

OIL AND GAS LEASE
(Paid-up Lease — No Delay Rentals)

01475505

BOOK 814 PAGE 256

THIS AGREEMENT, made and entered into this 11th day of November, 1990, by and between EXON CORPORATION

of P.O. Box 2305, Houston, Texas 77252-2305, hereinafter called lessor (whether one or more), and BARRETT RESOURCES CORPORATION, 1125 17th St., Denver, Colorado 80202, hereinafter called lessee,

WITNESSETH: that lessor, for and in consideration of Ten and no/100 DOLLARS (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinabove set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands hereinafter described for the purpose of prospecting, exploring, developing, producing, and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not limited to, the extraction of casinghead gas, condensate gasoline, gas-condensate (distillate) and other substance, whether similar or dissimilar, occurring in a gaseous state, together with the right to construct and maintain pipe lines, telephone and electric power lines, roads, tanks, reservoirs, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject oil, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of Garfield, State of Colorado, and being described as follows, to-wit:

Township 7 South, Range 96 West
Section 22: S2SE

Limited in depth from the surface
of the earth to the base of the
MesaVerde formation

RECORDED AT 10th O'CLOCK A.M. SEP 26 1991
REC # 427662 MILDRED ALSDORF, COUNTY CLERK

Subject to the other provisions herein contained, this lease shall remain in force for a term of One year from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the above described land or drilling operations are continuously prosecuted as hereinabove provided. "Drilling operations" includes operations for the drilling of a new well, the reworking, deepening or plugging back of a well or hole, or other operations conducted in an effort to obtain or re-establish production of oil or gas, and drilling operations shall be considered to be "continuously prosecuted" if not more than 60 days shall elapse between the completion or abandonment of one well or hole and the commencement of drilling operations on another well or hole. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the above described land, but lessor is then engaged in drilling operations, this lease shall continue in force so long as such drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue so long as oil or gas shall be produced. If, after the expiration of the primary term of this lease, production from the above described land should cease, this lease shall not terminate if lessor is then prosecuting drilling operations, or within 60 days after such cessation of production commences drilling operations, and this lease shall remain in force so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the above described land.

In consideration of the premises, lessee covenants and agrees:

1st. To deliver, free of cost, to lessor at the wells, or to the credit of lessor in the pipeline to which the wells may be connected, the equal one-eighth (1/8) part of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at lessor's option, to pay to lessor for such one-eighth (1/8) royalty the market price of the well for such oil and other liquid hydrocarbons of like grade and gravity prevailing on the day such oil and other liquid hydrocarbons are run from the well.

2nd. To pay lessor one-eighth (1/8) of the proceeds received by lessee at the well for oil gas (including all substances contained in such gas) produced from the leased premises and sold by lessor; if such gas is used by lessor off the leased premises or used by lessor for the manufacture of casinghead gasoline or other products, to pay to lessor one-eighth (1/8) of the prevailing market price of the well for the gas so used.

The consideration paid to lessor for this lease includes consideration in lieu of delay rental provisions and the rights and obligations of the parties hereto shall be the same as if this lease contained provisions for the payment of periodic delay rentals throughout the primary term hereof and each such delay rental had been timely paid and accepted by lessor.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on the leased premises (or an acreage pooled or contained with all or a portion of the leased premises into a unit for the drilling or operation of such well) is drilled, run, shut in and no gas or gas-condensate therefrom is sold or used off the premises or for the manufacture of gasoline or other products, then such shut-in well shall be deemed to be a well on the leased premises producing gas in paying quantities, and this lease will continue in force during all of the time or times while such well is so shut in, whether before or after the expiration of the primary term hereof, and lessor shall use reasonable diligence to market such products under terms, conditions or circumstances which, in lessor's judgment, will result in a satisfactory return to lessor. Lessee shall be obligated to pay or tender to lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut in, as royalty, on an amount equal to \$1.00 per acre for the acreage covered by this lease as to which the leasehold rights are, at the end of such annual period, owned by the lessee making such payment, provided that, if lessor owns less than the full and entire royalty interest in such acreage, such payments shall be such part (calculated on a royalty-acre basis) of said amount as lessor's royalty interest bears to the full and entire royalty interest in such acreage; and provided further that, if gas or gas-condensate from such well is sold or used as aforesaid before the end of any such annual period, or if, at the end of any such annual period, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, lessors shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Such payment may be made or tendered to lessor or to lessor's assignee.

at P.O. Box 1547, Houston, Texas 77002

which bank and its successors shall continue at the depository regardless of changes in the ownership of said land or the right to receive royalty hereunder. Royalty ownership as of the last day of each such annual period as shown by lessee's records shall govern the determination of the party or parties entitled to receive such payment.

