an address of 1560 Broadway, Suite 1900, Denver, Colorado 80202, does hereby cancel, release, relinquish and surrender all of its right, title and interest in and to the following Oil and Gas Leases insofar and only insofar as said leases affect the described lands:

See Exhibit "A" attached hereto and made a part hereof.

EXECUTED this 30 day of October, 2001.

ATTEST:

E. Michael Murphy, Secretary

UNITED STATES EXPLORATION, INC.

By: Bruce D. Benson, President

ACKNOWLEDGMENT

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of October, 2001, by Bruce D. Benson as President of UNITED STATES EXPLORATION, INC., on behalf of the Corporation.

Witness my hand and official seal.

My Commission Expires:  
03-01-04

Celestina S. Barajas  
Notary Public



COI-M0000738  
CO-M00000738

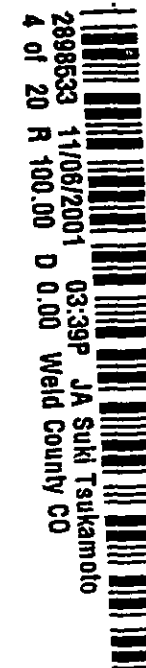
**Exhibit "A"**  
**Weld County, Colorado**

Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-004	Union Pacific Resources Company CO-M00000770	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 64 West, 6th P.M. Section 25: NE/4 All depths and formations below the stratigraphic equivalent of the base of the D Sand formation as found in the HSR Triple B 8-25 well in the NE Sec. 25-T1N-R64W.	2614658
CWE-005	Union Pacific Resources Company CO-M00000771	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 65 West, 6th P.M. Section 7: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the UPRR 50 Pan Am L1 well located in the NENE of Sec. 7-T1N-R65W.	2614657
CWE-006	Union Pacific Resources Company CO-M00000772	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 65 West, 6th P.M. Section 11: E/2 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the Hudson #1-11 well located in the SWNE of Sec. 11-T1N-R65W.	2614656
CWE-007	Union Pacific Resources Company CO-M00000773	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 66 West, 6th P.M. Section 1: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 50 Pan Am N1 well located in the NENE of Sec. 1-T1N-R66W.	2614655
CWE-010	Union Pacific Resources Company CO-M00000776	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 66 West, 6th P.M. Section 13: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 50 Pan Am G1 well located in the SWSE of Sec. 13-T1N-R66W.	2614652
CWE-011	Union Pacific Resources Company CO-M00000775	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 66 West, 6th P.M. Section 9: N/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am BA 1 well located in the SENE of Sec. 9-T1N-R66W.	2614653

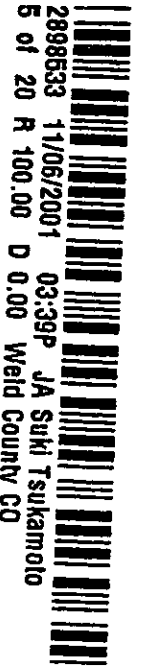
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Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-013	Union Pacific Resources Company CO-M00000777	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 67 West, 6th P.M. Section 3: N/2SE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the J Berger C1 well located in the SWNE of Sec. 3-T1N-R67W.	2614651
CWE-014	Union Pacific Resources Company CO-M00000778	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 67 West, 6th P.M. Section 7: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan AR1 well located in the CNE of Sec. 7-T1N-R67W.	2614650
CWE-015	Union Pacific Resources Company CO-M000000779	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 67 West, 6th P.M. Section 11: N/2NW/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am AD 1 well located in the SWSW of Sec. 7-T1N-R67W.	2614649
CWE-016	Union Pacific Resources Company CO-M00000780	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 67 West, 6th P.M. Section 15: SE/4NE/4, NW/4NE/4, NE/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am M1 well located in the SWNE of Sec. 14-T1N-R67W.	2614648
CWE-017	Union Pacific Resources Company CO-M00000783	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 67 West, 6th P.M. Section 17: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am AL1 well located in the SWNE of Sec. 17-T1N-R67W	2614647
CWE-018	Union Pacific Resources Company CO-M00000781	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 67 West, 6th P.M. Section 19: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 43 Pan Am J1 well located in the SWNE of Sec. 19-T1N-R67W	2614646

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CWE-019	Union Pacific Resources Company CO-M00000785	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 67 West, 6th P.M. Section 21: N/2NE/4, SE/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the UPRR 42 Pan Am O1 well located in the SWNE of Sec. 21-T1N-R67W	2614645
CWE-020	Union Pacific Resources Company CO-M00000786	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 67 West, 6th P.M. Section 29: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the UPRR 43 Pan Am K1 well located in the SWNE of Sec. 29-T1N-R67W	2614644
CWE-021	Union Pacific Resources Company CO-M00000787	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 67 West, 6th P.M. Section 31: Railroad right of way in W/2SW/4 more fully described in Warranty Deed at Book 861 Reception #1783386 of the Weld County records. All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Albert Sack C-1 well located in the SESW of Sec. 31-T1N-R67W.	2614643
CWE-023	Union Pacific Resources Company CO-M00000789	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 1: E/2NE/4SE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Cosslett GU #1 well located in the CSW of Sec. 1-T1N-R68W.	2614641
CWE-024	Union Pacific Resources Company CO-M00000850	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 3: NE/4 All those depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 43 Pan Am X1 well located in the SENE of Sec. 3-T1N-R68W.	2614569
CWE-025	Union Pacific Resources Company CO-M00000851	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 4: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the CPC 86 Amoco Q 1 well located in the NENW of Sec. 4-T1N-R68W.	2614568



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CWE-026	Union Pacific Resources Company CO-M00000790	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 7: NW/4SE/4 and Railroad right of way in E/2SE/4 as located across said lands. All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Thomas E. Unit #1 well located in the NESW of Sec. 7-T1N-R68W.	2614640
CWE-028	Union Pacific Resources Company CO-M00000791	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 9: NE/4 All depths and formation below the stratigraphic equivalent of the base of the J Sand formation as found in the CPC 86 Amoco 11 well located in the NESE of Sec. 9-T1N-R68W.	2614639
CWE-029	Union Pacific Resources Company CO-M00000792	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 10: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 43 Pan Am P 1 well located in the CNE of Sec. 10-T1N-R68W.	2614638
CWE-030	Union Pacific Resources Company CO-M00000793	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 11: N/2NE/4 Section 11: SW/4NE/4 Section 11: SE/4NE/4 All depth and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the UPRR 43 Pan Am R 1 well located in the SENE of Sec. 11-T1N-R68W.	2614637
CWE-031	Union Pacific Resources Company CO-M00000797	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 13: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 43 Pan Am O 1 well located in the NWNW of Sec. 13-T1N-R68W.	2614556
CWE-032	Union Pacific Resources Company CO-M00000861	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 14: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the UPRR 43 Pan Am T 2 well located in the NWNW of Sec. 14-T1N-R68W.	2614560



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CWE-033	Union Pacific Resources Company CO-M00000862	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 15: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the UPRR 43 Pan Am V 2 well located in the SESE of Sec. 15-T1N-R68W.	2614559
CWE-034	Union Pacific Resources Company CO-M00000863	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 17: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the East Erie #1-17 well located in the CNE of Sec. 17-T1N-R68W.	2614558
CWE-035	Union Pacific Resources Company CO-M00000864	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 20: N/2NE/4SW/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Edward P. Costigan #1 well located in the SESE of Sec. 20-T1N-R68W.	2614557
CWE-036	Union Pacific Resources Company CO-M00000853	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 21: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the Swink 13-21 well located in the SESE of Sec. 21-T1N-R68W.	2614567
CWE-037	Union Pacific Resources Company CO-M00000864	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 25: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 43 Pan Am Y 1 well located in the NENE of Sec. 25-T1N-R68W.	2614566
CWE-039	Union Pacific Resources Company CO-M00000855	United States Exploration, Inc.	5/15/1998	Township 1 North, Range 68 West, 6th P.M. Section 35: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 43 Pan Am Z 1 well located in the NENE of Sec. 35-T1N-R68W.	2614565

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CWE-040	Union Pacific Resources Company CO-M00000856	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 63 West, 6th P.M. Section 9: NW/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPV 9-5K3 well located in the SWNW of Sec. 9-T2N-R63W.	2614564
CWE-041	Union Pacific Resources Company CO-M00000858	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 64 West, 6th P.M. Section 5: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 53 Pan Am Q 1 well located in the SESE of Sec. 5-T2N-R64W.	2614563
CWE-042	Union Pacific Resources Company CO-M00000859	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 64 West, 6th P.M. Section 7: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 53 Pan Am M 1 well located in the CNE of Sec. 7-T2N-R64W.	2614562
CWE-043	Union Pacific Resources Company CO-M00000860	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 64 West, 6th P.M. Section 9: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 62 Pan Am P 1 well located in the CSE of Sec. 9-T2N-R64W.	2614561
CWE-044	Union Pacific Resources Company CO-M00000737	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 64 West, 6th P.M. Section 17: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 62 Pan Am N 1 well located in the SWNE of Sec. 17-T2N-R64W.	2614713
CWE-045	Union Pacific Resources Company CO-M00000738	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 64 West, 6th P.M. Section 19: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 62 Pam Am L 1 well located in the CNE of Sec. 19-T2N-R64W	2614712

