

OIL AND GAS LEASE
(PAID UP)

THIS OIL AND GAS LEASE (the "Lease") dated and effective as of January 1, 2011 between **Anadarko E&P Company LP**, a Delaware limited partnership and **Anadarko Land Corp.**, a Nebraska corporation, both of whose address is 1099 18th Street, Suite 1800, Denver, Colorado 80202 ("Lessor") and **Kerr-McGee Oil & Gas Onshore LP**, a Delaware limited partnership, whose address is 1099 18th Street, Suite 1800, Denver, Colorado 80202 ("Lessee")

W I T N E S S E T H:

1. **LEASED PREMISES.** For and in consideration of ten dollars (\$10.00), the adequacy, receipt and sufficiency of which are hereby acknowledged, and in consideration of the royalties herein provided and of the agreement of Lessee herein contained and subject to the limitations set forth herein, Lessor hereby grants, leases and lets exclusively unto Lessee one hundred percent (100.00%) of Lessor's right, title and interest in and to the oil and gas, including, without limitation, nitrogen, carbon dioxide, hydrogen sulfide, and other gaseous substances (except steam, helium and all gas [including, without limitation, methane, ethane, propane, coal gas, coalseam methane gas, coalseam gas, coalbed gas, coalbed methane and firedamp] producible from coal formations or seams, carbonaceous shales or interbedded sandstone, or zones in communication therewith which are found in coal, interbedded sandstone or carbonaceous shales) and products associated therewith, and associated liquid hydrocarbons contained therein (all such substances are sometimes collectively referred to herein as "covered minerals") in and under the following described property (the "Leased Premises"):

Township 3 North, Range 63 West, 6th P.M.

Section 5: All formations; except the JSND formation in the W/2, being the stratigraphic equivalent of 7316' to 7460' as represented in the well UPV #5-5J3 located in the SW/4.

containing 640.0 acres, more or less.
Located in Weld County, Colorado

for the purposes of exploring, drilling, operating, producing and saving, the covered minerals produced from the Leased Premises; provided, however, Lessor reserves all rights, horizons, strata and formations which are not affected by this Lease, including, but not limited to, the right to the concurrent use of the drill pad and surface and the right to drill through the covered interval; and further provided, Lessee shall have the non-exclusive right to conduct geophysical operations and evaluations upon the Leased Premises; and further provided, Lessee shall have the non-exclusive right to construct, maintain and remove pipelines, roads, buildings, tanks (but not tank farms), power and telephone lines and other structures and facilities on the Leased Premises as may be necessary to explore and drill for, produce, save, treat, store and transport, the covered minerals produced hereunder; and further provided that this Lease is made subject to all existing roads, easements and any other property interests in the Leased Premises and is further subject to any restrictions or limitations set forth in any recorded instruments affecting the Leased Premises. For shut-in royalty payment purposes only, the Leased Premises shall be deemed to contain 640.0 acres, whether it actually comprises more or less.

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

3. **PRIMARY TERM.** Subject to the other provisions herein contained, this Lease shall be for a primary term of five (5) years from the date hereof (the "Primary Term") and shall continue in full force and effect 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 as long as this Lease is maintained in force in any other manner as provided for herein. For purposes of this Lease, "paying quantities" shall mean quantities sufficient to pay the operating costs, plus a reasonable profit, exclusive of drilling and completion costs.

4. **ROYALTIES AND STATEMENTS.** 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 Twenty percent (20.0%) of eight-eighths of the value of all covered minerals produced and saved from the Leased Premises, delivered free and clear of all costs at the tailgate of the

plant to which the covered minerals are delivered or, for covered minerals that are not processed, at the inlet of the market transmission pipeline to which the same are delivered, said value being determined as follows: (a) for any oil and liquid hydrocarbons recovered at the well, the greater of the market value at the well or the amount realized from the sale of such oil and liquid hydrocarbons; (b) for gas used by Lessee off the Leased Premise, the highest prevailing Gas Market Price of such gas in the area so used; (c) for gas that is sold by Lessee but not processed, the Gas Market Price at the inlet of the market transmission pipeline to which such gas is delivered; and (d) for gas that is sold by Lessee and delivered for processing, the Gas Market Price of the residue gas 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 in the event gas, including gas from oil wells, is processed in any facility or plant in which Lessee, or any subsidiary, parent or affiliate of Lessee, has, directly or indirectly, an ownership or operating interest, then the value of such gas shall not be less than: (x) the combined values at the plant of all products extracted therefrom and the residue gas, (y) the Gas Market Price of such gas, or (z) the value Lessee is receiving for its production, whichever value is greater; and provided further that the royalty shall never be based on an amount realized from such sale that is less than the amount which Lessee is receiving for its production. As used herein the term "Gas 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. As used herein, the term "Market Price Index" for a particular point of delivery shall mean the index related to the first interstate pipeline, as published in the Inside FERC Gas Market Report. If none of the indices referred to are reported or if the Inside FERC Gas Market Report ceases to be available, then Lessor and Lessee will mutually agree to a similar index or publication. 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, 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 the Leased Premises for operations on the Leased Premises, and the royalty on oil and gas shall be computed after deducting any production so used. Lessor shall bear all severance taxes levied against its royalty percentage of all production hereunder, and payment of royalties shall be made after deduction of the severance taxes paid by Lessee thereon. Subject to the foregoing, the royalties payable under this Lease shall be free and clear of costs or deductions for exploration, drilling, development, operation and production, including, but not limited to, costs of separating by mechanical means, gathering, dehydrating, compressing, processing, treating, storing, transporting, marketing, delivering, or any other charge or deduction whatsoever whether of the same or different character unless expressly authorized and agreed to in writing between Lessor and Lessee.

