

DECLARATION OF POOLING
AND
POOLING AGREEMENT

THIS DECLARATION OF POOLING AND POOLING AGREEMENT ("Declaration") is made and entered into effective this 1st day of August, 2011, by the parties executing this Declaration (the "Parties").

W I T N E S S E T H:

WHEREAS, the Parties own mineral, royalty, overriding royalty, production payment or working interests (collectively "Oil and Gas Interests") under the oil and gas leases (the "Leases") described in Exhibit "A" attached hereto;

WHEREAS, the Parties desire to pool and combine their respective Oil and Gas Interests for the purpose of developing and producing oil, gas and associated hydrocarbons from the Pooled Area hereinafter described, in accordance with the terms and provisions of this Declaration; and

WHEREAS, each of the Leases contains a provision authorizing the lessee or assignee to pool the lands covered by this Declaration, or the owners of interests under the Leases have joined as Parties to this Declaration;

NOW, THEREFORE, for and in consideration of the mutual benefits accruing to the Parties and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Parties, the Parties declare and agree to the following:

1. Notwithstanding any pooling criteria or other limitations set forth in the Leases, all of the Oil and Gas Interests under or covered by the Leases, insofar as the Leases cover the Pooled Area described below, shall be and the same are hereby pooled, unitized and combined into a single unit for the purpose of developing, operating and producing oil, gas and associated hydrocarbons (the "Pooled Substances") produced from any and all formations, of the following described lands (the "Pooled Area"), to-wit:

Township 12 South, Range 46 West of the 6th P.M.

Section 26: Lots 6, 7, 10 and 11

(a/d/a, SE/4 NW/4, SW/4 NE/4, NE/4 SW/4, NW/4 SE/4)

containing 156.47 acres, more or less

2. The Pooled Area shall be developed and operated as an entirety as though the Pooled Area were covered by a single oil and gas lease executed by all of those owning an interest therein; provided, however, nothing herein contained shall authorize or effect any cross conveyance or other transfer of any title to any interest pooled pursuant to this Declaration. There shall be no obligation of the working interest owner(s) to offset any well or wells completed on the Pooled Area, nor shall any working interest owner be required to separately measure Pooled Substances because of diverse ownership.

3. The Parties agree that the operator may drill one or more oil and gas wells anywhere within the Pooled Area, notwithstanding any well density or location restrictions or requirements established under the regulations of the Colorado Oil and Gas Conservation Commission or other regulatory or governmental body. The Parties agree to execute written waivers and/or consents to well locations, consistent with this paragraph, as may be necessary or desirable upon the request of Vecta Oil & Gas, Ltd.

4. The location, drilling, completion, production, reworking or other operation of a well or wells within the Pooled Area, or a well or wells shut in for want of a market in the Pooled Area, shall be construed and considered as the location, drilling, completion, production, reworking, or other operation, or a well or wells shut in for want of a market, on each and all of the Leases within and comprising the Pooled Area.

5. Royalty, overriding royalty and other burdens now existing or which may hereafter be created, accruing or payable with respect to production of Pooled Substances from the Pooled Area, shall be determined by allocating such production to the separately leased tracts in the Pooled Area in the proportion that the surface acreage contained in each tract bears to the entire surface acreage contained in the Pooled Area; and the royalty, overriding royalty or other burdens on the working interests shall accrue to and be paid upon or out of that portion of the production so allocated in the same manner and to the same extent as though the production so allocated to each separately leased tract had been produced from such tract under the terms of the oil and gas lease(s) covering such tract.

6. This Declaration shall be and shall remain in full force and effect for so long as the Leases or any of them remain or are continued in effect as to any part of the Pooled Area, whether by production, extension, renewal or otherwise; provided, however, that this Declaration and the pooling it effects may be terminated at any time by recording in the records of the county in which the Pooled Area is located an instrument signed by all of the working interest owners declaring this Declaration to be terminated.

7. The covenants herein shall be construed to be covenants running with the land and this Declaration shall be binding upon the Parties and shall extend to and be binding upon their respective heirs, successors and assigns. The Leases are and shall remain in full force and effect according to the terms and provisions thereof. Each of the Parties owning a mineral or royalty interest does hereby ratify, adopt and confirm the Leases, insofar as the same pertain to any interest in the lands covered thereby owned by such party, and does hereby grant, lease and let unto the lessees named therein or the assignees of such lessees the lands described therein, in accordance with the provisions of the Leases and this Declaration. Provided, however, to the extent there is any inconsistency between any of the Leases and this Declaration, this Declaration shall govern.

8. This Declaration may be executed in any number of counterparts shall constitute a single instrument. Alternatively, this Declaration may be ratified or consented to by separate instruments in writing specifically referring to this Declaration. Such counterparts, ratifications, consents, or other instruments shall be binding upon all of the Parties identified below, notwithstanding the fact that the same may not have been executed by all of those holding Oil and Gas Interests in the Pooled Area. The Exhibit(s) hereto are part of this Declaration and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have accepted and executed this Declaration as of the date first written above.