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CWE-046	Union Pacific Resources Company CO-M00000739	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 64 West, 6th P.M. Section 21: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 62 Pan Am O 1 well located in the NENE of Sec. 21-T2N-R64W.	2614711
CWE-047	Union Pacific Resources Company CO-M00000740	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 64 West, 6th P.M. Section 29: W/2 less & except 6.21 acres of Burlington Northern Railroad right of way as located across said lands. All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Jim Creek #1-29 well located in the SWSW of Sec. 29-T2N-R64W.	2614710
CWE-049	Union Pacific Resources Company CO-M00000741	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 65 West, 6th P.M. Section 1: E/2NE/4, W/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 53 Pan Am L 1 well located in the SWNE of Sec. 1-T2N-R65W.	2614709
CWE-050	Union Pacific Resources Company CO-M00000743	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 65 West, 6th P.M. Section 5: N/2NE/4, S/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 38 Pan Am U 1 well located in the NWNW of Sec. 5-T2N-R65W.	2614708



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CWE-051	Union Pacific Resources Company	United States Exploration, Inc.	5/15/1998	<p>Township 1 North, Range 68 West, 6th P.M.  Section 13: A parcel of land situate in the N/2 of Section 13-T1N-R68W, in the County of Weld, State of Colorado, bounded and described as follows: Beginning at a point on the north line of said Section 13 that is 75.0 feet easterly, measured at right angles, from the centerline of the main tract of the Dent Branch of the Union Pacific Railroad Company, as now constructed and operated;  Thence parallel with said centerline of main track S. 6 degrees 57 minutes W., a distance of 2671.0 feet, more or less, to a point on the east-west centerline of said Section 13; Thence along said east-west centerline of said Section 13, N. 89 degrees 59 minutes E., a distance of 121.8 feet, more or less, to a point 50.0 feet easterly, measured at right angles, from the centerline of the Washington Mine Spur track of the Union Pacific Railroad Company as formerly surveyed, located and staked out;  Thence parallel with said centerline of the Washington Mine Spur, as formerly constructed, N. 12 degrees 27 minutes E., a distance of 2355.53 feet to the beginning of a tangent curve, concave northwesterly, having a radius of 11,509.2 feet; Thence northeasterly along said curve, and parallel with said centerline of the Washington Mine Spur as formerly constructed, to the north line of said Section 13; Thence along said north line of Section 13, S. 89 degrees 59 minutes W., a distance of 378 feet, more or less, to the point of beginning.  All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 43 Pan Am O1 well located in the NWNE of Sec. 13-T2N-R68W.</p>	2665370
CWE-052	Union Pacific Resources Company CO-M00000745	United States Exploration, Inc.	5/15/1998	<p>Township 2 North, Range 65 West, 6th P.M.  Section 7: NE/4  All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 38 Pan Am S True #2 well located in the NWNW of Sec. 7-T2N-R65W and excepting the borehole of the UPRR 38 S True #1 in the NENE of Sec. 7-T2N-R65W.</p>	2614707

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CWE-055	Union Pacific Resources Company CO-M00000748	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 65 West, 6th P.M. Section 13: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 62 Pan Am G 1 well located in the SWNE of Sec. 13-T2N-R65W.	2614704
CWE-057	Union Pacific Resources Company CO-M00000750	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 65 West, 6th P.M. Section 19: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 38 Pan Am X 1 well located in the NENE of Sec. 19-T2N-R65W.	2614702
CWE-058	Union Pacific Resources Company CO-M00000751	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 65 West, 6th P.M. Section 23: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the UPRR 62 Pan Am I 2 well located in the SENW of Sec. 23-T2N-R65W.	2614701
CWE-059	Union Pacific Resources Company CO-M00000752	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 65 West, 6th P.M. Section 25: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 62 Pan Am M 1 well located in the SWNW of Sec. 25-T2N-R65W.	2614700
CWE-060	Union Pacific Resources Company CO-M00000753	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 65 West, 6th P.M. Section 27: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the UPRR 62 Pan Am J 1 well located in the SWNE of Sec. 27-T2N-R65W.	2614699
CWE-061	Union Pacific Resources Company CO-M00000754	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 65 West, 6th P.M. Section 29: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 38 Pan Am J 1 well located in the NENE of Sec. 29-T2N-R65W.	2614698

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CWE-062	Union Pacific Resources Company CO-M00000755	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 66 West, 6th P.M. Section 1: S/2NE/4, N/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the UPRR 38 Pan Am V 1 well located in the CNE of Sec. 1-T2N-R66W.	2614697
CWE-064	Union Pacific Resources Company CO-M00000759	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 66 West, 6th P.M. Section 5: SE/4NE/4, NW/4NE/4, NE/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am V 1 well located in the SWNE of Sec. 5-T2N-R66W	2614695
CWE-066	Union Pacific Resources Company CO-M00000763	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 66 West, 6th P.M. Section 13: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 38 Pan Am W 1 well located in the NENE of Sec. 13-T2N-R66W.	2614693
CWE-067	Union Pacific Resources Company CO-M00000764	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 66 West, 6th P.M. Section 15: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 38 Pan Am H 1 well located in the CNE of Sec. 15-T2N-R66W.	2614692
CWE-068	Union Pacific Resources Company CO-M00000765	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 66 West, 6th P.M. Section 17: NE/4SW/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am AQ 1 well located in the CSW of Sec. 17-T2N-R66W.	2614661
CWE-069	Union Pacific Resources Company CO-M00000796	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 66 West, 6th P.M. Section 21: NE/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am R 1 well located in the SWNE of Sec. 21-T2N-R66W	2614605

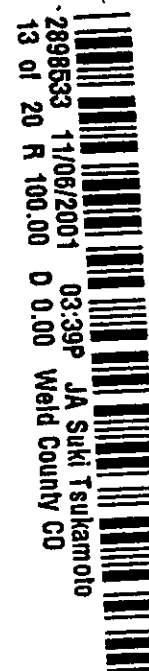
Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-072	Union Pacific Resources Company CO-M00000798	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 66 West, 6th P.M. Section 27: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 50 Pan Am F 1 well located in the NENE of Sec. 27-T2N-R67W.	2614603
CWE-073	Union Pacific Resources Company CO-M00000799	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 66 West, 6th P.M. Section 33: N/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am AT 1 well located in the NENE of Sec. 33-T2N-R66W.	2614602
CWE-074	Union Pacific Resources Company CO-M00000800	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 67 West, 6th P.M. Section 18: Railroad right of way in W/2NW/4 as located upon said lands. All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Kugel 1-18 well located in the CNW of Sec. 18-T2N-R67W.	2614601
CWE-075	Union Pacific Resources Company CO-M00000801	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 67 West, 6th P.M. Section 25: NE/4NW/4, N/2NW/4NW/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Corp 1415 D GU-1 well located in the SENE of Sec. 25-T2N-R67W.	2614600
CWE-076	Union Pacific Resources Company CO-M00000802	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 67 West, 6th P.M. Section 30: Railroad right of way in W/2NW/4 as located across said lands. All depths and formations below the stratigraphic equivalent of the base of the Sussex/Shannon formation as found in the Firestone A-1 well with a bottom hole location in the SWNW of Sec. 30-T2N-R67W and a surface location of NENE of Sec. 25-T2N-R68W.	2614599

Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-078	Union Pacific Resources Company CO-M00000804	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 67 West, 6th P.M. Section 35: NE/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am AO 1 well located in the NENE of Sec. 35-T2N-R67W.	2614597
CWE-079	Union Pacific Land Resources Corporation, Inc. CO-M00000805		5/15/1998	Township 2 North, Range 68 West, 6th P.M. Section 29: N/2NE/4SW/4, SE/4NE/4SW/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Milton H. Nelson H #1 well located in the SWSE of Sec. 29-T2N-R68W.	2799147
CWE-080	Union Pacific Resources Company CO-M00000806	United States Exploration, Inc.	5/15/1998	Township 2 North, Range 68 West, 6th P.M. Section 33: E/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRC 33-1M well located in the NENE of Sec. 33-T2N-R68W.	2614595
CWE-081	Union Pacific Resources Company CO-M00000807	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 63 West, 6th P.M. Section 19: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the CPC 366 Amoco B 1 well located in the SENE of Sec. 19-T3N-R63W.	2614594
CWE-082	Union Pacific Resources Company CO-M00000808	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 63 West, 6th P.M. Section 29: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the CPC 366 Amoco C-1 well located in the NWNE of Sec. 29-T3N-R63W.	2614593
CWE-084	Union Pacific Resources Company CO-M00000809	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 64 West, 6th P.M. Section 19: NW/4NE/4, SE/4NE/4, NE/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the Mile High 1 2-19 well located in the SWNE of Sec. 19-T3N-R64W.	2614592