On or before the 180th day after the first day of the month following the date of first sales of any of the covered minerals, Lessee shall mail or deliver to Lessor an itemized statement showing the total production of each substance, including products extracted from gas, during the preceding calendar month, the royalties payable thereon, the data used to compute such royalties, an explanation of the manner in which such royalties were determined and computed and any other information required by applicable statute or regulation (collectively, the "Statement"). At the same time, Lessee shall remit to Lessor the royalties due hereunder on production during the period of time covered by the Statement. Thereafter, on or before the 30th day of each calendar month following the month of production, Lessee shall deliver the Statement and remit royalties due hereunder on production during the period of time covered by the Statement. In recognition of the business necessity of Lessor receiving the Statements in a timely fashion, Lessee, by acceptance of this Lease, and in addition to any other remedy available to Lessor, agrees to pay as partial liquidated damages to Lessor, the sum of Two Hundred Dollars (\$200.00) for each month or portion thereof that Lessee fails to furnish the Statements in a timely manner from the date due until paid, together with interest on the cumulative amount at the highest rate allowed by law plus all costs of collection, including attorney's fees. In addition, Lessor shall have the right to audit and review all information (including without limitation, all books, records, contracts, correspondence, run tickets, evidence of sales and shipments, reports and analyses, and electronically stored information and data) possessed by or available to Lessee which may be pertinent to the determination of the payment of royalty or other amounts due under this Lease, at the office where such information is maintained. Such information shall include that submitted to third parties (including government entities) respecting production from the Leased Premises or lands pooled therewith and relating to any royalty or to any tax based upon the value of production. In conjunction with any audit Lessee shall, to the fullest extent practicable, assemble and present the information so that it is complete. If for any reason whatsoever royalties hereunder are not paid when the same are due, then Lessor shall notify Lessee of the failure to pay. Lessee shall promptly remit the payment to Lessor. If Lessee fails to remit the payment to Lessor on or before the thirtieth (30th) day following delivery of such notice, then Lessor shall have the option to terminate this Lease and be relieved from any obligation hereunder unless there is a good faith dispute as to the amount of royalties due and provided all undisputed royalties have been paid

when due. Lessor's right to terminate this Lease is exercisable by filing with Lessee and of record a notice of termination. In addition to any other remedy available to Lessor, all such unpaid royalties shall bear interest at the maximum legal rate from the date due until paid and payable out of Lessee's share of production hereunder. **THE PROVISIONS OF THIS SECTION 4 SHALL SURVIVE ANY TERMINATION OF THIS LEASE.**

5. **RIGHT TO TAKE 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 (i) oil and other liquid hydrocarbons saved at the well and placed into storage tanks on the Leased Premises; (ii) products recovered in a processing plant and placed into storage tanks or onto storage sites at the plant; (iii) gas, at the tailgate of the plant, if processed; and (iv) gas at the inlet of the market transmission pipeline, if not processed. In the event of such election with respect to oil and products, Lessor shall give to Lessee not less than sixty (60) days notice of its election and shall take its proportionate 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 free of all costs from Lessee's facilities at times and amounts which equitably adjust deliveries between the parties. With respect to residue gas at the tailgate of the plant or unprocessed gas at the inlet of the market transmission pipeline to which such gas is delivered by Lessee free of all costs, Lessee shall give Lessor notice if it intends to enter into a gas contract on its share of the gas, and Lessor shall have a period of thirty (30) days from receipt of a copy of the gas sales agreement which Lessee is willing to execute to notify Lessee in writing that Lessor elects to take its proportionate share in kind. If Lessor fails to take in kind or separately dispose of its proportionate share of production within such 30-day period, then Lessee may sell such production to others, for the account of Lessor, at the best price obtainable in the area for such production, but in no event for less than the amount which Lessee is receiving for its production and will account to Lessor for the royalty on the full value thereof, as herein provided. Any such sale by Lessee shall be subject always to the right of Lessor to exercise its right to take in kind or separately dispose of its share of production and in no event shall the period of time be in excess of one year. Lessor hereby reserves the right to nominate an affiliate, or other third party, to act on its behalf relative to Lessor's right to take production in kind.

