

Recorded at 9:16 o'clock A.M. MAR 31 1970 INDEX
Rec. No. 1544600 Ann Spomer, Recorder

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BOOK 623
Form 88—(Producers)
Kan., Okla. & Colo. 1942 Rev.

B OIL AND GAS LEASE

Talook's Inc.
1814 COURT PLACE
DENVER COLO. 80202
PHONE 266-1881

THIS AGREEMENT, Entered into this the 12th day of February 1970
between Marie Gerhardt, a widow, George H. Gerhardt, Fred G. Gerhardt, Margaret Stine, Ann Green, Pauline Belway and Paul Gerhardt, c/o George H. Gerhardt,
Rt. # 1, Box 327, Ft. Lupton, Colorado 80621

T. S. Pace, 318 Patterson Bldg., Denver, Colorado 80202 hereinafter called lessor,
and hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of TEN & MORE* Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling, and the drilling, mining, and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline and all other gases and their respective constituent vapors, and for constructing roads, laying pipe lines, building tanks, storing oil, building powers, stations, telephone lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and for housing and boarding employees, said tract of land with any reversionary rights therein being situated in the County of _____

WELD State of COLORADO, and described as follows:
Sec. 23: E 1/2 less 8.21 acs. in W 1/2 1/2 as rec. Weld Co., Bk. 1565 @ Page 89

In Section 23 Township 2 North Range 67 West, 6th PM and containing 311.79 acres, more or less.

2. This lease shall remain in force for a term of TEN (10) years and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty 1/4 of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty 1/4 of the proceeds of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty 1/4 of the proceeds from the sale of gas as such at the mouth of the well where gas only is found and where such gas is not sold or used, lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used, as royalty, an amount equal to the delay rental provided in paragraph 5 hereof, and while said royalty is so paid or tendered this lease shall be held as a producing lease under paragraph 2 hereof; the lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 12th day of February 1971, this lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor or for the lessor's credit in the

Greeley National Bank at Greeley, Colorado, or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder, the sum of \$311.79***** Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner above shall be binding on the heirs, devisees, executors, and administrators of such persons.

6. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing rental paying date, or provided the lessee begins or resumes the payment of rentals in the manner and amount hereinabove provided, and in this event the preceding paragraphs hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 20 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of, this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing, but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or in the proceeds due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.

* 10. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, descent or otherwise or to furnish separate measuring or receiving tanks. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

13. If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for drilling a well within sixty (60) days from such cessation, and this lease shall remain in force during of such operations and, if production results therefrom, then as long as production continues.

14. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

15. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder, due to equipment necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

16. The unitization of this lease or any portion thereof with any other lease or leases or portions thereof shall be accomplished by the execution and filing by lessee in the recording office of said county of an instrument declaring its purpose to unitize and describing the leases and land unitized, which unitization shall cover the gas rights only and comprise an area not exceeding approximately 640 acres. The royalty provided for herein with respect to gas from gas wells shall be apportioned among the owners of such royalty on minerals produced in the unitized area in the proportion that their interests in the minerals under the lands within such unitized area bear to the minerals under all of the lands in the unitized area. Any well drilled on such unit shall be for all purposes a well under this lease and shall satisfy the rental provision of this lease as to all of the land covered thereby; provided, however, lessee shall be under no obligation, express or implied, to drill more than one gas well on said Unit.

17. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

IN WITNESS WHEREOF, we sign this day and year first above written.
Marie Gerhardt (SEAL) Ann Green (SEAL)
George H. Gerhardt (SEAL) Pauline Belway (SEAL)
Fred G. Gerhardt (SEAL) Paul Gerhardt (SEAL)
Margaret Stine (SEAL)

312507

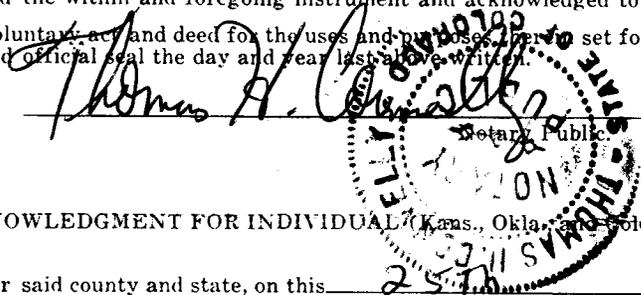
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STATE OF COLORADO } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF WELD

Before me, the undersigned, a Notary Public, within and for said county and state, on this 12th day of February, 1970, personally appeared Marie Gerhardt, a widow, and George H. Gerhardt, Fred G. Gerhardt, Margaret Stine, Ann Green and Paul Gerhardt

to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires Nov. 17, 1970

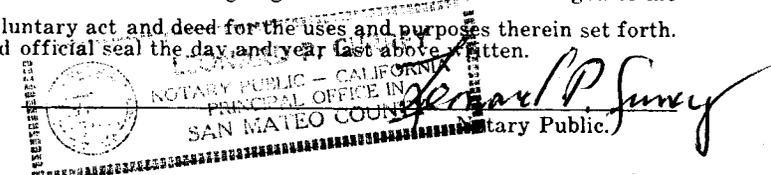


STATE OF California } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF San Mateo

Before me, the undersigned, a Notary Public, within and for said county and state, on this 25th day of February, 1970, personally appeared Pauline Belway and

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires LEONARD P. CURREY, Notary Public
My Commission Expires June 29, 1974



STATE OF _____ } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF _____

On this _____ day of _____, A. D., 19____, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared _____ to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its _____ President and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires _____ Notary Public.