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Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-085	Union Pacific Land Resources Corporation CO-M00000666	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 64 West, 6th P.M. Section 21: NE/4 All depths and formation below the stratigraphic equivalent of the base of the Codell formation as found in the Gutteresen 21-31 well located in the NWNE of Sec. 21-T3N-R64W	2614627
CWE-086	Union Pacific Land Resources Corporation CO-M00000667	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 64 West, 6th P.M. Section 23: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Codell formation as found in the Gutteresen #23-32 well located in the SWNE of Sec. 23-T3N-R64W	2614626
CWE-087	Union Pacific Resources Company CO-M00000812	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 64 West, 6th P.M. Section 31: SE/4NE/4, SW/4NE/4, NE/4NE/4, NW/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 53 Pan Am R 1 well located in the CNE of Sec. 23-T3N-R64W.	2614591
CWE-088	Union Pacific Land Resources Corporation CO-M00000668	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 64 West, 6th P.M. Section 35: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Waste Services #35-21 well located in the NENW of Sec. 35-T3N-R64W.	2614625
CWE-090	Union Pacific Resources Company CO-M00000719	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 5: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Ludwig #1-5 well located in the NWNE of Sec. 5-T3N-R65W.	2614589
CWE-091	Union Pacific Resources Company CO-M00000821	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 7: NE/4, SE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Wardell B Unit #1 well located in the SESE of Sec. 7-T3N-R65W.	2614588

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Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-092	Union Pacific Resources Company CO-M00000823	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 9: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Sussex formation as found in the Aristocrat 1 41-9 well located in the NENE of Sec. 9-T3N-R65W.	2614587
CWE-093	Union Pacific Resources Company CO-M00000825	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 11: NW/4NE/4, SW/4NE/4, E/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Beebe Draw #42-5 well located in the SENE of Sec. 11-T3N-R65W	2614586
CWE-096	Union Pacific Resources Company CO-M00000830	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 15: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Sussex formation as found in the Beebe Draw 1 32-15 well with a surface location in the NENW and a bottom hole location in the SWNE of Sec. 15-T3N-R65W.	2614584
CWE-099	Union Pacific Resources Company CO-M00000834	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 21: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 22 Pan Am U 1 well located in the NWNE of Sec. 21-T3N-R65W.	2614581
CWE-100	Union Pacific Resources Company CO-M00000885	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 23: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 53 Pan Am V 1 well located in the SENE of Sec. 23-T3N-R65W.	2665369 2614681
CWE-101	Union Pacific Resources Company CO-M00000835	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 25: NE/4NE/4, NW/4NE/4, S/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 53 Pan Am T 1 well located in the SENE of Sec. 25-T3N-R65W.	2688654

Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-102	Union Pacific Resources Company CO-M00000837	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 27: NE/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the Ritchey #1-27 well located in the SENW of Sec. 27-T3N-R65W.	2614579
CWE-103	Union Pacific Resources Company CO-M00000838	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 28: NE/4SW/4, S/2SW/4, NW/4SW/4 All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the Cannon #3-28 well located in the NESE of Sec. 28-T3N-R65W.	2614578
CWE-105	Union Pacific Resources Company CO-M00000841 CO-M00000102	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 33: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 53 Pan Am S 1 well located in the NENE of Sec. 33-T3N-R65W.	2799146 2614576
CWE-106	Union Pacific Resources Company CO-M00000142	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 65 West, 6th P.M. Section 35: NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 53 Pan Am P 1 well located in the NENE of Sec. 35-T3N-R65W.	2614575
CWE-108	Union Pacific Resources Company CO-M00000844	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 66 West, 6th P.M. Section 5: N/2NE/4 less and except railroad right of way as located across said lands. All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the CPC 2-3 Amocu A-1 well located in the SENE of Sec. 5-T3N-R66W.	2614573
CWE-111	Union Pacific Resources Company CO-M00000848	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 66 West, 6th P.M. Section 13: NE/4 All depths and formations below the stratigraphic equivalent of the J Sand formation as found in the UPRR 22 Pan am H 1 well located in the SWNE of Sec. 13-T3N-R66W.	2614570



Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-115	Union Pacific Resources Company CO-M00000881	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 66 West, 6th P.M. Section 25: E/2NE/4, W/2NE/4 All depths and formation below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 22 Pan Am K 1 well located in the SWNE of Sec. 25-T3N-R66W.	2614685
CWE-118	Union Pacific Resources Company CO-M00000878	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 66 West, 6th P.M. Section 29: E/2NE/4, NW/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 22 Pan Am O 1 well located in the SWNE of Sec. 29-T3N-R66W.	2614688
CWE-119	Union Pacific Land Resources Corporation CO-M00000877	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 66 West, 6th P.M. Section 31: N/2NE/4 less & except railroad right of way as located across said lands, N/2SE/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am X 1 well located in the SWNE of Sec. 31-T3N-R66W.	2685926
CWE-121	Union Pacific Resources Company CO-M00000875	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 66 West, 6th P.M. Section 35: E/2NE/4, W/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 22 Pan Am Q 1 well located in the SWNE of Sec. 35-T3N-R66W.	2614691
CWE-123	Union Pacific Resources Company CO-M00000873	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 67 West, 6th P.M. Section 5: SE/4NE/4, SW/4NE/4, NW/4NE/4, NE/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Spaur #1-5 well located in the NENE of Sec. 5-T3N-R67W.	2614663
CWE-125	Union Pacific Resources Company CO-M00000871	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 67 West, 6th P.M. Section 15: NE/4NE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Rusch 34-15X well located in the NWSE of Sec. 15-T3N-R67W.	2614665

Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-126	Union Pacific Resources Company CO-M00000870	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 67 West, 6th P.M. Section 19: NE/4SE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Nick Sekich B-1 well located in the NWNE of Sec. 19-T3N-R67W.	2614666
CWE-127	Union Pacific Resources Company CO-M00000899	United States Exploration, Inc.	5/15/1998	Township 3 North, Range 68 West, 6th P.M. Section 23: N/2SE/4 All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the UPRR 42 Pan Am H 1 well located in the NESE of Sec. 23-T3N-R68W.	2614667
CWE-133	Union Pacific Resources Company CO-M00000895	United States Exploration, Inc.	5/15/1998	Township 4 North, Range 66 West, 6th P.M. Section 11: NE/4NW/4 All depths below the stratigraphic equivalent of the base of the Sussex formation as found in the Miller Feedlot #1 well located in the NENE of Section 11-T4N-R66W.	2614671
CWE-134	Union Pacific Resources Company CO-M00000894	United States Exploration, Inc.	5/15/1998	Township 4 North, Range 66 West, 6th P.M. Section 13: NE/4NE/4 All depths and formations below the base of the stratigraphic equivalent of the Sussex formation as found in the CPC #1 Reeve 41-15 well in NENE Sec. 15-T4N-R65W.	2614672
CWE-135	Union Pacific Resources Company CO-M00000893	United States Exploration, Inc.	5/15/1998	Township 4 North, Range 66 West, 6th P.M. Section 23: NE/4SE/4 All those depths and formations below the stratigraphic equivalent of the base of the Sussex formation as found in the CPC #1 Reeve 41-15 well in NENE Sec. 15-T4N-R65W.	2614673
CWE-136	Union Pacific Resources Company CO-M00000892	United States Exploration, Inc.	5/15/1998	Township 4 North, Range 66 West, 6th P.M. Section 31: NE/4, NW/4 less and except 12.29 acres of railroad right-of-way All depths and formations below the stratigraphic equivalent of the base of the Dakota formation as found in the Gurley 1 1-31 well located in the SENW of Sec. 31-T4N-R66W.	2614674



Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-141	Union Pacific Land Resources Corporation CO-M00000676	United States Exploration, Inc.	5/15/1998	Township 4 North, Range 67 West, 6th P.M. Section 29: NE/4 All depths and formations below the stratigraphic equivalent of base of the Codell formation as encountered in the Hicks #31-29 well located in the NWNE of Sec. 29-T4N-R67W.	2614617
CWE-142	Union Pacific Resources Company CO-M00000677	United States Exploration, Inc.	5/15/1998	Township 4 North, Range 67 West, 6th P.M. Section 31: N/2NE/4 All depths and formations below the stratigraphic equivalent of the base of the Codell formation as found in the Seele #31-31 well located in the NWNE of Sec. 31-T4N-R67W. Section 31: SE/4NE/4 - all depths	2614616
CWE-144	Union Pacific Land Resources Corporation CO-M00000679	United States Exploration, Inc.	5/15/1998	Township 5 North, Range 63 West, 6th P.M. Section 21: E/2 All depths and formations below the stratigraphic equivalent of the J Sand formation as found in the National Hog Farms #21-43 well located in the NESE of Sec. 21-T5N-R63W.	2614614
CWE-154	Union Pacific Resources Company	United States Exploration, Inc.	5/15/1998	Township 8 North, Range 66 West, 6th P.M. Section 15: All, less and except railroad right of way as located across said lands All depths and formations below the stratigraphic equivalent of the base of the Lyons Sand formation as found in the California - UPRR #1 Priddy well located in the NWSW of Sec. 23-T8N-R66W.	2614675
CWE-155	Union Pacific Resources Company CO-M00000891	United States Exploration, Inc.	5/15/1998	Township 8 North, Range 66 West, 6th P.M. Section 21: E/2 All depths and formations below the stratigraphic equivalent of the base of the Lyons Sand formation as found in the California - UPRR #1 Priddy well located in the NWSW of Sec. 23-T8N-R66W.	2614676