6. **CONTINUOUS OPERATIONS.** If at the expiration of the Primary Term Lessee is engaged in operations for the drilling, reworking or completion of a well upon the Leased Premises or lands pooled therewith, this Lease shall continue in full force and effect as long as drilling, reworking or completion operations are prosecuted with no cessation of more than ninety (90) consecutive days, and if such drilling, reworking or completion 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 full force and effect if drilling, reworking or completion operations are commenced within ninety (90) days after such cessation of production; and if production is restored or new production is discovered as a result of any such operations, conducted without cessation of more than ninety (90) consecutive days, this Lease shall continue so long thereafter as production in paying quantities, or additional drilling, reworking or completion operations are prosecuted without cessation of such production for more than ninety (90) consecutive days. In the event Lessee fails or ceases to prosecute or conduct continuous operations on the Leased Premises as herein provided, this Lease shall immediately terminate and all of the rights of Lessee hereunder shall immediately cease, terminate and be forfeited, without notice, demand or putting in default, as to all of the Leased Premises.

7. **SHUT-IN WELLS.** After the expiration of the Primary Term, for each completed well located on the Leased Premises or lands pooled therewith which is capable of producing only gas, or only gas and condensate, in paying quantities, but which is shut in because of the lack of a regularly available market for the gas to be produced therefrom, shall nevertheless be deemed to be a well producing gas in paying quantities, and Lessee shall pay to Lessor, as royalty, a sum equal to Five and No/100 Dollars (\$5.00) per net acre covered by this Lease ("Shut-in Well Payments"), which payment shall be made to Lessor at P.O. Box 173779, Denver, Colorado 80217-3779, 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). Failure to make timely shut-in payments will NOT terminate this lease, but Lessee is still obligated to pay same.

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.

8. POOLING. Lessee may not commit the Leased Premises or any portion thereof to a federal unit without the prior written consent of Lessor. Except as expressly provided in the preceding sentence, 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 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 public record in the county or counties in which the pooled Leased Premises are located 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, reworking and completion 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. ASSIGNMENT. 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. Withholding consent shall be deemed reasonable if, in Lessor's sole judgment, the numbers of assignees are excessive, an assignee's technical competence or financial ability could be inadequate or Lessee refuses to accept responsibility for the performance of any of its successors in interest. 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 by Lessor, 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, or sale of said rights. Lessee shall continue to be responsible to Lessor for all unpaid sums due Lessor, as well as all obligations under Sections 4. ROYALTIES AND STATEMENTS, 14. INDEMNITY and 15. PROTECTION AND RESTORATION OF LEASED PREMISES. 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 filed of public record in the applicable county or counties in which the Leased Premises are located. 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.

10. FORCE MAJEURE. Except as otherwise specifically provided herein, when drilling, reworking, completion, production or other operations are prevented or delayed by any applicable laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's

control, which by exercise of due diligence Lessee is unable to avoid, this Lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof but in no event can more than two (2) additional years be added. In any event, when the cause or matter so preventing or delaying such operations is removed or ceases to exist, Lessee shall, within 90 days thereafter, resume such operations. Lessee shall not be liable for breach of any express or implied covenants of this Lease when drilling, reworking, completion, production or other operations are so prevented, delayed or interrupted. Lessee shall immediately notify Lessor in writing, setting forth the full circumstances, when drilling, reworking, completion, production or other operations are so prevented or delayed. Lessee shall provide Lessor with written notice of the date upon which any force majeure ceases to be operative. The requirements to notify Lessor of the commencement and termination of any particular period of force majeure and the receipt by Lessor of such reports shall not be deemed an admission by Lessor that force majeure is actually operative and shall not preclude Lessor from contending that force majeure is not operative. Failure of Lessee to timely give Lessor any notice of the commencement of a force majeure shall not prevent force majeure from being operative if it is in fact and law operative.

11. **PROPORTIONATE REDUCTION.** 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 Well Payments, Compensatory Royalty Payments and royalties to be paid Lessor shall be reduced proportionately.

12. **NO WARRANTY.** The rights granted under this Lease are granted **WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED**, and without covenants of title, including, without limitation, covenants to give possession or for quiet enjoyment.

