



THE STATE OF COLORADO

ss

COUNTY OF ROUTT

CHANGE OF LEASE DESCRIPTION

THAT WHEREAS, heretofore, under date of May 1, 2005, Victor American Fuel Company, whose address is P.O. Box 1019, Tannersville, New York 12485 as Lessor, did execute and deliver to Lynn Properties, c/o R. Craig Ponder, 6560 Fannin Street, Suite 1148, Houston, Texas 77030, as Lessee, an oil and gas lease, recorded in Routt County, Colorado Reception Number 627253 of the Routt County, Colorado Clerk Records of Routt County, Colorado, covering certain land situated in Routt County, Colorado, said land being more fully described in said lease, reference to said Lease and to the record thereof being here made for all purposes; and,

WHEREAS, it is the desire of the parties to said oil and gas lease to amend said lease so as to correct the description of the land intended to be included in said lease;

NOW, THEREFORE, in consideration of the premises and One Dollar (\$1.00) and more cash in hand paid by Lynn Properties, hereinafter referred to as Lessee, to Victor American Fuel Company, hereinafter to as Lessor, the receipt and sufficiency of which are hereby acknowledged and confessed, Victor American Fuel Company, as Lessor, does hereby agree with Lynn Properties that said instrument shall be, and the same is hereby reformed and amended so that the land covered and to be covered thereby is described as follows:

	Net	Gross
<u>Township 7 North, Range 87 West, 6th P. M.</u>		
Section 33: SE/4SW/4, S/2SE/4	120	120
Section 34: S/2SW/4, W/2SE/4, W/2NE/4	240	240
<u>Township 6 North, Range 87 West, 6th P. M.</u>		
Section 3: Lot 3 (NE/4NW/4, 40.98ac), Lot 4 (NW/4NW/4, 40.78ac), S/2NW/4, SW/4, S/2SE/4	401.76	401.76
Section 4: Lot 1 (NE/4NE/4, 40.76ac), Lot 2 (NW/4NE/4, 40.92ac), Lot 3 (NE/4NW/4, 41.09 ac), S/2NW/4, SE/4NW/4, E/2SW/4, SW/4SW/4, SE/4	522.77	522.77
Section 5: SE/4 less a 10.79 acre tract, more particularly described in warranty deed	149.21	149.21
Section 5: SW/4, a 100.79 Acre tract, more particularly described in warranty deed	100.79	100.79
Sections 5 & 8: a 59 acre tract located in the approximate S/2 of Section 5 and the approximate N/2NE of Section 8	59	59
Section 9: NE/4, N/2SE/4, SE/4SE/4, E/2NW/4, NE/4SW/4	400	400
Section 10: W/2NW/4, SW/4	240	240
Section 11: S/2SE/4, SE/4SE/4	120	120
Section 12: SW/4SW/4	40	40
Section 13: NW/4NW/4	40	40
Section 14: S/2NW/4, NW/4SW/4, NE/4NW/4 less 3/15 acre tract	156.85	156.85
Section 15: E/2SE/4, SE/4SW/4, SW/4SE/4	160	160
<u>Township 6 North, Range 86 West, 6th P. M.</u>		
Section 33: SE/4SW/4, S/2SE/4	120	120
<u>Township 3 North, Range 85 West, 6th P. M.</u>		
Section 6: SW/4NW/4	40	40

and containing 2,910.38 gross and net acres, more or less.

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Lessor hereby in all things adopts, ratifies and confirms said lease as the same is hereby amended, and hereby leases, demises and lets all of the acreage above described and referred to unto Lessee, subject to and under the terms and provisions of said lease.

The provisions hereof shall extend to and be binding upon the heirs, legal representatives, successors and assigns of the parties hereto.

WITNESS our hands and seals this the _____ day of _____ A.D., 2006

VICTOR AMERICAN FUEL COMPANY

Richard J. Rem, President

By: Richard J. Rem

Title: President

Social Security or Tax ID Number: SS # 840-46-4328

MIRIAM WEISBECKER
Notary Public - State of New York
No. 02WE006810
Qualified in New York County
My Commission Expires Jan. 4, 2010

ACKNOWLEDGMENT-CORPORATION

STATE OF _____

COUNTY OF _____

On this _____ day of _____, A.D. 2006, before me personally appeared Richard J. Rem, to me personally known, who, being by me duly sworn, did say that he is the President of Victor American Fuel Company and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Richard J. Rem acknowledged said instrument to be free act and deed of said corporation.