Lease No.	Lessor	Lessee	Lease Date	Land Description	Reception No.
CWE-156	Union Pacific Resources Company CO M00000889	United States Exploration, Inc.	5/15/1998	Township 8 North, Range 66 West, 6th P.M. Section 23: All, less and except railroad right of way as located across said lands. All depths and formations below the stratigraphic equivalent of the base of the Lyons Sand formation as found in the California - UPRR #1 Priddy well located in the NWSW of Sec. 23-T8N-R66W.	2614677
CWE-157	Union Pacific Resources Company CO M00000888	United States Exploration, Inc.	5/15/1998	Township 8 North, Range 66 West, 6th P.M. Section 27: All, less and except railroad right of way as located across said lands. All depths and formations below the stratigraphic equivalent of the base of the Lyons Sand formation as found in the California - UPRR #1 Priddy well located in the NWSW of Sec. 23-T8N-R66W.	2614678
CWE-158	Union Pacific Resources Company CO M00000887	United States Exploration, Inc.	5/15/1998	Township 8 North, Range 66 West, 6th P.M. Section 33: N/2 All depths and formations below the stratigraphic equivalent of the base of the Lyons Sand formation as found in the California - UPRR #1 Priddy well located in the NWSW of Sec. 23-T8N-R66W.	2614679
CWE-159	Union Pacific Resources Company CO M00000886	United States Exploration, Inc.	5/15/1998	Township 8 North, Range 66 West, 6th P.M. Section 35: N/2 All depths and formations below the stratigraphic equivalent of the base of the Lyons Sand formation as found in the California - UPRR #1 Priddy well located in the NWSW of Sec. 23-T8N-R66W.	2614680
CWE-218	Union Pacific Resources Company CO M00010072	United States Exploration, Inc.	1/1/1998	Township 2 North, Range 67 West, 6th P.M. Section 18: W/2SW/4 - That portion of the right of way within the SW/4 and running along the Western portion of said Southwest Quarter. All depths and formations below the stratigraphic equivalent of the base of the J Sand formation as found in the Lincoln #1 well located in the SWSW of Sec. 18-T2N-R67W.	

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## OIL AND GAS LEASE

**THIS LEASE** made as of May 15, 1998, between **UNION PACIFIC RESOURCES COMPANY**, a corporation, whose address is P. O. Box 7, Fort Worth, Texas 76101-0007, as Lessor, and **UNITED STATES EXPLORATION, INC.**, a corporation, whose address is 1560 Broadway, Suite 1900, Denver, Colorado 80202, as Lessee..

### WITNESSETH:

(1) Lessor, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the royalties herein provided and of the agreement of Lessee herein contained and subject to the limitations herein provided, grants, leases and lets unto Lessee for the purposes of investigating, exploring, prospecting, drilling and mining for and producing oil and gas [including, without limitation, nitrogen, carbon dioxide, hydrogen sulphide, helium, and other gaseous substances (except steam) and products associated therewith] and associated liquid hydrocarbons, and laying pipelines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, refine, process, store, transport, own, sell and dispose of said oil, gas and associated liquid hydrocarbons, all of Lessor's right, title and interest as set forth in Exhibit "A" in and to the oil and gas in and under the leased premises described in Exhibit "A".

For shut-in royalty payment purposes, the land included in this lease shall be deemed to contain the acres set forth in Exhibit "A", whether it actually comprises more or less.

(2) This is a paid-up lease and there shall be no requirement for Lessee to pay delay rentals.

(3) Subject to the other provisions herein contained, this lease shall be for a primary term which expires at twelve o'clock (12:00) noon, Central Time, on May 15, 2001, which term shall hereinafter be referred to as "the primary term", and as long thereafter as oil, gas, or associated liquid hydrocarbons or any of them are produced from the leased premises in paying quantities hereunder, or drilling or reworking operations are conducted thereon under the terms hereof.

(4) Subject to the right of election reserved to Lessor below to take its share of production in kind, the royalties to be paid by Lessee are **Seventeen and One-Half Percent (17.50%)** of eight-eighths (8/8ths) of: (a) the greater of the market value at the well or the amount realized from the sale of oil and liquid petroleum products recovered at the well and (b) the market value at the well of gas sold, used off the leased premises or delivered to Lessee at the tailgate of the plant to which the gas is delivered, plus the market value of the products recovered when such gas is processed; provided that on gas sold at the well by Lessee in an arm's length transaction, the royalty shall be the same percentage of the amount realized from such sale. For avoidance of doubt, royalty is to be paid on all payments received by Lessee under or as a result of a gas purchase contract, including, but not limited to reservation charges and, subject to credit to Lessee when gas for which payment has been made earlier is eventually produced, take-or-pay or contract settlement proceeds and amounts paid for gas not taken. Lessee shall have free use of oil and gas from said land for operations on the leased premises, and the royalty on oil and gas shall be computed after deducting any production so used.

The royalties payable under this lease shall be free and clear of costs or deductions for exploration, drilling, development, and production, including but not limited to, costs of marketing,



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dehydration, storage, compression, separation by mechanical means and stabilization of the hydrocarbons, but shall include gathering and transportation costs required to transport the gas to the plant. If Lessee treats and/or processes its gas in a natural gas plant (either on or off the leased premises), whether in Lessee's plant or in the plant of and under contract with a third party, Lessee shall treat and/or process or cause Lessor's gas to be treated and/or processed. In the event of any such treating and/or processing, Lessee shall be entitled to deduct from the value of the products recovered by the treating and/or processing of the gas, or if Lessor is taking its production in kind to charge Lessor for, the actual costs incurred by Lessee for such treating and/or processing, which costs shall include gathering or transportation costs required to transport the gas to the plant.

If there is a gas well on the leased premises or on land pooled therewith capable of producing in paying quantities, but from which gas is not being sold, and in the absence of oil or other production from the leased premises or on land pooled therewith sufficient to maintain this lease in full force and effect, this lease shall be extended for a period of ninety (90) days from the date such well is or was shut-in, whereupon this lease shall terminate unless Lessee shall pay to Lessor as royalty, a sum equal to One Dollar (\$1.00) per net acre covered by this lease, which payment shall be made to Lessor at P.O. Box 7, Fort Worth, Texas 76101-0007, ATTN: Manager, Land Administration, on or before the ninetieth (90th) day from and after the date on which such well is or was shut-in, and annually thereafter a similar payment may be made on or before the anniversary date on which such well was shut-in. If such payment, or payments, are timely made, it shall be considered that gas is being produced in paying quantities from the leased premises under all the terms and provisions of this lease (but only for so long as the well continues to be capable of producing in paying quantities); however, this lease may not be maintained by shut-in payments more than three (3) (cumulative) years during any five (5) year period.

Lessee shall be obligated to use diligence to market gas capable of being produced in paying quantities from a shut-in well, but shall be under no obligation to market same under terms, conditions or circumstances which are unreasonable.

(5) Lessee may at any time execute and place of record a release or releases covering any portion or portions of the above described leased premises, furnishing a copy thereof to Lessor, and thereby surrender this lease as to such portion or portions and be relieved as to the acreage surrendered of all obligations not arising from activities of Lessee prior to said release. Upon the expiration of any portion of this lease, Lessee shall promptly record an appropriate, legally effective release or releases of said expired portion and provide Lessor a copy of the recorded instrument within ninety (90) days of said expiration.

(6) If Lessee is drilling a new well or reworking an old well at the expiration of the primary term, this lease shall continue in force as long as such drilling or reworking operations are prosecuted with no cessation of more than ninety (90) days, and if such drilling or reworking operations result in production of oil or gas or associated liquid hydrocarbons in paying quantities, then for so long thereafter as such production in paying quantities continues or this lease is otherwise maintained in full force and effect under the provisions hereof. If production on this lease ceases after the expiration of the primary term, this lease shall continue in force if drilling or reworking operations are commenced within sixty (60) days after such cessation of production; and if production is restored or new production is discovered as a result of any such drilling or reworking operations, conducted without cessation of more than ninety (90) days, this lease shall continue so long thereafter as production in paying quantities, or additional drilling or reworking operations are had without cessation of such production, drilling or reworking operations for more than ninety (90) consecutive days.