13. **INDEMNITY.**

(a) **Definitions –**

(i) "Claim" or "Claims" means, unless specifically provided otherwise, all claims (including, but not limited to, those for damage to property, bodily injury, personal injury, illness, disease, maintenance, cure, loss of parental or spousal consortium, wrongful death, loss of support, death, and wrongful termination of employment), damages (including damages to property that result from pollution as well as the damages that result from the control, removal, restoration and cleanup of pollution or contamination), liabilities (including, but not limited to, plugging liability), losses, demands, liens, encumbrances, fines, penalties, causes of action of any kind (including actions for indirect and consequential damages, but excluding those for punitive and exemplary damages), obligations, costs, judgments, interest and awards (including payment of reasonable attorneys' fees and costs of litigation) or amounts, of any kind or character, whether under judicial proceedings, administrative proceedings or otherwise, or conditions in the Leased Premises or attributable to any person or persons, Lessor, any member of Lessor Indemnitees, Lessee or any member of Lessee Group, breach of representation or warranty (expressed or implied), under any theory of tort, contract, breach of contract (including any Claims which arise by reason of indemnification or assumption of liability contained in other contracts entered into by Lessor Indemnitees) arising out of, or incident to or in connection with this Lease or any operation, activity, facility or occupancy of the Leased Premises or lands pooled therewith including, but not limited to, the following: (A) any activity conducted in connection with this Lease, whether or not expressly or impliedly authorized or required by this Lease; (B) plugging and abandonment of producing wells, non-producing wells, existing wellbores, or previously plugged wellbores; (C) management, use, and disposal of produced water and wastes or substances associated with lease activity; (D) the generation, management, processing, handling, transportation, storage, treatment, recycling, marketing, use, disposal, release, or threatened release, of oil, natural gas, natural gas liquids, all other petroleum substances, any waste, or any "Hazardous Substance" or "Pollutant or Contaminant" as those terms or terms substantially similar are defined in applicable laws, including but not limited to the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), as the same now exists or may be hereafter amended; (E) any failure by Lessee to comply with an express or implied obligation created by this Lease; and (F) violation of any law or regulation.

(ii) "Lessee Group" means Lessee, its affiliate companies, joint owners, partners, contractors and subcontractors and each of their respective officers, directors, agents, representatives, consultants, employees and insurers.

(iii) "Lessor Indemnitees" means Lessor, its affiliate companies, joint owners, partners, contractors and subcontractors, and each of their respective officers, directors, agents, representatives, consultants, employees and insurers.

(iv) The term "**REGARDLESS OF FAULT**" means **WITHOUT REGARD TO THE CAUSE OR CAUSES OF ANY CLAIM, INCLUDING, WITHOUT LIMITATION, EVEN THOUGH A CLAIM IS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, COMPARATIVE, CONTRIBUTORY, ACTIVE, PASSIVE, GROSS, OR OTHERWISE), WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER FAULT, OF ANY MEMBER OF LESSOR INDEMNITEES, ANY MEMBER OF LESSEE GROUP, INVITEES OR THIRD PARTIES, AND WHETHER OR NOT CAUSED BY A PRE-EXISTING CONDITION, WHETHER PATENT OR LATENT, OF THE PREMISES OF LESSOR INDEMNITEES, LESSEE GROUP, INVITEES AND/OR THIRD PARTIES.**

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE OTHER PROVISIONS OF THIS LEASE, LESSEE AGREES TO BE RESPONSIBLE FOR AND ASSUME ALL LIABILITY FOR AND HEREBY AGREES TO DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS LESSOR INDEMNITEES AGAINST ANY AND ALL CLAIMS ARISING IN CONNECTION WITH: (I) BODILY INJURY AND/OR DEATH OF ANY MEMBER OF LESSEE GROUP AND THEIR INVITEES; AND (II) DAMAGE TO PROPERTY OF ANY MEMBER OF LESSEE GROUP AND THEIR INVITEES **REGARDLESS OF FAULT. LESSEE ACKNOWLEDGES THAT THIS STATEMENT IS CONSPICUOUS.** Furthermore, and in addition to the indemnity obligations outlined above in this Section 13, Lessee agrees to be responsible for and assume all liability for and hereby agrees to defend, release, indemnify, and hold harmless Lessor Indemnitees from and against any and all Claims of any person or entity directly or indirectly arising out of or related to Lessee Group's negligent acts or omissions. The indemnity obligations set forth in this Section shall include any medical, compensation, or other benefits paid by Lessor or any member of Lessor Indemnitees and shall apply even if the employee is determined to be the borrowed or statutory employee of Lessor or any other member of Lessor Indemnitees.

(c) In support of the indemnity obligations contained above, Lessee agrees to provide coverage and amounts of liability insurance, which in no event shall be less than the minimum set out in Section 22 herein. It is agreed that with respect to any statutory limitations now or hereafter in effect and affecting the validity or enforceability of this indemnification provision, such statutory limitations are made a part of this indemnification provision with respect to work performed and operations conducted in the state in which such statute applies, and shall operate to amend this indemnification provision to the minimum extent necessary to bring this provisions into conformity with the requirements of such statute, and as so modified, this provision shall continue in full force and effect.

(d) In the event Lessee fails to furnish a defense and indemnity as provided for herein or in the event Lessee breaches an obligation in this Lease, Lessor shall be entitled to receive from the Lessee, in addition to its attorneys' fees, costs, expenses and any amounts paid in judgment or settlement, all costs, expenses, and attorneys' fees incurred in the enforcement of this Lease, including specifically, but not limited to, Claims for contractual indemnity and insurance coverage.

(e) Lessee's obligations created by this Section 13 shall continue and remain in effect and are enforceable by Lessor even after this Lease terminates or otherwise ceases to burden the Leased Premises.