WITNESS my hand and seal this 20 day of March A.D. 2006

[SEAL]

Miriam Weisbecker

Notary Public

MIRIAM WEISBECKER
Notary Public - State of New York
No. 02WE006810
Qualified in New York County
My Commission Expires Jan. 4, 2010

My Commission Expires: Jan 4, 2010

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 1stth day of May, 2005, by and between The Victor-American Fuel Company, whose address is P. O. Box 1019, Tannersville, NY 12485, hereinafter called Lessor (whether one or more) and Lynn Properties, whose post office address is c/o R. Craig Ponder, 6560 Fannin Street, Suite 1148, Houston, Texas 77030, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More Dollars cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erections of structures thereon to produce, save and take care of said products, all the certain tracts of land situated in the County of Routt, State of Colorado, described as follows, to-wit:

<u>Township 7 North, Range 87 West, 6th P.M.</u>		
Section 33: SE/4SW/4, S/2SE/4		60
Section 34: SW/4SW/4, W/2SE/4SW/4		60
Section 34: E/2SE/4SW/4, W/2SE/4, W/2NE/4		180
<u>Township 6 North, Range 87 West, 6th P. M.</u>		
Section 3: W/2 except E/2E/2NW/4		310
Section 3: 10 Acre tract in W/2SE/4 E of County Road		10
Section 3: E/2E/2NW/4		10
Section 4: E/2W/2		160
Section 4: SW/4SW/4		40
Section 5: NE/4SW/4, SE/4		200
Section 9: E/2NW/4		80
Section 10: W/2NW/4, SW/4	(100% all coal)	240
Section 10: SE/4		160
Section 11: S/2SE/4, SE/4SE/4		120
Section 12: SW/4SW/4		40
Section 13: NW/4NW/4		40
Section 14: S/2NW/4, NW/4SW/4, NE/4NW/4 less 3/15 acre tract		156.85
Section 15: E/2SE/4		80
Section 15: NE/4 West of Channel of Wolf Creek	(100% coal)	65
Section 15: SE/4SW/4, SW/4SE/4		80
<u>Township 9 North, Range 87 West, 6th P. M.</u>		
Section 9: NE/4N/2SE/4, SE/4SE/4, NE/4SW/4		90
<u>Township 6 North, Range 86 West, 6th P. M.</u>		
Section 33: SE/4SW/4, S/2SE/4		120
<u>Township 3 North, Range 85 West, 6th P. M.</u>		
Section 6: SW/4NW/4		40

and containing 2,341.85 acres, more or less, hereinafter referred to as the "Leased Premises."

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said lease premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises

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or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land on acreage pooled therewith, the production thereof should be cease from any cause after the primary term, this lease should not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas should be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease should continue in force so long as oil or gas is produced from the leased premises or acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal fifteen percent (15.0%) part of all oil produced and saved from the leased premises.

2nd. To Pay Lessor fifteen percent (15.0%) of the gross proceeds, payable monthly, for the gas from each well where gas only is found, while the same is being sold or if used off the premises, or in the manufacture of gasoline a royalty of fifteen percent (15.0%) of the gross market value of the gas at the well, payable monthly .

3rd. To pay Lessor for gas produced from any oil well and sold a royalty of fifteen percent (15.0%) of the gross proceeds, at the mouth of the well, payable monthly or if used off the premises, or in the manufacture of gasoline a royalty of fifteen percent (15.0%) of the gross market value of the gas at the well, payable monthly.

