

*open 12/1 Dec-22
Producers 88; Five Year Prod Up (Lows)
Avg/yr Sales Only

BOOK 775 PAGE 630

31. Lessor hereby warrants and agrees to defend the title to said land and agree that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties according to the order of priority of such taxes and liens. Lessor shall pay all taxes based on the production from said land, and shall deduct such taxes attributable to Lessor's interest from royalty due hereunder. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties to be paid Lessor shall be reduced proportionately.

12. Lessor hereby releases and waives all right of dower and right of homestead under the laws of this state in and to said land to the extent of the rights granted by this lease.

13. In the event that Lessor, during the primary term of this lease, receives a bona fide offer for which Lessor is willing to accept it on any party offering to purchase from Lessor, a lease covering any or all of the acreage covered by this lease and covering all or a portion of said land, herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior or preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this Section. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor along with Lessee's collection draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of the offer according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return the same along with the original check to Lessee's representative or through Lessee's bank of record for payment.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

This agreement shall be binding on each of the above named parties who sign the same, regardless of whether it is signed by any of the other parties.

IN WITNESS WHEREOF, this Instrument is executed effective as of the date first above written,

Witness of Signature

Signatures

Taxpayer Identification or
Social Security Number

Richard C. Jolley
ACKNOWLEDGED Mary Ann Jolley
Bert J. Jolley
ACKNOWLEDGED Kent S. Jolley
Annie E. Jolley

ACKNOWLEDGMENTS FOR USE IN ARIZONA, OREGON, NEBRASKA, KANSAS, COLORADO, WYOMING, NORTH DAKOTA, NEW MEXICO

STATE OF COLORADO

COUNTY OF Garfield

28. Individual(s) Acknowledgment

The foregoing instrument was acknowledged before me this 18th DAY OF JANUARY 1990

by Richard G. Jolley and Mary Louise Jolley, husband and wife, Brett L. Jolley, a single man,
and Kent S. Jolley and Anne E. Jolley, husband and wife

My Contribution expires:

Elisabeth McAllister
Notary Public

2-19-92

Address: Littleton, Colorado

STATE OF

COUNTY OF

23. (Corporate Acknowledgment)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____.

by

of

corporation, on behalf of the corporation.

My Commission expires:

Notary Public

1 or to 1271 Dec-88
[Introduces Bt Free Your Field Up Lease]
Western States Only

No. _____

OIL AND GAS LEASE

FROM _____

TO _____

110 _____ 19 _____

Section _____ Township _____ Range _____

County _____

2. of Acres _____ Town _____

STATE OF _____

County of _____ ss.

This instrument was filed for record on the _____ day of _____ 19 _____

at _____ o'clock _____ M., and duly recorded

in Book _____ Page _____ of the _____ records of this office.

County Clerk, State of South Dakota

Record and Mail to:

SPRING TREMBLAY

P.O. Box 1781

GLENWOOD SPRINGS CO.

10. Party for passage

PRING TREMBLAY
P.O. Box 1781
GREENWOOD SPRINGS CO

81602

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas lease by and between Richard C. Jolley and Mary Louise Jolley, husband and wife, Brett L. Jolley, a single man, and Kent S. Jolley and Anne E. Jolley, husband and wife, as Lessors, and Kinney Oil Company, as Lessee, dated January 17, 1990.

14. Wherever the term one-eighth (1/8th) appears in this lease, it shall by this reference be amended to read 18.75%.

15. Any gas well shut-in provision contained in the referenced lease shall extend the primary term of the lease to a maximum period of three (3) years beyond the end of the original lease primary term.

16. Excluded from this lease are the Jolley # 1, Jolley #1-8, and Snyder # 2 wellbores, and all existing down hole equipment, well hole equipment and surface production equipment located in, on or about those wellbores. Kinney Oil Company will be held harmless as to any liability involving the aforementioned wells.

Jolley #1C-17

Signed for Identification this 18th day of January 1990

Richard C. Jolley
Richard C. Jolley

Mary Louise Jolley
Mary Louise Jolley

Brett L. Jolley
Brett L. Jolley

Kent S. Jolley
Kent S. Jolley

Anne E. Jolley
Anne E. Jolley