14. PROTECTION AND RESTORATION OF LEASED PREMISES. Without limiting the generality of Section 13 INDEMNITY hereof, Lessee shall pay either the tenant or the surface owner (whichever is appropriate) for any and all damages to land, structures, roads, fences, gates, cattle guards, trees, growing crops, irrigation or any other facilities or improvements, equipment, wildlife, game, fish 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. Regardless 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.

THE PROVISIONS OF THIS SECTION 14 SHALL SURVIVE ANY TERMINATION OF THIS LEASE.

Lessee shall repair and clean all ditches, roads, bridges, fences, pipelines and other structures, facilities and improvements on the Leased Premises which may be used, worn or damaged by any operation hereunder, shall remove all debris resulting from any such operation, and shall otherwise restore the Leased Premises to its original condition insofar as reasonably practicable. No well shall be drilled within 200 feet of any building, railroad tracks or structure without Lessor's written consent. Lessee shall maintain in good condition all fences, bridges and roads on the Leased Premises which are used or constructed by Lessee in its operations, and all such roads shall be and remain private, not open to the public and will be conspicuously posted as such by Lessee.

15. REMOVAL OF IMPROVEMENTS. Within six (6) months after any termination, as to all or any portion of the Leased Premises, Lessee shall remove from that portion of the Leased Premises any and all property, facilities and material belonging to or placed thereon by Lessee and shall restore the Leased Premises to its original condition insofar as reasonably practicable, in default of which within the time above specified, but subject to the other obligations of Lessee hereunder and in addition to any other remedy Lessor may enjoy, Lessor may remove, destroy or retain any such property, at Lessor's will, and Lessee shall reimburse Lessor for the cost of any such removal or destruction as well as the cost of restoring the Leased Premises.

16. RIGHT TO CURE; TERMINATION. In the event of Lessee's breach of this Lease other than a breach of obligations set forth in Sections 6. CONTINUOUS OPERATIONS and 19. RELEASE, Lessor shall notify Lessee of such breach, and Lessee shall have thirty (30) days from the receipt thereof to comply with this Lease. If Lessee fails to remedy any material breach within the period above provided, in addition to any other remedy available to Lessor, Lessor may, at its option, promptly following such period terminate this Lease and be relieved from any obligation hereunder. Such right of termination is exercisable by filing with Lessee and of record a notice of termination.

If the parties are unable to agree upon whether or not a breach is material, then such dispute shall be resolved by binding arbitration conducted by the Denver, Colorado, office of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial Arbitration Rules (the "Rules") effective at the time of the dispute. The Expedited Procedures of the AAA's Rules shall apply to any such dispute and the arbitration shall be heard and decided by a single arbitrator to be appointed by the AAA. The jurisdiction of the arbitrator will be limited to determining whether or not a breach is material. The arbitrator shall make a reasoned award in writing. The award shall be final and binding on each Party and for all purposes. Judgment upon a final award may be entered in any court having jurisdiction. This arbitration provision shall survive the termination of this Lease. Should the parties ever be prevented by applicable law from utilizing arbitration to resolve disputes hereunder, then the choice of law and forum provisions of this Section 16 shall nevertheless remain in full force and effect.

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 (c) make any payment due hereunder.

17. NOTICES. Except as otherwise expressly provided in this Lease, all notices, data, information, requests, payments and other communications required or permitted hereunder shall be in writing and shall be deemed to have been fully given, made and received only when personally delivered, delivered by Federal Express or other nationally recognized courier service, or upon confirmation of transmission of a facsimile, provided that any attachments referenced in the notice are also sent via facsimile at the same time, or three business days after having been deposited in the United States mail, certified mail, postage prepaid, return receipt requested and be addressed as set forth below:

If to Lessee:

Courier

Kerr-McGee Oil & Gas Onshore LP
1099 18th Street, Suite 1800
Denver, Colorado 80202

Mail

Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779

Attn: Matt Miller, Land Manager
Telephone: (720)929-6467
Facsimile: (720)929-7467
E-mail: Matthew.Miller@anadarko.com

Attn: Matt Miller, Land Manager

If to Lessor:

Courier
Anadarko Petroleum Corp.
1099 18th Street, Suite 1800
Denver, Colorado 80202
Attn: Matt Miller, Land Manager
Telephone: (720) 929-6467
Facsimile: (720) 929-7467
E-mail: Matthew.Miller@anadarko.com

Mail
Anadarko Petroleum Corp.
P.O. Box 173779
Denver, CO 80217-3779
Attn: Matt Miller, Land Manager

Either party may send notices, data, information, requests and other communications hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party may change its address by giving notice of such change of address in conformity with the provisions of this Section 17 for the giving of notice.

18. **GOVERNMENTAL COMPLIANCE.** Lessee shall at all times comply with all laws, rules and regulations of all governmental departments and agencies with jurisdiction over Lessee's operations hereunder and shall satisfy any and all governmental permitting requirements to conduct Lessee's operations hereunder. Lessee shall promptly plug and abandon all wells in accordance with the rules and regulations of any governmental agency having jurisdiction and, to the extent not inconsistent therewith, Lessee shall promptly remove all abandoned pipelines and other debris, shall promptly draw and remove the portion of all casing and pipe from abandoned wells or other operations above the surface down to a depth of at least ten (10) feet below ground level.