WORKING INTEREST OWNERS

Vecta Oil & Gas, Ltd.

By

Mathew D. Goolsby

Name: Mathew D. Goolsby

Title: Vice President of Operations

STATE OF Colorado)

COUNTY OF Jefferson)

) ss.

The foregoing instrument was acknowledged before me this 10 day of November, 2011, by Mathew D. Goolsby, as Vice President of Operations for Vecta Oil & Gas, Ltd.

Witness my hand and official seal.

Amber N. Hoffmeister

My commission expires: February 24, 2013



Smelker Land and Cattle Co.

By Theodore R. Smelker Pres.

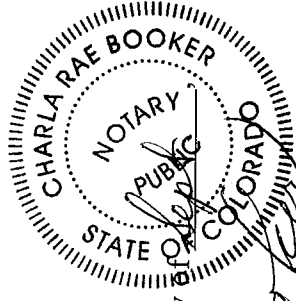
Name: Theodore R. Smelker
Title: President

STATE OF Colorado)
) ss.
COUNTY OF Cheyenne)

The foregoing instrument was acknowledged before me this 30th day of October, 2011, by Theodore R. Smelker, as President of Smelker Land and Cattle Co.

Witness my hand and official seal.

My commission expires: 12-19-14



Dalton M. Teague _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Dalton M. Teague.

Witness my hand and official seal.

My commission expires: _____

Helen F. Teague _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Helen F. Teague.

Witness my hand and official seal.

My commission expires: _____

ROYALTY/MINERAL OWNERS

Wilma S. Byers Living Trust

By _____

Name: Wilma S. Byers
Title: Trustee

STATE OF _____)
)
COUNTY OF _____) ss.
)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Wilma S. Byers, as Trustee of the Wilma S. Byers Living Trust.

Witness my hand and official seal.

My commission expires: _____

Wilma S. Byers Living Trust

By _____

Name: Joseph M. Byers
Title: Trustee

STATE OF _____)
)
COUNTY OF _____) ss.
)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Joseph M. Byers, as Trustee of the Wilma S. Byers Living Trust.

Witness my hand and official seal.

My commission expires: _____

LDS Farms LP

By Terri D. Smelker

Name: Terri D. Smelker
Title: President of Bear Farms, Inc., General
Partner for LDS Farms LP

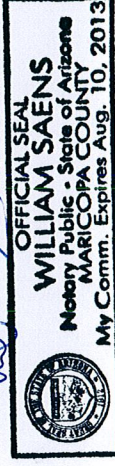
STATE OF Arizona)
)
COUNTY OF Maricopa) ss.
)

The foregoing instrument was acknowledged before me this 27 day of Sept., 2011, by Terri D. Smelker, as President of Bear Farms, Inc., the General Partner of LDS Farms LP.

Witness my hand and official seal.

My commission expires: 8-10-2013

William Saens



ROYALTY/MINERAL OWNERS

Wilma S. Byers Living Trust

By Wilma S. Byers

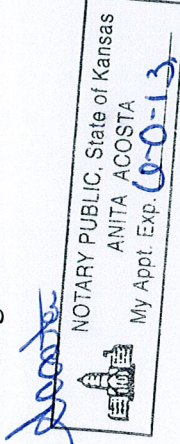
Name: Wilma S. Byers
Title: Trustee

STATE OF KS)
)
COUNTY OF Shawnee) ss.

The foregoing instrument was acknowledged before me this 4 day of Nov, 2011, by Wilma S. Byers, as Trustee of the Wilma S. Byers Living Trust.

Witness my hand and official seal.

My commission expires: 6-20-13



Wilma S. Byers Living Trust

By Joseph M. Byers

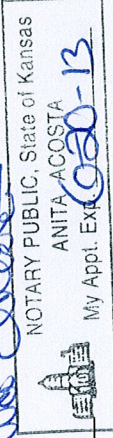
Name: Joseph M. Byers
Title: Trustee

STATE OF KS)
)
COUNTY OF Shawnee) ss.

The foregoing instrument was acknowledged before me this 4 day of Nov, 2011, by Joseph M. Byers, as Trustee of the Wilma S. Byers Living Trust.

Witness my hand and official seal.

My commission expires: 6-20-13



LDS Farms LP

By _____

Name: Terri D. Smelker
Title: President of Bear Farms, Inc., General Partner for LDS Farms LP

STATE OF _____)
)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Terri D. Smelker, as President of Bear Farms, Inc., the General Partner of LDS Farms LP.

Witness my hand and official seal.

My commission expires: _____

Smelker Land and Cattle Co.

By _____

Name: Theodore R. Smelker
Title: President

STATE OF _____)
)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Theodore R. Smelker, as President of Smelker Land and Cattle Co.

Witness my hand and official seal.