All royalty interests shall be free of the cost of development, operations, transportation, compression, marketing, manufacturing and any and all other costs except applicable production, severance and other similar taxes.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners Five Dollars per year per net acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made it will be considered that gas is being produced within the meaning of this lease, provided, however, the maintenance of this oil and gas lease pursuant to the terms of this paragraph 4 are hereby limited such that this lease shall not be maintained solely by a well which is capable of producing oil or gas, but which is not being produced, for a period in excess of two (2) consecutive years after the later of (i) the end of the primary term, or (ii) the cessation of any other fact, action or condition which is otherwise maintaining this lease; provided, however, that the right to maintain this lease by virtue of the shut-in status of a well which is capable of producing oil or gas shall re-occur upon each occasion that a well is shut-in, but in each such case for a period not to exceed of six (6) consecutive months during the secondary term.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of the owner of the surface estate. Lessor hereby discloses, and Lessee by accepting this oil and gas lease acknowledges, that Lessor's interest in the described land is a severed mineral interest and accordingly Lessor does not represent, nor warrant, any ownership of the surface estate. Notwithstanding the foregoing, whatever rights and privileges to the use of the surface estate associated with ownership of the severed mineral interest owned by Lessor are, for and in the consideration described above, hereby granted, leased and let exclusively unto Lessee by this oil and gas lease, provided, however that Lessee shall bear the sole responsibility for the exercise and enforcement of these rights and privileges to the use of the surface estate.

7. When requested by Lessor or the owner of all or any part of the surface estate, Lessee shall bury Lessee's pipe line below plow depth.

8. No well should be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor and the owner of all or any part of the surface estate.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. A. Lessee, at its options, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formation hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Units pooled hereunder shall comply with the following limitations:

(a) Each pooled unit shall consist of an area as nearly as practicable in the configuration of a square or a rectangle surrounding the well, or in the case of horizontal or highly deviated wells, a rectangle surrounding the horizontal or deviated portion of the wellbore, limited in size as follows:

(i) For oil wells not drilled horizontally or highly deviated and for horizontally or highly deviated oil wells where the horizontal or highly deviated portion of the well bore is less than 500 feet or remains entirely within a governmental quarter/quarter section, 40 acres, plus a 10 % tolerance thereof;

(ii) For oil wells drilled horizontally or highly deviated with the horizontal or highly deviated portion of the well bore being greater than 500 feet and lying within two governmental quarter/quarter section but less than 1000 feet, 80 acres, plus a 10 % tolerance thereof;

(iii) For oil wells drilled horizontally or highly deviated with the horizontal or highly deviated portion of the well bore being greater than 1000 feet and lying within two

governmental quarter/quarter section but less than 2000 feet, 160 acres, plus a 10 % tolerance thereof;

(iv) For oil wells drilled horizontally or highly deviated with the horizontal or highly deviated portion of the well bore being greater than 2000 feet and lying within two governmental quarter/quarter section but less than 3000 feet, 320 acres, plus a 10 % tolerance thereof;

(v) For oil wells drilled horizontally or highly deviated with the horizontal or highly deviated portion of the well bore being greater than 3000 feet, 640 acres, plus a 10 % tolerance thereof;

(vi) For gas wells produced from depths from the surface to a depth of 2,500 feet subsurface, inclusive, 160 acres plus a 10 % tolerance thereof

(vii) For gas wells produced from depths below 2,500 feet subsurface, 640 acres, plus a tolerance of 10% thereof;

(viii) In the event that the governmental authority having jurisdiction prescribes or permits the creation of drilling or proration units having a larger area above specified for pooled units, then said pooled units shall conform substantially in size with said drilling or proration units prescribed or permitted by governmental regulations.

Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming or termination of any unit shall be accomplished by Lessee executing and filing of record in the county where the lands are located a declaration of such unitization or reformation, which declaration shall describe the unit and the formations and depth being pooled thereby and be effective upon the date the document is recorded. Lessee will within 30 days of such recording provide Lessor with a copy of the recorded document. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under the lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the units bears to the total number of surface acres in such unit.

12.B. In addition to the pooling authority provided in Paragraph 12.A, above, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall thereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessee shall provide Lessor with notice of its intent to form any such cooperative or unit plan of development or operation approved by any governmental authority in the same manner as required by the laws, rules or regulations for any other interested party. Failure to timely provide such notice shall terminate Lessee's authority to commit Lessor's



mineral interests to said cooperative or unit plan of development or operation. After receipt of said timely notice and the request by Lessee to do so, Lessor agrees to execute such documents necessary to express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency, provided that Lessee shall bear any and all costs associated with providing such documentation. If at the end of the Primary Term, or any time thereafter, all or any portion of the leased premises are within the boundaries of a plan or unit area pursuant to this Paragraph 12.B., but those leased premises are not participating in any production from said unit whereby the royalty owners would be receiving royalty payments, then Lessee shall pay or tender to the royalty owners Five Dollars per year per net acre retained under this lease, such payment or tender to be made on or before the anniversary date of this lease beginning at the earlier of end of the Primary Term or next ensuing after all or a portion of the leased premises are committed to said cooperative plan or unit and said payments shall thereafter continue on each next ensuing anniversary date of this lease until such time as that portion of the leased premises committed to such plan participate in actual production and the royalty payments are being made to the royalty owners.

12.C. Irrespective of the other provisions of this lease, it is agreed that should this lease be maintained in force solely by operations on or production from a pooled unit or units embracing land covered hereby and other land as provided in Paragraph 12.A, above, or the creation of a cooperative or unit plan of development or operation approved by any governmental authority as provided in Paragraph 12.B, above, such operations or production will maintain this lease in force only as to the acreage embraced in such unit or units or cooperative or unit plan or plans. This lease may be maintained as to acreage not included in such unit or units or cooperative or unit plan or plans in any manner provided for herein, provided that, if it be by shut in well payment, the shut in well payments shall be proportionately reduced to exclude the lands contained in the unit or units or cooperative or unit plan or plans.

13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of any such Law, Order, Rule or Regulation, provided that this provision shall not discharge the payment of any monies otherwise due under this oil and gas lease.

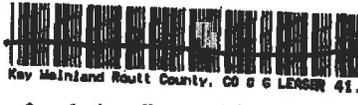
14. This lease is without warranty of any kind, including, but not limited to title. Lessor agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessor, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties herein above named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

16. It is expressly understood and agreed that the word "gas" as used in this lease shall include, but not be limited to, gas from coal seams and that drilling operations shall include, but not be limited to the dewatering of such coal seams.

17. Lessee shall indemnify and hold harmless Lessor and its officers, directors, employees and agents from all claims, demands, losses and liabilities of every kind and character arising out of Lessee's performance or failure to act pursuant to the terms and conditions of this oil and gas lease or by the performance or failure to act by Lessee's employees, agents, contractors and subcontractors hereunder.

18. At the later of (i) one hundred eighty (180) days following the end of the primary term of this lease, or (ii) the conclusion of a Continuous Development Program (as hereinafter defined) this lease shall terminate as to all lands described herein not included in the "Well Tract" (as



hereinafter defined) surrounding each well capable of producing oil gas, sulphur, or other minerals.

(a) Each Well Tract shall consist of an area as nearly as practicable in the configuration of a square or a rectangle surrounding the well, or in the case of horizontal or highly deviated wells, a rectangle surrounding the horizontal or deviated portion of the wellbore, limited in size as follows:

(i) For oil wells not drilled horizontally or highly deviated and for horizontally or highly deviated oil wells where the horizontal or highly deviated portion of the well bore is less than 500 feet or remains entirely within a governmental quarter/quarter section, 40 acres, plus a 10 % tolerance thereof;

(ii) For oil wells drilled horizontally or highly deviated with the horizontal or highly deviated portion of the well bore being greater than 500 feet and lying within two governmental quarter/quarter section but less than 1000 feet, 80 acres, plus a 10 % tolerance thereof;

(iii) For oil wells drilled horizontally or highly deviated with the horizontal or highly deviated portion of the well bore being greater than 1000 feet and lying within two governmental quarter/quarter section but less than 2000 feet, 160 acres, plus a 10 % tolerance thereof;

(iv) For oil wells drilled horizontally or highly deviated with the horizontal or highly deviated portion of the well bore being greater than 2000 feet and lying within two governmental quarter/quarter section but less than 3000 feet, 320 acres, plus a 10 % tolerance thereof;