19. **RELEASE.** In the event of termination or forfeiture of this Lease for any cause, in whole or in part, Lessee shall execute and record a proper instrument of release within 30 days of Lessor's request therefore, releasing from the terms hereof all those portions of the Leased Premises as to which the Lease may have terminated or been forfeited; and Lessee shall promptly furnish Lessor an executed or certified recorded copy thereof. In recognition of the business necessity of such release being recorded in a timely fashion, Lessee, by acceptance of this Lease, agrees to pay as partial liquidated damages to Lessor, the sum of One Hundred Dollars (\$100.00) for each day that Lessee fails to record such release in a timely manner, together with interest on the cumulative amount at the highest rate allowed by law from the date due until paid plus all costs of collection, including attorneys' fees and all such sums shall be payable out of Lessee's share of production hereunder. In addition, Lessor shall thereafter be entitled to record a notice of termination of this Lease and be relieved from any obligation hereunder.

20. **LESSOR'S ELECTION OF REMEDIES; NO WAIVER.** The mention of any express obligation of Lessee herein shall never be construed as affecting any implied obligation, which Lessee may otherwise owe Lessor hereunder, but shall be considered as being in addition thereto. Similarly, the mention of any right or remedy of Lessor herein shall not preclude Lessor from exercising any other right or remedy to which Lessor might otherwise be entitled, including, without limitation, 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 lands pooled therewith, and/or (c) make any payment due hereunder, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity by statute or otherwise, and may be enforced concurrently therewith or from time to time. No failure of Lessor to enforce any provision of this Lease shall operate as a waiver of Lessor's right to thereafter enforce such provision or any other provision.

21. **DATA AND ACCESS.** All data and other information hereinafter described shall be directed to the individual or individuals as may be designated by Lessor from time to time. Lessor, or 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 lands pooled therewith. Lessee shall promptly furnish to Lessor free of cost, a copy of all applications and reports made to any governmental agency or authority, and all orders, rules and permits issued by any such agency or authority pertaining to the Leased Premises, title opinions and curative material, daily drilling reports, well logs, core records and analysis production analyses, formation test results, well completion reports, well workover reports, gas-oil ratio reports, well history and performance reports, production reports, sales records and other data taken from wells located on the Leased Premises. Lessee agrees, to furnish to Lessor true and complete copies of all contracts or agreements as amended, 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. Lessee shall notify Lessor in the event that any geophysical or geochemical exploration or examination of the Leased Premises is either obtained by, becomes available to or is acquired by Lessee with respect to the Leased Premises. Notification shall be made prior to acquisition of the data. To the extent Lessee has the legal right to do so, Lessee shall furnish copies (digital and hard) of all such data to Lessor at Lessee's cost and expense. Data to be furnished by Lessee to Lessor shall include all data gathered over the Leased Premises plus one mile in any direction from the Leased Premises. Data shall include, but not be limited to, raw and processed data to be determined on a project specific basis by Lessor. 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, and such other information as may be appropriate to the settlement of accounts between Lessor and Lessee, or to determine the respective rights and obligations of said parties, or to enable Lessor to comply with applicable laws, rules or regulations of governmental authorities. All land surveys affecting the Leased Premises shall be conducted either by an employee of Lessee or by a Registered Land Surveyor and Lessee shall deliver promptly to Lessor a copy of the map and field notes of each such survey. Lessor hereby agrees to treat all seismic data provided hereunder in a confidential manner and will not reproduce or distribute such data to any third party; provided, however, Lessor may show the data to its affiliates, working interest partners, Lessees, potential Lessees, potential participants in an exploration program, agents, or successors in interest, and or all of whom will be required by Lessor not to disclose such data to any third party. Lessee shall provide to Lessor free of cost:

- a. Daily Drilling Reports: One (1) copy (fax, mail, or e-mail).
- b. Completion Reports: One (1) copy (fax, mail, or e-mail).
- c. First Delivery Reports: One (1) copy (fax, mail, or e-mail).
- d. State Completion Reports: One (1) copy (fax, mail, or e-mail).
- e. Permit application forms: One (1) copy (fax, mail, or e-mail).
- f. Drill Prognosis, casing program and mud program: One (1) copy.
- g. Plugging Report: One (1) copy (fax, mail, or e-mail).
- h. Compilation of daily drilling reports: One (1) copy
- i. Copies of all Wireline Logs: One (1) field print e-mail and two (2) final prints. As a minimum, logs sufficient to determine porosity and water saturation in the objective section must be run.
- j. Digital open-hole and Cased-hole wireline logs: (e-mail or mail, CD-ROM-LAS format).
- k. Mudlogs: One (1) field print e-mail and two (2) final prints (mail, paper and diskette or CD-ROM)
- l. Drillstem Test (DST), or Repeat Formation Test (RFT): Two (2) copies of final report as prepared by testing company, no photocopies (mail).
- m. Water Analyses or Hydrocarbon Analyses: Two (2) copies (mail).
- n. Core Analyses: Two (2) final reports (mail, paper and diskette or CD-ROM).