(7) At the expiration of the primary term, this lease shall terminate as to all land which is not located in a drillsite spacing unit (as hereinafter defined) in which there is a well on the leased premises or on

land pooled therewith, producing oil or gas in paying quantities, or a shut-in gas well, and in any such producing drillsite spacing unit or units, this lease shall terminate as to those depths lying below the stratigraphic equivalent of the deepest producing horizon in each drillsite spacing unit of land. For purposes hereof, drillsite spacing unit is defined as the minimum amount of land included in the drilling and production unit established under then-existing rules established by the state or federal regulatory authority having jurisdiction for the then-productive formation of the well; if no unit or spacing rule exists, then drillsite spacing unit shall be defined as the eighty (80) acre tract surrounding an oil well or three hundred twenty (320) acre tract surrounding a gas well. If Lessee is engaged in actual drilling or reworking operations on the leased premises or land pooled therewith at the expiration of the primary term, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations on the leased premises or land pooled therewith with no cessation of more than ninety (90) consecutive days between the completion or abandonment of such drilling or reworking operations on one (1) well, and the commencement of actual drilling or reworking operations on the next well; provided, further, that irrespective of any such continuous drilling or reworking operations, the termination of this lease as to non-producing land and depths shall not be suspended for more than five (5) years from the expiration of the primary term hereof. If the leased premises are included in a Federal Unit then for the purposes of this provision the references to land pooled with the leased premises shall include only that land which is included in an approved participating area.

(8) Lessee, at its option, is hereby given the right and power to pool or combine the leased premises or any portion thereof, as to oil and gas, or either of them, with any other land, lease or leases, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate the leased premises. Any such pooling shall be into a well unit or units not exceeding eighty (80) acres, plus an acreage tolerance of ten percent (10%), for oil, and not exceeding three hundred twenty (320) acres, plus an acreage tolerance of ten percent (10%), for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by state governmental authorities having jurisdiction. Lessee may pool or combine acreage covered by this lease, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and oil units need not conform as to area with gas units. The pooling in one (1) or more instances shall not exhaust the right of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. In order to be effective, Lessee shall promptly furnish to Lessor a copy of the document pooling the acreage. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling and reworking operations thereon, and production of oil and gas therefrom, or the completion thereon of a well as a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were on, or such production were from, or such completion were on the leased premises, whether or not the well or wells be located on the leased premises. In lieu of the royalties elsewhere herein provided, Lessor shall receive from a unit so formed, only such portion of the royalty stipulated herein as the amount of its net mineral acres placed in the unit bears to the total acreage so pooled in the particular unit involved. Should any unit as originally created hereunder contain less than the maximum number of acres hereinabove specified, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified. In the event an existing unit is so enlarged, Lessee shall execute and place of record a supplemental declaration of pooling identifying and describing the land added to the existing unit; provided, that if such supplemental declaration of pooling is not filed until after production is obtained on the unit as originally created, then and in such event the supplemental declaration of pooling shall not become effective until the first day of the calendar month next following the filing thereof and the furnishing to Lessor of a copy of such supplemental declaration. In the absence of production, Lessee may terminate the unitized area by filing with Lessor and of record a notice of termination.



(9) Insofar as Lessor may grant such right, Lessee shall have the right at any time during the term of this lease or within six (6) months after the expiration of this lease to remove all property and fixtures placed by Lessee on the leased premises, including the right to draw and remove all casing.

(10) The rights of Lessor may be assigned in whole or in part. This lease may not be assigned by Lessee in whole or in part, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, taking into account such factors as the credit-worthiness and technical competence of the assignee and/or the proposed number of assignees. Consent shall also be deemed reasonably denied if Lessee refuses to accept responsibility for the performance of any of its successors in interest. Notwithstanding the foregoing, Lessee may pledge this Lease pursuant to a mortgage, credit agreement or other security document, and any pledgee of this Lease may acquire this Lease upon foreclosure or by sale or assignment in lieu of foreclosure, provided, however, that any assignment of this Lease by the pledgee following such acquisition shall be subject to the consent requirement set forth in this Section 10. Lessor shall have ten (10) days from receipt of Lessee's request for consent to assign pursuant hereto to respond. Lessor's failure to respond within such ten (10) days shall be deemed consent to assign as requested by Lessee. Any attempted assignment by Lessee of the rights arising under this lease without such consent shall be void and of no effect. No change in the ownership of the land, or any interest therein, shall be binding on Lessee or any purchaser of production hereunder, until Lessee shall be furnished with a certified copy of all recorded instruments, all court proceedings, and all other necessary evidence of any transfer, inheritance, or sale of said rights. Unless provided otherwise in Lessor's approval of an assignment to be made by Lessee, Lessee shall continue to be responsible to Lessor for all unpaid sums then due to Lessor and obligations under Section 16 below with respect to the assigned portion or portions having to do with activities conducted prior to the date of assignment. In addition, the assignment of this lease, in whole or in part, shall not be valid as to Lessor until Lessor shall have been furnished a true and correct certified copy of such assignment. No change or division in ownership of the land, shut-in payments, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee.

(11) All express or implied covenants of this lease shall be subject to all applicable laws, orders, rules or regulations, and this lease shall not terminate, in whole or in part, nor shall Lessee be held liable in damages for failure to comply therewith, if compliance is prevented by, or if failure is the result of any applicable law, order, rule or regulation, or if prevented by an act of God, of the public enemy, or labor strikes.

(12) Lessee at its option may discharge any tax, mortgage, or other lien upon the leased premises, either in whole or in part, and in the event Lessee does so, it shall be subrogated to any lawful and enforceable rights of the prior creditor with the right to enforce same and apply shut-in payments and royalties accruing hereunder towards satisfying same. Except as provided in the immediately preceding sentence, Lessee shall not acquire or attempt to acquire, directly or indirectly, from any person other than Lessor, any rights or interests in the oil and gas estate in the leased premises or take any action inconsistent with or adverse to the ownership and quiet enjoyment by Lessor of its oil and gas estate in the leased premises. If Lessor owns an interest in the leased premises less than the entire fee simple estate, or if this lease covers less than Lessor's entire interest in the leased premises, then the shut-in payments and royalties to be paid Lessor shall be reduced proportionately. If any portion of the leased premises is included in a pooled unit, the amount of the shut-in royalty applicable to the Lessor's interest therein shall be based upon the amount of Lessor's net mineral acres included in any such pooled unit upon which such gas well is situated.

(13) The rights granted under this lease are granted **WITHOUT WARRANTY, EXPRESS OR IMPLIED**, and without covenants of title, including, without limitation, covenants to give possession or for quiet enjoyment.



(14) Without the prior written consent of the owner thereof, Lessee shall not make any entry upon or under any portion of any railroad right-of-way or station grounds for any of the purposes of this lease, and shall not drill any well or maintain any structures or facilities within two hundred feet (200') (by surface or subsurface measurement) of: (a) any railroad tracks or buildings on such right-of-way, or station grounds, or (b) any buildings upon the leased premises.

(15) Lessee shall be responsible for injury to or loss or destruction of property, and for injury to or death or illness of any person, arising out of or in connection with operations hereunder. Lessee expressly agrees to and shall assume all obligations and responsibility with respect to being in, establishing, achieving, documenting, or reporting full compliance with any and all applicable laws, orders, rules, regulations, and standards with respect to pollution, the continued operation and eventual plugging, replugging, and abandonment obligations of any unplugged or improperly plugged wells on the leased premises or land pooled therewith.

(16) Without limiting the generality of Section 15, Lessee shall pay either the tenant or the surface owner (whichever is appropriate) for any and all damages to land, structures, roads, fences, gates, cattleguards, trees, growing crops, irrigation facilities, equipment, and livestock caused by construction, operations, or maintenance of facilities, shall bury all pipelines below plow depth where they cross cultivated land, shall construct gates where necessary for crossing fenced lands and keep the gates in repair and closed. Lessee shall not permit any lien or other encumbrance to be filed or to remain against the leased premises as a result of operations hereunder. Irrespective of whether Lessor has consented to an assignment, farmout or other arrangement whereby Lessee consents to drilling or other operations on the leased premises by a third party, Lessee shall be responsible for any and all claims, demands, actions and causes of action or liens arising out of such operations, whether arising in law, at equity or administratively.

