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8 Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines which traverse cultivated lands below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation), to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity 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. Likewise, units previously formed to include formations not producing oil or gas may be reformed to include such non-producing formations. The forming or reformation of any unit shall be accomplished by lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has heretofore been completed or upon which drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 unit bears to the total number of surface acres in such unit.

11. Lessee shall have the right to utilize, pool, or combine all or any part of the land described above 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 the land described above or any part thereof shall hereafter 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties, and in the event of an assignment or subletting by lessee, lessee shall be relieved and exonerated as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the covenants or conditions of this lease, either express or implied. No change in Ownership of the land, royalties, or other payments, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessor or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive royalties or other payments hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessor (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, 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 (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on 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 paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, wars, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

20. Lessor hereby grants to Lessee an option, which if exercised, will extend the primary term hereof for a period of Three (3) years from the expiration of the original primary term and so long thereafter as, drilling, redrilling, deepening, repairing and reworking or producing operations on the leased land continue without cessation for more than ninety (90) consecutive days. This option may be exercised by Lessee, its successors or assigns as to all or any portion of the leased premises at any time during the original primary term by paying or tendering to Lessor or to Lessor's credit at the address listed above, or its successors, which shall continue as the depository regardless of changes in ownership, the sum of (\$300.00) Three Hundred and 00/100 per net mineral acre, then extended, which shall operate to extend the primary term provided in this lease (or the portion or portions thereof to which the option has been exercised) for Three (3) additional years and it shall be considered for all purposes as though this lease, or any applicable portion thereof, originally provided for a primary term of Six (6) years. Any payment hereunder may be made by check or draft deposited in the mail or delivered to Lessor or to said depository bank on or before the last date for payment. In the event this lease is being maintained by any provision hereof at the expiration of the original term, Lessee shall have a period of thirty (30) days from the date this lease ceases to be maintained within which to exercise this option.

WHEREOF witness our hands as of the day and year first above written.

HFE, LLC

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

ACKNOWLEDGMENT-INDIVIDUAL

STATE OF Colorado

COUNTY OF Denver

DORA M. HAHN
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires Aug. 7, 2014

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 17 day of August, 2014

personally appeared Gathlene Eyzendale to me known to be the identical person s described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same 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 affixed my notarial seal the day and year last above written.

My commission expires: August 7, 2014

Dora M. Hahn

Address: 4593 Pecos St Denver Colorado

EXHIBIT "A"

Attached and made a part of that certain Oil and Gas Lease dated _____, 2011, by and between HFE, LLC, as Lessor and Sundance energy, Inc., as Lessee.

Township 4 North, Range 68 West, 6th P.M.

Section 22: S/2SW, S/2SE, Excepting therefrom a tract of land conveyed to the Department of Highways by Deed recorded January 20, 1959 in Book 1522 at Page 541, Also Excepting therefrom a tract of land conveyed to the Department of Highways by Deed recorded August 27, 1959 in Book 1539 at Page 239.

EXHIBIT "B"

Exhibit "B" made a part of that certain oil and gas lease dated _____, 2011 between **HFE, LLC** of 4591 Grove Street, Denver, CO 80211, as Lessor (whether one or more) and Sundance Energy, Inc. 380 Interlocken Crescent, #601, Broomfield, CO 80021, as Lessee, covering the following described lands situated in Weld County, Colorado, to-wit:

See Exhibit "A" attached hereto and made a part hereof

containing 152.42 acres, more or less

It is understood and agreed by Lessor and Lessee that there is presently outstanding a recorded oil and gas lease (hereinafter referred to as the "Existing Lease") whose primary term has not yet expired and which covers all or part of said lands. Said Existing Lease is described as follows:

Township 4 North, Range 68 West, 6th P.M.

Section 22: S/2SW, S/2SE, Excepting therefrom a tract of land conveyed to the Department of Highways by Deed recorded January 20, 1959 in Book 1522 at Page 541, Also Excepting therefrom a tract of land conveyed to the Department of Highways by Deed recorded August 27, 1959 in Book 1539 at Page 239.

It is the intent of the Lessor and Lessee that this Lease will commence, at Lessee's option (see 2 below), only when the Existing Lease has terminated or expired. If any portions of the captioned lands listed on the Existing Lease are still in effect for any reason under the terms of the Existing Lease, then this Lease will commence only as to those lands not continued in effect under the terms of the Existing Lease. Accordingly, the commencement date of this Lease, which will be its effective date, will be as follows:

- 1) If the Existing Lease terminated upon the expiration of its primary term, this Lease will commence January 30, 2012;
- 2) If the Existing Lease terminates during its primary term for any reason whatsoever, this Lease will commence immediately upon such termination.

The consideration to be paid by Lessee to Lessor, as set forth above is to be paid in two (2) separate installments as follows:

1. The first installment constitutes ten percent (10%) of the total consideration for the execution of this lease, and Lessor has been issued a thirty (30) business day sight draft therefore, which is subject only to approval of title. The existence of or extension of the Existing Lease shall not be considered a title defect for purposes of such approval.
2. The second installment, constituting the balance of the total consideration, is to be paid by draft or company check, payable to Lessor within fifteen (15) business days of the expiration of the primary term of the Existing Lease, or within fifteen (15) business days after receipt of notice of the expiration of the Existing Lease if said lease is terminated prior to the expiration date, unless Lessee, at its option, determines not to pay said installment.

Signed for Identification:
HFE, LLC

By: _____