Courier

Anadarko Petroleum Corp.
 1099 18th Street, Suite 1800
 Denver, Colorado 80202
 Attn: Tom Birmingham
 Fax: (720) 929-7470
 Phone: (720) 929-6470
 E-mail: Tom.Birmingham@anadarko.com

Mail

Anadarko Petroleum Corp.
 P.O. Box 173779
 Denver, Colorado 80217-3779
 Attn: Tom Birmingham

If collected, ship to the above address:

- a. Well Cuttings: One (1) set washed and dried in labeled envelopes
- b. Core samples: One (1) slab of the core if prepared by the OPERATOR, or as directed by Anadarko.

22. INSURANCE. Lessee shall carry the following insurance in the indicated amounts:

- (a) Worker's Compensation Insurance, in compliance with the Worker's Compensation laws of the state in which operations hereunder are conducted.
- (b) Employer's Liability Insurance with limits of not less than \$1,000,000 per person, covering all employees engaged in the performance of work in the state having jurisdiction over each employee.
- (c) General Liability Insurance, including contractual liability, with a combined single limit per occurrence of not less than \$1,000,000 for bodily injury and property damage.
- (d) Automobile Insurance, including hired and non-owned vehicles, with a combined single limit per occurrence of not less than \$1,000,000 for bodily injury and property damage.
- (e) Liability Umbrella (excess of underlying insurance coverage mentioned above) with a combined limit per occurrence coverage of not less than \$25,000,000.
- (f) Well Control Insurance including underground blowout, seepage and pollution, with a minimum limit of \$25,000,000.
- (g) To the extent of the liabilities assumed by Lessee herein, all of the above insurance shall be endorsed to provide that :
 - (i) Lessee's insurers waive their right of subrogation (equitable or by assignment, express or implied, loan receipt or otherwise) against Lessor Indemnities.
 - (ii) Lessee's insurers name Lessor Indemnities as additional insured's (except for Worker's Compensation and Property Insurance).
 - (iii) Such insurance coverage is primary over any insurance coverage maintained by Lessor Indemnities.
 - (iv) At the inception of this Lease, annually thereafter, and whenever requested, Lessee shall furnish insurance certificates to evidence the insurance required herein Lessee's insurance shall be carried with insurance companies satisfactory to Lessor and shall contain endorsements stating that insurer will give thirty (30) days' written notice to Lessor of non-renewal, cancellation, substantial amendment or alteration of such coverage. All deductible amounts, premiums, franchise amounts or other charges due with respect to Lessee's required insurance herein shall be the sole obligation of Lessee. Maintaining the prescribed insurance shall not relieve Lessee of any other obligation under this Lease.

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 Indemnities. Lessor Indemnities shall also be named as additional insured in each such policy. Such insurance shall be primary over any insurance maintained by Lessor Indemnities.

23. BONDS/LETTERS OF CREDIT. 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. Such bond and/or letter of credit shall be from a surety/bank acceptable to Lessor and in a form acceptable to Lessor. If not provided within 10 days following written request therefore, Lessee, by acceptance of this Lease, agrees to pay as partial liquidated damages to Lessor, the sum of One Hundred Dollars (\$100.00) for each day that Lessee fails to provide such bond or letter of credit, together with

interest on the cumulative amount at the highest rate allowed by law from the date due until paid plus all costs of collection, including attorneys' fees and all such sums shall be payable out of Lessee's share of production hereunder.

24. PROCEEDS OF PRODUCTION. 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. Each purchaser shall be entitled to rely upon the written direction of Lessor concerning the payment of such proceeds.

25. REPAIR WATER WELLS/RESERVOIRS. All operations on the Leased Premises shall be conducted so as not to damage any surface or groundwater water supply. However, in the event Lessee's operations shall result in damage or destruction of any water supply, Lessee promptly shall repair, restore, remediate, 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, remediated, 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, or for agricultural purposes to a degree which renders the potable water supply unfit by drinking water standards for consumption by humans or animals, or the non-potable water unfit for agricultural purposes 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. All remediation and restoration and remediation of any water supply by Lessee will be by techniques acceptable to Lessor and to the state agency with jurisdiction over the water supply, and to a regulatory standard required by the state agency allowing for non-degradation of the water supply.

26. WELL TAKEOVER. 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. Lessor shall have the option to purchase any or all of such material and equipment, except that owned by third parties, upon the Leased Premises which are still necessary for the production and handling of hydrocarbons capable of being produced from such well and which are not required by Lessee for operations elsewhere on the Leased Premises. If Lessor takes over the well, Lessor shall promptly reimburse Lessee for the reasonable 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 and which would have been recoverable, less the estimated costs of salvaging and 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.