(17) In the event of Lessee's breach of this lease, Lessor shall notify Lessee by certified mail of such breach, and Lessee shall have thirty (30) working days from the receipt thereof to comply with this lease. If Lessee fails to remedy a material breach within the period above provided, and provided such notice patently mentioned the termination rights next described, Lessor may, at its option, promptly following such period terminate this lease and be relieved from any obligation hereunder. If the parties are unable to agree upon whether or not a breach is material, such determination shall be made by arbitration. If either party invokes its right to arbitration, then the parties shall attempt to arbitrate the matter by selecting one arbitrator who is acceptable to both parties. However, if the parties are unable to select one arbitrator who is acceptable to both of them, then each party shall select one arbitrator, and the two arbitrators so selected shall select a third arbitrator. If the arbitration is handled by a single arbitrator, the parties shall each pay one-half (1/2) of the fees of the arbitrator, as well as one-half (1/2) of the costs and expenses of the arbitration, excluding the costs and expenses of either party's representatives, witnesses and attorneys. If three arbitrators are selected, each party shall bear the costs and expenses of the fees of the arbitrator it selects, and the two parties shall each pay one-half (1/2) of the fees of the third arbitrator, as well as one-half (1/2) of the costs and expenses of the arbitration, excluding the costs and expenses of either party's representatives, witnesses and attorneys. Unless otherwise specifically agreed by both parties in writing, the rules and procedures set forth in the arbitration laws of the state in which the leased premises are located shall govern the arbitration proceeding as fully as if all of such laws were set forth in full herein. Irrespective of whether Lessor elects to terminate this lease or exercise any other right or remedy under this lease or at law, Lessor shall be entitled to other available remedies, including specific performance to require Lessee to (a) abandon any well and/or restore the surface of the leased premises to its condition existing prior to entry thereon by Lessee, (b) furnish any reports required hereunder or information required hereunder from operations on the leased premises or land pooled therewith, and/or make any payment due hereunder. Except as otherwise expressly provided in this lease, any notices or other communications required or permitted hereunder shall be in writing and shall be deemed given only when received by



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the party to whom the same is directed at the address shown at the top of page 1 of this lease or to such other address as is provided to the other party with proper notice. As to any breach of this lease by Lessee or, except to the extent caused by the negligence of Lessor, any claim or suit of a third party resulting from Lessee's activities hereunder, Lessee shall indemnify and hold Lessor harmless against any expense, including attorneys' fees and costs of court, preparation and investigation, that Lessor would incur in enforcing its rights under this lease or defending said third party claims.

(18) Subject to Section 10, all the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

(19) This lease is subject to the exceptions and reservations set forth in:

- (a) Quitclaim Deed(s), as applicable, dated as of April 1, 1971, from Union Pacific Railroad Company to Union Pacific Land Resources Corporation, filed for record April 14, 1971, and appearing in Book 644, at Reception No. 1565712 in the office of the County Clerk and Register of Deeds of Weld County, Colorado.

Lessee recognizes that among the exceptions and reservations set forth in the above deeds are the rights of Lessor's predecessors in interest to use such portions of the leased premises as may not be required for the proper conduct of oil and gas operations for all purposes not inconsistent with such operations and without liability for compensation or damages. Lessee shall so conduct its operations so as not to interfere unreasonably with such reserved use; provided, nevertheless, that such other use of the leased premises shall not unreasonably interfere with the operations of the Lessee. Unless the requirement is waived in writing by Lessor at its discretion, no entry shall be made for drilling operations and no facility shall be installed upon any of the leased premises in which Lessor owns the mineral rights only, until a written agreement with the surface owner has been secured by Lessor, or at Lessor's request, by Lessee, in a form satisfactory to Lessor. Lessee shall request Lessor to obtain such agreement or to waive the requirement therefor at least thirty (30) days prior to the date Lessee intends to commence such operations. Payments out of or measured by production which the Lessor elects to pay to the surface owners shall be paid by Lessor out of its royalty.

(20) Production in Kind: Lessor expressly reserves the right, at any time and from time to time, to take in kind or separately dispose of its proportionate share of all oil, gas, and related hydrocarbons produced from the leased premises, or lands and leases unitized therewith. If Lessor elects, Lessee shall deliver to Lessor in kind Lessor's royalty share of oil and other liquid hydrocarbons saved at the well, into storage tanks on the leased premises; products recovered in a processing plant, into storage tanks or onto storage sites at the plant; and gas, at the tailgate of the plant, if processed, or at the well if the gas is sold at the well. In the event of such election, Lessor shall give to Lessee not less than sixty (60) days notice of its election and shall take said royalty share in kind for a period of not less than six (6) months following the termination of said sixty (60) day period. Any deliveries of production are to be made from Lessee's facilities at times and amounts which equitably adjust deliveries between the parties.

(21) Oil Production: In addition to the rights reserved by Lessor in the immediately preceding paragraph, Lessor and Lessee agree that Lessor shall have the right, at any time and from time to time, upon not less than 30 days' advance written notice to Lessee, to purchase all or any part of the oil (which term as herein used shall include crude oil, distillate, condensate, and other liquid hydrocarbons) produced and saved from or attributable to the leased premises, on Lessor's standard division order terms. The price payable for the oil contained in a delivery pursuant hereto shall not be less than the market price in the field at the time of delivery for oil of like grade and gravity produced in the same field in which the well is located. In the event oil is found on the leased premises or on lands pooled

therewith, Lessee shall immediately notify Lessor in writing at Union Pacific Resources Company, ATTN: Crude Oil Sales, P. O. Box 7, Fort Worth, Texas 76101-0007.

(22) Gas Production: Lessor and Lessee further expressly agree that in the event gas is produced from or attributable to the leased premises, Lessor shall have a right of first refusal to purchase any or all of such gas which is attributable to the leased premises which Lessee is not selling under contracts of a month's duration or less. Under such right of first refusal, Lessee shall notify Lessor in writing of any bona fide offer for the purchase of its gas for a term greater than a month which it is willing to accept, furnishing the terms thereof, and Lessor shall have the right within 30 days of the receipt of such notice and information to elect to purchase the gas on the same terms and conditions as those contained in the bona fide offer. In the event Lessor elects not to exercise its right to purchase under its right of first refusal, then Lessee may, within 60 days thereafter, enter into a contract to sell the gas to such purchaser in accordance with said bona fide offer. If, however, Lessee does not timely enter into such contract with such purchaser (or if, for any reason, a sale of gas pursuant to such contract is discontinued) then this right of first refusal to purchase gas shall be reinstated subject to the terms and conditions set forth herein. For purposes hereof, an offer shall not be considered as a bona fide offer when the offer is made by an affiliated company of Lessee.

In the event that after a reasonable time (not exceeding 30 days) following the completion of a well capable of producing gas there is no bona fide offer to purchase the gas which is to be produced from or attributable to the leased premises, then Lessee shall notify Lessor in writing of that fact, and Lessor shall have the right, but not the obligation, to purchase such gas at the Market Price. As used herein the term "Market Price" shall mean the arithmetic average of the prices reported in the first issue of the month of delivery for the price references included in the Market Price Index applicable to a point of delivery, to be designated by Lessee, less the transportation, compression, gathering and other costs, if applicable, to deliver gas from such point of delivery to the mainline transmission point or points where such Market Price Index is established. As used herein, the term "Market Price Index" for a particular point of delivery shall mean the published price references, to be designated by Lessee, which reflect the price paid for gas sold under spot contracts between unaffiliated third parties into one or more mainline transmission systems which represent a market for the gas purchased by Lessee at such point of delivery. If the parties disagree on which price references should be included in the Market Price Index for a particular point of delivery, then the determination of the proper price references for the Market Price Index shall be submitted to arbitration. If Lessor does not make an offer to purchase the gas, or does not elect to purchase the gas at the Market Price, then Lessor's right of first refusal shall be reinstated with respect to any bona fide offer subsequently received by Lessee. In the event gas is found on the leased premises or on lands pooled therewith, Lessee shall immediately notify Lessor in writing at Union Pacific Resources Company, ATTN: Natural Gas Sales, P. O. Box 7, Fort Worth, Texas 76101-0007.

If either party invokes its right to arbitration, then the parties shall arbitrate the matter by selecting one arbitrator who is acceptable to both parties. However, if the parties are unable to select one arbitrator who is acceptable to both of them, then each party shall select one arbitrator, and the two arbitrators so selected shall select a third arbitrator. If the arbitration is handled by a single arbitrator, the parties shall each pay one-half (1/2) of the fees of the arbitrator, as well as one-half (1/2) of the costs and expenses of the arbitration. If three arbitrators are selected, each party shall bear the expense of the fees of the arbitrator it selects, and the two parties shall each pay one-half (1/2) of the fees of the third arbitrator, as well as one-half (1/2) of the costs and expenses of the arbitration. The jurisdiction of the arbitrators will be limited to determining which published price references are consistent with the parties intent that the Market Price Index will reflect the prices paid for gas sold under spot contracts between unaffiliated third parties into mainline transmission systems which represent a market for the gas purchased by Lessor at the point of delivery. Unless otherwise specifically agreed to by both



parties in writing, the rules and procedures set forth in the Arbitration Laws of the State of Colorado shall govern the arbitration proceeding as fully as if all of such laws were set forth in full herein.