If lessor owns a less interest in the land covered by this lease than the entire and undivided fee simple mineral estate therein, then whether or not such less interest is referred to as described herein, all royalties herein provided shall be paid lessor only in the proportion (calculated on a royalty-acre basis) which the royalty interest owned by him in said land bears to the full and entire royalty interest in said land.

If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties, and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor therefor occurring after any of the covenants or conditions of this lease, either express or implied. No change in the ownership of the land or reversal of the ownership accomplished, shall operate to enlarge the obligations or diminish the rights of lessor or require separate maintenance of the leasehold or the creation of separate tanks by lessor. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in the ownership of said land or of the right to receive royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other cause, shall be binding on lessee except as to lessee's option in any particular case until 90 days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all documents and other instruments or proceedings necessary on lessor's opinion to establish the ownership of the claiming party.

Lessee may, at any time, execute and deliver to lessor or place of record a release covering all or any part of the acreage embraced in the leased premises or covering any one or more zones, formations or depths underlying oil or any part of such acreage, and thereupon shall be relieved of all obligations thereafter to accrue with respect to the acreage, zones, formations or depths covered by such release.

Lessee granted the right, from time to time while this lease is in force, to pool, merge or otherwise consolidate with all or any part of the land covered by this lease with other land, lease or leases, or interests therein (whether such other interests are pooled by a voluntary agreement or the joint action of the owners thereof or by the lessor or lessee, or by the lessor thereof), when in lessor's judgment it is necessary or advisable in order to promote the most effective and profitable development of the property, develop or operate the land and interests to be pooled, or to obtain a maximum production allowable from any governmental agency having control over such matters. Any pooling heretunder may cover all oil and gas, or any portion or portions of the leased premises, and may cover one or more or all zones or formations underlying all or any portion or portions of the leased premises. Any unit formed by such pooling shall be of abouting or cornering tracts and shall not exceed 640 acres (plus a tolerance of 10%) for gas or gas-condensate and shall not exceed 1,000 acres (plus a tolerance of 10%) for any other substance covered by this lease; provided that if any governmental regulation or order shall prescribe a pooling pattern for the development of a field wherein the above described land, or portion thereof, is located, then the area or areas allowable based on acreage per well, then any such unit or units of much additional acreage as may be required or may be permitted by such regulation or order. The area pooled and the zones and formations and substances pooled shall be set forth by lessee in a "declaration of pooling" filed for record in the county or district court wherein the pooled area is located. Such pooling shall be effective on the date such declaration is filed unless a later effective date is specified in such declaration. In case of the voluntary dissolution of a partnership, lessor shall reserve an undivided interest in the land covered by this lease, and the lessee shall be relieved of all obligations thereafter to accrue with respect to the acreage, zones, formations or depths covered by such release.

U.L.R. REC'D.

to pooled unit or portion of the properties covered by this lease which is placed in the pooled area bears to the amount of the surface acreage of the entire pooled area. Nothing herein contained shall purport to effect any transfer of any title to any leasehold, royalty or other interest pooled pursuant hereto. The commencement of a well, the conduct of other drilling operations, the completion of a well or of a dry hole, or the operation of a producing well on the pooled area, shall be considered for all purposes (except as to royalty participation) as if said well were located on, or such drilling operations were conducted upon, the lands covered by this lease, whether or not such well is located on, or such drilling operations are conducted upon, lands leased or terminated or otherwise not covered hereto at any time the pooled unit is not producing, or such drilling operations are being conducted thereon by lessee and filed of record in the county or counties in which the pooled unit is located, a written declaration of the termination of such pooling, provided that the pooling of all interests not covered by this lease which comprise a part of such pooled unit be also terminated in same effective manner.