27. RIGHT TO PURCHASE PRODUCTION.

Oil Production: 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 a bona fide third party offer 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 Anadarko Energy Services in writing at Anadarko Energy Services, Attn: Crude Oil Marketing, P. O. Box 1330, Houston, Texas 77251-1330.

Gas Production: Subject to any gas sales or purchase contracts affecting the Leased Premises on the date of this Lease, Lessor and Lessee further expressly agree that in the event gas (including nitrogen and carbon dioxide) 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 produced from or attributable to the Leased Premises. Under such right of first refusal, Lessee shall notify Lessor in writing of any bona fide offer for the purchase of its gas 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 Lessor, 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 Lessor, 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 Lessor at such point of delivery. Any dispute under this Lease arising out of or relating to 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 shall be resolved by binding arbitration conducted by the Denver, Colorado office of the AAA in accordance with the provisions set forth in Section 16 of this Lease. The jurisdiction of the arbitrator 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. 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 Anadarko Energy Services in writing at Anadarko Energy Services, Attn: Natural Gas Marketing, 1099 18th Street, Suite 1800, Denver, Colorado 80202. Lessor hereby reserves the right to nominate an affiliate, or other third party, to act on its behalf relative to Lessor's right to purchase production hereunder.

28. ENTIRE AGREEMENT. This Lease contains the entire understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, expressed or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. This Lease may not be modified or amended other than by an agreement in writing that is signed by the parties hereto.

29. HEADINGS. The headings in this Lease are for convenience only and they form no part of this Lease and shall not affect its interpretation.

30. SEVERABILITY. Any provision of this Lease which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof, which provisions shall be enforced to the maximum extent permitted by law and construed in a fashion to effectuate best the provisions hereof, and any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction.

31. SUCCESSORS AND ASSIGNS. Subject to Section 9. ASSIGNMENT. All the provisions of this Lease shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF, this Lease is executed on the date of the respective acknowledgements herein below, but shall be effective from the date first hereinabove written.

LESSOR:

ANADARKO E&P COMPANY LP

By: Michael A. Nixon
Michael A. Nixon
Its: Agent & Attorney-in-Fact

LESSOR:

ANADARKO LAND CORP.

By: Michael A. Nixon
Michael A. Nixon
Its: Agent & Attorney-in-Fact

LESSEE:

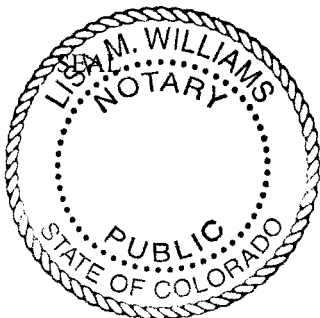
KERR-MCGEE OIL & GAS ONSHORE LP.

By: Michael A. Nixon
Michael A. Nixon
Its: Agent & Attorney-in-Fact

STATE OF COLORADO)
CITY AND)
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 14th day of January, 2011, by Michael A. Nixon, Agent and Attorney-in-Fact of **ANADARKO E&P COMPANY LP**, a Delaware limited Partnership, on behalf of the partnership.

Witness my hand and official seal



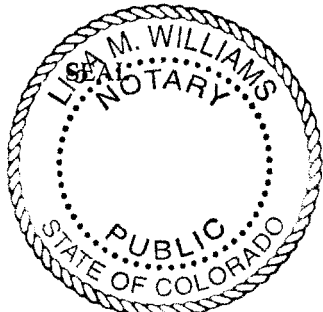
Lisa M. Williams
Signature
Lisa M. Williams
Name (Print)
My commission expires 3-15-2012
Notary Public
Title of Officer

My Commission Expires: 03/15/2012

STATE OF COLORADO)
CITY AND)
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 14th day of January, 2011, by Michael A. Nixon, Agent and Attorney-in-Fact of **ANADARKO LAND CORP.**, a Nebraska corporation, on behalf of the corporation.

Witness my hand and official seal.



My Commission Expires: 03/15/2012

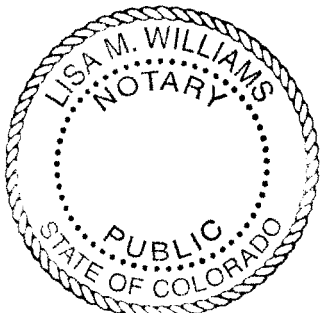
Lisa M. Williams
Signature
Lisa M. Williams
Name (Print)
My commission expires 3-15-2012
Notary Public
Title of Officer

STATE OF COLORADO)
CITY AND)
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 14th day of January, 2011, by Michael A. Nixon, Agent and Attorney-in-Fact of **Kerr-McGee Oil & Gas Onshore LP**, a Delaware limited partnership, on behalf of the partnership.

Witness my hand and official seal.

SEAL



My Commission Expires: 03/15/2012

Lisa M. Williams
Signature
Lisa M. Williams
Name (Print)
My commission expires 3-15-2012
Notary Public
Title of Officer