(23) If Lessor fails to take its production in kind and Lessee sells such production for the account of Lessor, Lessee shall use its best efforts to pay Lessor within 45 days of its receipt of an executed division order. In the event Lessee does not receive payment within 45 days after Lessee's receipt of the executed division order, Lessor may elect to receive interest on the unpaid proceeds in the amount provided under Colorado Revised Statutes Vol. 14, Sec. 34-60-118.5. Lessor reserves the right, but not the obligation, to collect from the purchaser the proceeds from any sale of production from the leased premises in order to insure the proper division thereof; after deducting the portion of such proceeds to which Lessor and any other party may be entitled, Lessor shall remit to Lessee its portion of the proceeds thus collected.

(24) Lessor reserves the right, but not the obligation, to collect from the purchaser thereof the proceeds of production attributable to Lessor's interest in the leased premises from any sale of production therefrom.

(25) Lessor shall be given fifteen (15) days notice prior to commencement of all drilling operations. Lessor's representative (as appointed by Lessor) shall have the right, at Lessor's risk, to have access to the derrick floor and to observe all operations on all wells drilled on the leased premises or land pooled therewith. Lessee shall promptly furnish Lessor's representative with not less than one copy of all applications and reports pertaining to the leased premises, of each daily drilling report, and of each well log, core analysis or other data taken from wells located on the leased premises. Lessee agrees, at Lessor's request, to furnish Lessor's representative true and correct information pertaining to each well, the production therefrom [including true and complete copies of all contracts or agreements (and all amendments and modifications thereof) for sale, processing or other disposition of any product produced from the leased premises] and such technical information as Lessee may acquire with respect to sands and formations encountered. Lessor's representative shall have the right to be present when wells are tested and/or tanks are gauged and shall have the right to examine all run tickets and to have full information as to production and runs, including copies of all run tickets upon request. In the event Lessee notifies Lessor in writing that Lessee considers any such information or data to be confidential, Lessor agrees, until the termination of this lease or for a period not to exceed the period that a particular matter is held confidential by the state agency, whichever is the shorter period of time, not to disclose such information or data to any third-party unless such information or data previously has been available to or examined by the third-party or otherwise generally available to the public or any governmental authority or agency other than the state agency. This shall not be interpreted to require Lessee to furnish Lessor or Lessor's representative with any interpretive information or data; or any information or data which Lessee is obligated to keep confidential.

(26) All operations on the leased premises shall be conducted so as not to damage any water supply. However, in the event Lessee's operations shall result in damage or destruction of any water supply, Lessee promptly shall repair, restore or replace any well, tank, surface pond or other water facility or any water supply so damaged or destroyed as a result of Lessee's operations. Lessee shall provide to Lessor and/or surface tenant emergency water and water facilities for use in either's operations until such damage or destruction is repaired, restored and replaced. The words "damage" and "destroy" shall also be construed to include contamination. Contamination is defined to mean the addition of substances to any water supply used for human or animal consumption to a degree which renders the water supply unfit for consumption by humans or animals, either during Lessee's operations or after such operations have ceased. Without limitation of the general requirements stated above, Lessee agrees, with reference to each well drilled on the leased premises, either to (a) set and circulate cement around sufficient surface casing to penetrate and adequately protect all fresh water sands; or (b) set and circulate cement around surface casing in a manner and to a depth acceptable to the state agency

and, in the event a second string of casing (either intermediate or production casing) is set in such well, circulate cement around such second string of casing with cement circulated either to the surface or into the surface casing previously set in such well; or (c) utilize such other technique as may be acceptable to the state agency and in conformance with accepted practices in the industry to assure the protection of the fresh water sands by placing cement in the annulus between the fresh water sands and the casing.

(27) In the event a well producing oil or gas in paying quantities is completed on lands in which Lessor does not own all of the oil and gas mineral estate within six hundred and sixty (660) feet of or draining the leased premises, Lessee shall, unless Lessee has already drilled or is drilling a well to the same zone or zones as are producing in the draining well and which a prudent operator would consider to have previously satisfied or to soon satisfy this offset obligation, within ninety (90) days after the commencement of production from such draining well, commence the drilling or recompletion of an offset well on the leased premises and shall make a good faith effort to establish commercial production in the sands or formations from which the draining well is producing. If at the time such offset obligation accrues, Lessee shall be engaged in the drilling of another well on the leased premises, then Lessee shall have not more than thirty (30) days after the date of completion or abandonment of such other well drilled by Lessee within which to commence the actual drilling of such offset well. If Lessee fails to timely drill a required offset well, it shall promptly surrender this lease except as to existing wellbores and reasonable use of the surface for ingress and egress, operations in the immediate vicinity of the surface location of the wells, and necessary telephone, pipeline, and utility easements.

(28) In the event that Lessee, during the term of this lease, should conduct geophysical activities upon the leased premises, Lessee shall promptly furnish Lessor for the entirety of each survey, shot point plats and elevations, observer's notes, surveyor's notes, copies of all field tapes, reproducible copy and one print of each final stacked section for each line and copies of any other processed or unprocessed data made available to Lessee.

(29) Lessee shall carry the following insurance in the indicated amounts:

- (a) Comprehensive General Liability Insurance, including contractual liability, with a combined single limit per occurrence of not less than \$1,000,000.00 for bodily injury and property damage.
- (b) Comprehensive Automobile Insurance, including hired and non-owned vehicles, with a combined single limit per occurrence of not less than \$1,000,000.00 for bodily injury and property damage.
- (c) Liability Umbrella (excess of underlying insurance coverage mentioned above) with a combined limit per occurrence coverage of not less than \$10,000,000.
- (d) Well Control Insurance including underground blowout, seepage and pollution, with a minimum limit of \$5,000,000.

Lessee shall require each independent contractor and subcontractor to carry and maintain insurance at its own expense in amounts deemed necessary to cover the risks inherent to the work or services to be performed by the contractor or subcontractor. Every such insurance policy shall contain a waiver on the part of the insurance carrier of all rights, by subrogation or otherwise, against Lessor. Lessor shall also be named as additional insured in each such policy.




(30) Lessor may, at any time, require Lessee to provide a bond(s) to ensure timely and proper performance of Lessee's obligations hereunder and/or at law for abandonment of well(s) and restoration of the leased premises and/or to provide Lessor letter(s) of credit (which shall allow reduction as work is performed) to ensure payment of contractors performing drilling or other operations hereunder.

(31) If the leased premises are hereafter owned in severalty or in separate tracts, the leased premises, nevertheless, shall be developed and operated as an entirety, and royalties shall be paid to each separate owner in the proportion that the acreage owned by said owner bears to the entire leased premises.

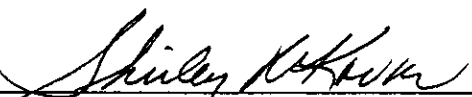
(32) Without the prior written consent of Lessor, Lessee shall not abandon any well or (except when a replacement is made) remove from the wellbore any well casing, tubing, piping, fittings, tanks, pipe lines or other material and equipment which are necessary for the recovery and handling of production capable of being recovered from said well upon the leased premises. If Lessor takes over the well, Lessor shall promptly reimburse Lessee for the salvage value of all material and equipment in the well or used or acquired in connection with the well which Lessor elects to retain for its operations, less the estimated costs of salvaging and less the estimated costs of plugging and abandoning the well, and Lessee shall promptly deliver a bill of sale to Lessor for such material and equipment. If Lessor takes over the well, then Lessee shall be deemed to have relinquished and transferred back to Lessor, free of any burdens created by Lessee, all of the right, title and interest of Lessee in the wellbore, such material and equipment and the production therefrom. If the well taken over by Lessor is the only well serving to perpetuate this lease, Lessee shall release this lease to Lessor.

IN WITNESS WHEREOF, this lease is executed on the date of the respective acknowledgments hereinbelow, but shall be effective from the date first hereinabove written.

UNION PACIFIC RESOURCES COMPANY

By:   
Joseph F. Carroll  
Its: Attorney-in-Fact

UNITED STATES EXPLORATION, INC.

By:   
Shirley R. Kovar  
Its: Attorney-in-Fact



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STATE OF TEXAS

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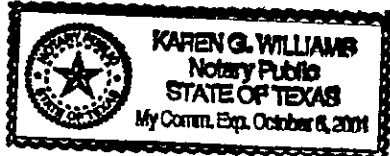
COUNTY OF TARRANT

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The foregoing instrument was acknowledged before me this 15th day of May, 1998, Joseph F. Carroll, Attorney-in-Fact of **UNION PACIFIC RESOURCES COMPANY**, a Delaware corporation, on behalf of the corporation.

Witness my hand and official seal.

SEAL



Karen G. Williams  
Signature

Karen G. Williams  
Name (Print)

My commission expires

October 6, 2001

STATE OF TEXAS

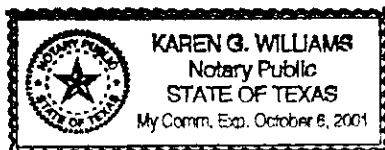
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COUNTY OF TARRANT

The foregoing instrument was acknowledged before me this 15th day of May, 1998, by Shirley R. Kovar, Attorney-in-Fact of **UNITED STATES EXPLORATION, INC.**, a Colorado corporation, on behalf of the corporation.