No. 1544600

OIL AND GAS LEASE

FROM

TO

Date _____, 19____
Section _____ Twp. _____ Rge. _____
No. of Acres _____ Term _____
County _____

STATE OF Colorado } ss.
County of Weld

This instrument was filed for record on the _____ day of _____ 19____
at 9:16 o'clock A. M., and duly recorded in Book 623 Page _____ of the records of this office.

By _____ Register of Deeds.

When recorded, return to

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged. For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF _____

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____ day of _____, 19____, personally appeared _____ and

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____ Notary Public.

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JAN-19-72

INDEXED

Recorded at 3:31 o'clock P M JAN 19 1972
Rec. No. 1582275 Ann Spomer, Recorder

Lease No. 312507

BOOK **660**

3-1

CORRECTION OF LEASE DESCRIPTION

WHEREAS, on the 12th day of February, 19 70, a certain oil and gas lease was executed by Marie Gerhardt, George H. Gerhardt, Anne Green, Margaret Steff, Pauline Belway, Paul Gerhardt, ~~and Fred G. Gerhardt, husband and wife,~~ as lessors, to T. S. Pace as lessee, recorded in Book ~~622~~ 623, at Page ~~154600~~ 1544600, of the County Records of Weld County, Colorado, covering the following described lands situated in said County and State, to-wit:

Township 2 North, Range 67 West
Section 23: E/2, less 8.21 acres in W/2 E/2 as recorded
Book 1565, Page 89 of Weld County records

containing 311.79 acres, more or less.

AMOCO PRODUCTION COMPANY being now the legal owner and holder of said oil and gas lease and all rights thereunder; and

WHEREAS, it is the desire of the undersigned lessors to amend and to correct the description of the lands set forth in said lease, since such description as above set forth does not perfectly and adequately describe the property leased and intended by the undersigned lessors to be leased thereby

NOW, THEREFORE, for and in consideration of the sum of ONE DOLLAR (\$1.00) in hand paid to each of the undersigned lessors, the receipt of which is hereby fully acknowledged and confessed, and the further consideration of the agreements and obligations in said lease contained, the undersigned lessors, for the purposes above set forth, hereby acknowledge and agree that such lease now covers and was intended to cover the following described land in Weld County, State of Colorado, to-wit:

Township 2 North, Range 67 West
Section 23: E/2

And that such lease, for rental payment purposes, was intended to embrace and shall now be deemed to embrace 320.00 acres, whether or not it actually covers more or less acreage.

AND the description contained in such lease, together with the acreage figure for rental payment purposes, is hereby amended and corrected as shown above in order to show the true agreement of the parties. The undersigned lessors do hereby ratify, adopt and confirm said lease as herein amended, the same as though such changes had been originally written in said lease, and do grant, lease and let exclusively unto AMOCO PRODUCTION COMPANY, its successors and assigns, the last above described land for the purposes and upon the terms, conditions, provision and agreements in such lease contained and to which reference is here made for all purposes, it not being intended hereby, however, to supersede or novate in any way such lease as to the land leased therein and intended to be leased therein, and such lease is expressly affirmed, ratified and declared to be effective and binding for all purposes as of the date of its execution.

IN WITNESS WHEREOF, this instrument is executed on this 6th day of

January, 19 72.

Fred G. Gerhardt
Fred G. Gerhardt

x Margaret Stine
Margaret Stein Stine

x Pauline Belway
Pauline Belway

Paul Gerhardt
Paul Gerhardt

LESSORS:

x Marie Gerhardt
Marie Gerhardt

x George H. Gerhardt
George H. Gerhardt

x Ann Green
Ann Green

A C C E P T A N C E

WYOMING-COLORADO INDIVIDUAL ACKNOWLEDGMENT

STATE OF Colorado)
COUNTY OF Weld) ss.

The foregoing instrument was acknowledged before me this 6th day of January, 19 72, by Fred G. Gerhardt, Margaret Stine, Paul Gerhardt, Marie Gerhardt, George Gerhardt, Ann Green

Witness my hand and official seal.

Latada L. Seard
Notary Public

My Commission Expires: August 16, 1975



WYOMING-COLORADO INDIVIDUAL ACKNOWLEDGMENT

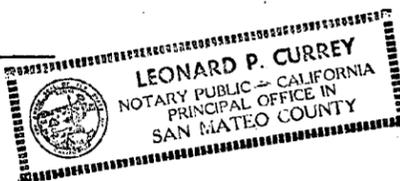
STATE OF California)
COUNTY OF San Mateo) ss.

The foregoing instrument was acknowledged before me this 24th day of December, 19 71, by Pauline Belway

Witness my hand and official seal.

Leonard P. Currey
Notary Public

My Commission Expires: June 29, 1975



1582275

STATE OF COLORADO }
COUNTY OF WELD }

I HEREBY CERTIFY THAT THIS INSTRUMENT
WAS FILED FOR RECORD IN MY OFFICE AT

331 P.M. JAN 19 1972

AND IS DULY RECORDED IN BOOK NO. 660

PAGE.....

Ames Jones

RECORDER

May Hope
DEPUTY

*6⁰⁰ Ames Prod Co.
Sec. Lisa Olog
Denver*