(v) For oil wells drilled horizontally or highly deviated with the horizontal or highly deviated portion of the well bore being greater than 3000 feet, 640 acres, plus a 10 % tolerance thereof;

(vi) For gas wells produced from depths from the surface to a depth of 2,500 feet subsurface, inclusive, 160 acres plus a 10 % tolerance thereof

(vii) For gas wells produced from depths below 2,500 feet subsurface, 640 acres, plus a tolerance of 10% thereof;

(viii) In the event that the governmental authority having jurisdiction prescribes or permits the creation of drilling or proration units having a larger area above specified for Well Tracts, then said Well Tracts shall conform substantially in size with said drilling or proration units prescribed or permitted by governmental regulations.

(b) For the purpose of this Paragraph 18 and the pooling provisions of Paragraph 12. A, a well drilled horizontally or highly deviated is one wherein the horizontal or highly deviated portion of the well bore enters the objective formation and thereafter maintains at an angle of 110 degrees or less from vertical portion of the well bore.

(c) It is understood that should all or any portion of the lands described herein pooled or unitized under the provisions of Paragraph 12.A or 12.B above, that land so pooled or unitized shall be considered as being within the "Well Tract" of said pooled unit or cooperative plan for so long as said lands remain within the pooled unit or cooperative plan.

(d) A "Continuous Development Program" for purposes of this paragraph shall consist of a period during which Lessee conducts operations for the drilling of a well on the leased premises, or lands pooled therewith, with no lapse of more than one hundred eighty (180) days between the completion or plugging and abandoning of one well and commencement of drilling operations on the next succeeding well, and with operations for drilling and completion or plugging and abandonment on each well being conducted with no cessation of



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more than sixty (60) consecutive days. For the purposes of this paragraph, "completion" of a well shall be deemed the date on which completion report, Form 5, is filed with and pursuant to the Colorado Oil and Gas Conservation Commission.

(e) This provision affects the secondary term of this lease as set forth in the habendum clause, but it shall not alter the effect of any of the other provisions of this lease which relate to lease maintenance, either before or after a contraction of the lease premises under the terms of this paragraph, including, without limitation, the shut-in provisions, the savings clause and the force majeure clause.

19. Notwithstanding the termination of this lease for the purposes of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas as to a portion of the Leased Premises pursuant to Paragraph 18 or pursuant to Paragraph 12.C, insofar as it is within the power of Lessor to grant same, Lessee shall nevertheless continue to have the right of ingress and egress, together with easements and rights-of-way for roads, pipelines and other facilities on, over and across all of the Leased Premises in order to continue to conduct its operations on all lands remaining subject to this lease for the purposes of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas and for all purposes described herein, provided that said rights of ingress and egress shall be non-exclusive and Lessor shall have full right and authority to grant oil and gas leases to other parties and Lessor and such other parties shall have full rights to the concurrent use of all easements and rights-of-way for roads, pipelines and other facilities on, over and across all of the Leased Premises then existing or thereafter created.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Richard J. Rem

Richard J. Rem
Title: President
Social Security or Tax ID Number: SS # 840-46-4328

ACKNOWLEDGMENT-CORPORATION

STATE OF _____

COUNTY OF _____

On this _____ day of _____, A.D. 2005, before me personally appeared Richard J. Rem, to me personally known, who, being by me duly sworn, did say that he is the President of Victor American Fuel Company and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Richard J. Rem acknowledged said instrument to be free act and deed of said corporation.

WITNESS my hand and seal this _____ day of _____ A.D. 2005

[SEAL]

Notary Public

My Commission Expires: _____ address: _____

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Key Notary Public County, CO 6 LRSR 41.00 D 0.00

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of MARIN } ss.

On MAY 20, 2005 before me, LUKE ERICKSON STODDARD
Name and Title of Officer (e.g., Jane Doe, Notary Public)
personally appeared RICHARD J REM
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence



to be the person~~(s)~~ whose name~~(s)~~ ~~(I)~~ subscribed to the within instrument and acknowledged to me that ~~(he)~~/she/they executed the same in ~~(his)~~/their authorized capacity~~(ies)~~, and that by ~~(his)~~/her/their signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing: _____