Witness my hand and official seal.

SEAL



Karen G. Williams  
Signature

Karen G. Williams  
Name (Print)

My commission expires

October 6, 2001

EXHIBIT "A"

ATTACHED TO AND A MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED MAY 15, 1998 BETWEEN UNION PACIFIC RESOURCES COMPANY, AS LESSOR, AND UNITED STATES EXPLORATION, INC., AS LESSEE.

STATE: COLORADO  
COUNTY: WELD  
ACRES: 160.00  
INTEREST: 100%

DESCRIPTION: TOWNSHIP 2 NORTH, RANGE 64 WEST, 6TH P.M.  
SECTION 19: NE



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CO-PA0000050

UPRR 62 Pan Am L-1

## DECLARATION OF POOLING

WHEREAS, the undersigned parties are the owners of the Oil and Gas Leases described in Exhibit "A", attached hereto and made a part hereof, insofar as said leases cover lands lying within the unit herein below designated; and,

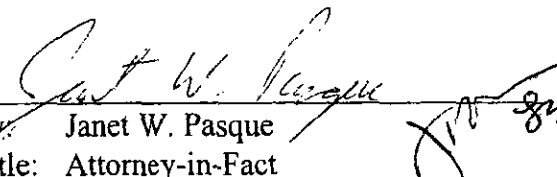
WHEREAS, the provisions of each of said lease(s) as originally written, or as amended, grant the Lessee the right and power to pool and combine the lands covered by each of said leases, or any portion or portions thereof, with other lands for the exploration and development thereof and the production therefrom of oil, gas and other hydrocarbons associated therewith;

NOW, THEREFORE, pursuant to the rights granted by law and under each of the leases described in Exhibit "A", attached hereto, and as a result of the successful completion of the UPRR 62 Pan Am L-1 Well located in the CNE of Section 19, Township 2 North, Range 64 West as a well capable of producing oil and gas in paying quantities from the J Sand formation, the undersigned parties hereby consolidate and pool the following described lands into a single unit for the production of oil, gas and associated hydrocarbons from the formation described below, exclusively for the UPRR 62 Pan Am L-1 Well (the "Pooled Unit"), situated in Weld County, Colorado, to wit:

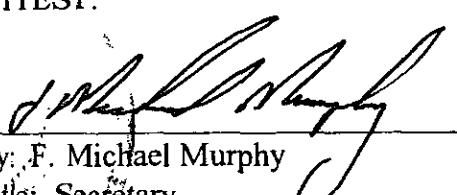
Township 2 North, Range 64 West, 6<sup>th</sup> P.M.  
Section 19: N/2;  
Limited to the J Sand formation

IN WITNESS WHEREOF, this Declaration of Pooling is executed as of this 3<sup>rd</sup> day of January, 2001, but shall be effective for all purposes as of the date of first production of oil and gas produced from the Pooled Unit. This agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes.

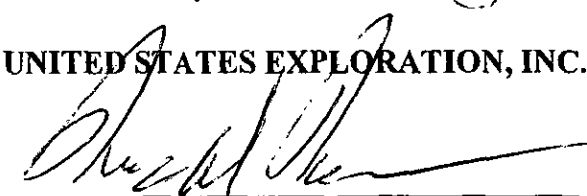
### HS RESOURCES, INC.

  
By: Janet W. Pasque  
Title: Attorney-in-Fact

ATTEST:

  
By: F. Michael Murphy  
Title: Secretary

### UNITED STATES EXPLORATION, INC.

  
By: Bruce D. Benson  
Title: President



2833561 03/19/2001 04:57P JA Suki Tsukamoto  
2 of 3 R 15.00 D 0.00 Weld County CO

STATE OF COLORADO )

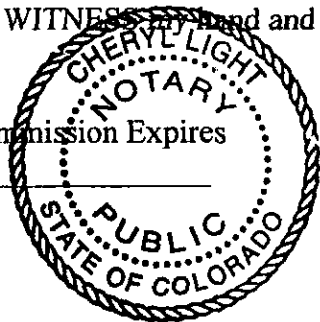
) ss.

CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 8th day of March, 2001, by Janet W. Pasque as Attorney-in-Fact of HS Resources, Inc., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

My Commission Expires



My Commission Expires 03/24/2004

Cheryl Light  
Notary Public

STATE OF COLORADO )

) ss.

CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 3rd day of January, 2000, by Bruce D. Benson as President of United States Exploration, Inc., a Colorado corporation, on behalf of the corporation.

WITNESS my hand and official seal.

My Commission Expires

My Commission Expires 03/07/2004

Celestina S. Florez  
Notary Public



**EXHIBIT "A"**

Attached to and made a part of that certain Declaration of Pooling covering

**Township 2 North, Range 64 West, Section 19: N/2, Weld County, Colorado**

Lessor: Union Pacific Railroad Company  
Lessee: Pan American Petroleum Corporation  
Lease Date: January 8, 1971  
Lands Covered: Township 2 North, Range 64 West, 6th P.M.  
Section 19: Lot 1, E/2NW/4 and other lands  
Recording Data: Book 640, Reception No. 1561890

UXP Lease No. CWE-045  
Lessor: Union Pacific Resources Company  
Lessee: United States Exploration, Inc.  
Lease Date: May 15, 1998  
Lands Covered: Township 2 North, Range 64 West, 6th P.M.  
Section 19: NE/4  
Recording Data: Reception No. 2614712

2818029 01/08/2001 04:51 JA Suki Tsukamoto  
1 of 2 R 10.00 D 0.00 Weld County CO

# AFFIDAVIT OF PRODUCTION

STATE OF COLORADO )  
 )  
CITY AND COUNTY OF DENVER ) ss.

The undersigned, being of lawful age, having been first duly sworn, upon her oath, deposes and states:

That she is a Vice-President of United States Exploration, Inc., located at 1560 Broadway, Suite 1900, Denver, Colorado 80202, which is a Colorado corporation.

That said United States Exploration, Inc. is the owner of a working interest in the following described oil and gas lease(s) insofar as it/they cover the lands hereinafter described, to-wit:

UXP Lease No.: CWE-045  
Lease Date: May 15, 1998  
Lessor: Union Pacific Resources Company  
Lessee: United States Exploration, Inc.  
Recorded: May 22, 1998 at Reception #2614712  
Land Description: Township 2 North, Range 64 West, 6th P.M.  
Section 19: NE/4  
Weld County, Colorado

having a term of 3 years (primary term), and as long thereafter as oil, gas, or associated liquid hydrocarbons are produced in paying quantities from the above described lands or lands pooled therewith.

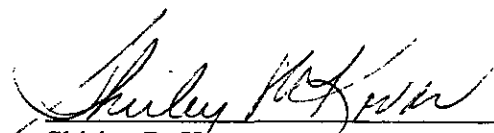
That production of oil, gas, and associated liquid hydrocarbons, or any of them, was obtained from the following Well(s):

Well Name: **UPRR 62 Pan Am L-1**  
Well Location: Township 2 North, Range 64 West, 6th P.M.  
Section 19: CNE  
Weld County, Colorado  
Completion Date: April 12, 1990  
Producing Formation: J Sand  
Spacing Unit: N/2 of Sec. 19-T2N-R64W

which production is reasonably expected to continue for an indefinite period in the future from and after this date.


Pursuant to Section 38-42-106 of the Colorado Revised Statutes, affiant hereby claims an extension of the term of the lease(s) beyond the primary term thereof.

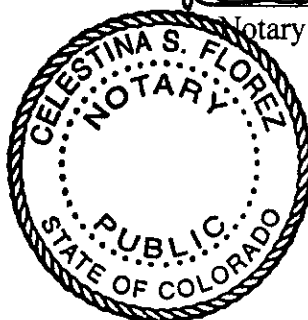
Further Affiant sayeth not.

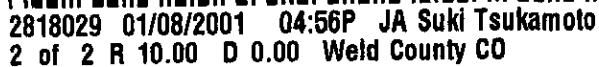
  
Shirley R. Kovar

Subscribed and sworn to before me this 3<sup>rd</sup> day of January, 2001.

My Commission Expires: 03/07/2004

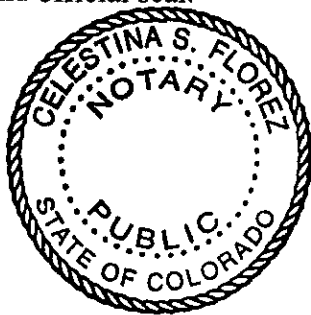
  
Notary Public





The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of January, 2001 by Shirley R. Kovar as Vice President of United States Exploration, Inc.

**My Commission Expires 03/07/2004**



Notary Public