My commission expires: _____

Dalton M. Teague

Dalton M. Teague

STATE OF Colorado)
)
COUNTY OF Cheyenne) ss.

The foregoing instrument was acknowledged before me this 22nd day of August, 2011, by Dalton M. Teague.

Witness my hand and official seal.

My commission expires: May 1, 2012
Daniel J. Hansen
130 S. 1st STREET E.
CHEYENNE WELLS, COLO. 80810

Helen F. Teague

Helen F. Teague

STATE OF Colorado)
)
COUNTY OF Cheyenne) ss.

The foregoing instrument was acknowledged before me this 22nd day of August, 2011, by Helen F. Teague.

Witness my hand and official seal.

My commission expires: May 1, 2012
Daniel J. Hansen
130 S. 1st STREET E.
CHEYENNE WELLS, COLO. 80810

Kenecreek, Inc.

By David J. Larsen

Name: David J. Larsen

Title: President

STATE OF Colorado)

COUNTY OF Cheyenne) ss.

The foregoing instrument was acknowledged before me this 16th day of August, 2011, by David J. Larsen, as President of Kenecreek, Inc.

Witness my hand and official seal.

My commission expires: October 24, 2013

Debra J. Shank

EXHIBIT A

OIL AND GAS LEASES

Lease No. 1

Date: May 15, 2008

Lessor: Smelker Land and Cattle Co.

Lessee: J.L. Obourn, Jr. & Co.

Description: Township 12 South, Range 46 West, 6th P.M.
Section 26: Lots 1, 2, 7-10, 15, and 16 (a/d/a E1/2)
shown to contain 312.84 acres, more or less

Term: Three years and so long thereafter, subject to two year option to renew

Recording Data: June 3, 2008, Reception no. 227556, Cheyenne County Clerk and Recorder

Affidavit of Extension Recorded: May 10, 2011, Reception no. 231040, Cheyenne County Clerk and Recorder

Lease No. 2

Date: May 15, 2008

Lessor: LDS Farms, LP

Lessee: J.L. Obourn, Jr. & Co.

Description: Township 12 South, Range 46 West, 6th P.M.
Section 26: Lots 1, 2, 7-10, 15, and 16 (a/d/a E1/2)
shown to contain 312.84 acres, more or less

Term: Three years and so long thereafter, subject to two year option to renew

Recording Data: June 3, 2008, Reception no. 227542, Cheyenne County Clerk and Recorder

Affidavit of Extension Recorded: May 10, 2011, Reception no. 231040, Cheyenne County Clerk and Recorder

Lease No. 3

Date: April 13, 2011

Lessor: Wilma S. Byers and Joseph M. Byers as Trustees of the Wilma S. Byers Living Trust

Lessee: J.L. Obourn, Jr. & Co.

Description: Township 12 South, Range 46 West, 6th P.M.
Section 26: Lots 1, 2, 7-10, 15, and 16 (a/d/a E1/2)

shown to contain 312.84 acres, more or less

Term: Five years and so long thereafter

Recording Data: April 25, 2011, Reception no. 230987, Cheyenne County Clerk and Recorder

Lease No. 4

Date: September 1, 2007

Lessor: Kenecreek, Inc.

Lessee: J.L. Obourn, Jr. & Co.

Description: Township 12 South, Range 46 West, 6th P.M.
Section 26: Lots 3-6 (a/d/a NW1/4)

shown to contain 156.62 acres, more or less

Term: Three years and so long thereafter, subject to three year option to renew

Recording Data: October 16, 2007, Reception no. 226818, Cheyenne County Clerk and Recorder

Affidavit of Extension Recorded: October 21, 2010, Reception no. 230361, Cheyenne County Clerk and Recorder

Lease No. 5

Date: September 1, 2007

Lessor: Kenecreek, Inc.

Lessee: J.L. Obourn, Jr. & Co.

Description: Township 12 South, Range 46 West, 6th P.M.
Section 26: Lots 11-14 (a/d/a SW1/4)

shown to contain 156.40 acres, more or less

Term: Three years and so long thereafter, subject to three year option to renew

Recording Data: October 16, 2007, Reception no. 2276817, Cheyenne County Clerk and Recorder

Affidavit of Extension Recorded: October 21, 2010, Reception no. 230361, Cheyenne County Clerk and Recorder

Lease No. 6

Date: September 24, 2007

Lessor: Dalton M. Teague and Helen F. Teague

Lessee: J.L. Obourn, Jr. & Co.

Description: Township 12 South, Range 46 West, 6th P.M.
Section 26: Lots 3-6 and 11-14 (a/d/a E1/2)

shown to contain 313.02 acres, more or less

Term: Three years and so long thereafter, subject to three year option to renew

Recording Data: October 16, 2007, Reception no. 226814, Cheyenne County Clerk and Recorder

Affidavit of Extension Recorded: October 21, 2010, Reception no. 230361, Cheyenne County Clerk and Recorder