Lessee shall have the right to merge all or any part of the above-described lands with other lands in the same general area by entering into a unit agreement setting forth a plan of development or operation approved by the Secretary of the Interior, or other officer or representative of the United States having authority to approve such unit agreements, and, from time to time, with like approval, to modify, change or terminate any such agreement. In any of such events, the terms, conditions and provisions of this lease shall be deemed modified to conform to the new conditions and provisions of such approved unit agreement, and all drilling and development requirements of this lease, express or implied, shall be satisfied by reference to the drilling and development requirements of such agreement, and this lease shall not terminate or expire prior to the termination of the life of such agreement except as may be otherwise provided in such unit agreement. All rights, powers and obligations of lessor under this lease, notwithstanding the fact that hereunder it is agreed that the lands covered by this lease shall henceforth be operated under any such unit agreement whereby the production thereunder is allocated to different portions of the land covered by said agreement, then the production allocated to any particular tract of land pursuant to such agreement shall, for the purpose of computing royalties, be regarded as having been produced from the particular tract of land to which it is allocated and not from any other tract of land and any royalty payments on such production to be made hereunder to lessor shall be based solely upon the production so allocated. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest utilized pursuant hereto. Lessee's execution of such unit agreement shall be binding as to both lessor and lessee and their respective interests. Lessee, following such execution, shall furnish lessor with a copy of such unit agreement by mail to lessor's last known address as shown by lessor's records and shall give lessor written notice of approval of the same in the same manner within a reasonable time after lessor is notified of such execution.

Lessee shall have the right to use, free of cost, oil, gas and water produced on said land for its operations thereon except water from wells of lessor. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. No part of the surface of the leased premises shall, without the written consent of lessor, be let, granted or licensed by lessor to any other party for the location, construction or maintenance of structures, tanks, pits, reservoirs, equipment, or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil, gas or other minerals.

Lessee shall bury below blow depth its pipe lines on the leased premises when requested by a lessor owning an interest in the surface. No well shall be drilled nearer than 200 feet to any house or barn now on said premises, without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for damages to growing crops caused by its operations on said lands.

Lessor hereby waives and agrees to defend the title to the lands herein described, but if the interest of lessor is impaired by this lease, or is expressly stated to be less than the entire fee or mineral estate, lessor's warranty shall be limited to the interest so impaired. Lessee may purchase or lease the rights of any party claiming any interest in said lands and exercise such rights as may be obtained thereby but lessor shall not suffer any forfeiture nor incur any liability to lessor by reason thereof. Lessee shall have the right at any time to pay for lessor, any mortgage, taxes or other liens on said lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and any such payments made by lessor for lessor may be deducted from any amounts of money which may become due lessor under this lease.

All express provisions and implied covenants of this lease shall be subject to all applicable laws, governmental orders, rules and regulations. This lease shall not be terminated in whole or in part, nor lessor held liable in damages, because of a temporary cessation of production or of drilling operations due to breakdown of equipment or due to the repairing of a well or wells, or because of failure to comply with any of the express provisions or implied covenants of this lease if such failure is the result of the exercise of governmental authority, war, armed hostility, lack of market, act of God, strike, civil disturbance, fire, explosion, flood or any other cause reasonably beyond the control of lessee.

This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective successors and assigns. Reference herein to lessor and lessee shall include reference to their respective successors and assigns. Should any one or more of the parties named above as lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

Attached hereto and made a part hereof is Addendum to Oil & Gas Lease.

IN WITNESS WHEREOF, this lease is executed as of the day and year first above written.

EXXON CORPORATION

(FED. ID. #)

BY: *T. E. Alford* *VCH*
T. E. ALFORD
Attorney in Fact

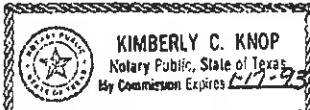
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THE STATE OF TEXAS
COUNTY OF HARRIS

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This instrument was acknowledged before me on this 26th day of August, 1991, by T. E. ALFORD, Attorney in Fact of Exxon Corporation, a New Jersey corporation, on behalf of said corporation.

Kimberly C. Knop
Notary Public in and for the State of Texas



COUNTY OF

On the day of A.D. 19....., personally appeared before me the signer..... of the above instrument who duly acknowledged to me that he..... executed the same. WITNESS my hand and official seal.

My commission expires:

Notary Public

Residing at:

STATE OF } SS.
COUNTY OF

(Certificate of Recording)

This instrument was filed for record on the day of 19....., at o'clockM
and recorded in Book at Page of the records of this office.

County Clerk
Register of Deeds

By Deputy

AFTER RECORDING, RETURN TO: