

**OIL AND GAS LEASE  
(NO SURFACE OCCUPANCY)**

This AGREEMENT, Made and entered into the 10th day of June 2009 by and between Mariano Ledezma and Susan M. Ledezma, husband and wife, whose address is P.O. Box 2348, Edwards, CO 81632 hereinafter called Lessor (whether one or more) and Williams Production RMT Company whose address is 1515 Arapahoe Street, Tower 3, Suite 1000, Denver, CO 80202, 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 operating for and producing therefrom oil and gas beneath that certain tract of land situated in the County of Garfield, State of Colorado, described as follows, to-wit:

That tract of land described on EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF (the "Leased Lands")

and containing 8.09 acres, more or less. This lease does not include any rights to coalbed gas and occluded gas from coal seams.

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 leased 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 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 or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall 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 shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the cash down 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 obligation thereafter accruing as to the acreage surrendered.

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

1<sup>st</sup> To deliver to the credit of Lessor, free of cost, in the pipe line the equal 18% part of all oil produced and saved from the leased premises.

2<sup>nd</sup> For natural gas produced from the leased premises and sold, 18% of the gross proceeds from such sale. The price to be used in calculating royalties for natural gas shall be Lessee's weighted average sales price for gas produced from the Piceance Basin. Lessee shall be responsible for paying 100% of any costs incurred to dehydrate, separate, save, treat, stabilize, process, compress, gather, store, market or condition for market any natural gas produced from the leased premises or lands pooled therewith. Lessor, however, shall bear its proportionate share of the cost of transporting gas from the point it enters the interstate pipeline to the ultimate point of sale. Taxes shall be deducted from Lessor's proceeds as required by law.

3<sup>rd</sup> To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of 18% of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

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 One Dollar per year per net royalty 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. This Lease may not be considered producing by payment of shut-in royalties for periods in excess of three (3) consecutive years.

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 no right, and hereby waives any right, without prior written consent of Lessor being first obtained, to enter upon, use, or occupy any portion of the surface of the Leased Lands described above, and shall have no right, without prior written consent of Lessor, to drill any well or wells from the surface of that portion of the Leased Lands hereinafter described, nor to use the surface thereof for any purpose whatsoever. Lessee may, however, slant-drill into said land and produce all of the substances covered by this lease lying in producing intervals which are under, beneath or recoverable from said lands by means of a well or wells, the surface drill sites of which are located on other lands, including that portion of the Leased Lands not hereinafter particularly described, and which well or wells are slant-drilled through and into the Leased Lands the producing intervals of which are bottomed under the same, and produce the substances therefrom. Lessee shall have such rights-of-way, easements and servitudes in and through the subsurface of the Leased Lands as may be required to so drill and produce; however, all of Lessee's subsurface activities shall be conducted so as not to interfere at any time or in any manner with Lessor's use of the surface and so much of the subsurface of the said lands which may be required for any purpose or use whatsoever which Lessor may wish to make of the same at any time in the future.

7. 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. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission or any other leasehold owner.

8. Lessee may pool the leasehold estate and/or the mineral estate covered by this Lease with other leasehold estates and mineral estates in a 160 acre pooled area or into a smaller size pool. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from the interest so pooled royalties only on the portion of such production allocated to this Lease; such allocation shall be that proportion of the pooled production that the total number of mineral acres covered by this Lease and included in the pooled unit bears to the total number of mineral acres in the pooled unit.

9. 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.

10. Lessor hereby 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 Lessors, 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.

11. Lessor hereby agrees that all of the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

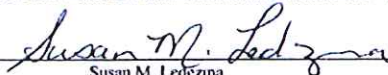
12. If Lessee is rendered unable, wholly or in part by force majeure, to carry out its obligations under this agreement, other than any obligation to make any payments, Lessee shall give to Lessor, written notice of the force majeure within thirty (30) days of said condition, with reasonably full particulars, and thereupon the obligations of Lessee, so far as the same are affected by the event of force majeure, shall be suspended during, but not longer than the continuance of the force majeure event, plus such reasonable further period of time, if any, required to resume the suspended operation. Lessee shall use all reasonable diligence to remove the force majeure situation as quickly as practicable; provided, that it shall not be required to settle strikes, lockouts or other labor difficulties contrary to its wishes, and the manner in which such difficulties are to be handled shall be entirely within the discretion of Lessee. "Force majeure" means an act of God, strike, lock-out or other industrial disturbance, act of the

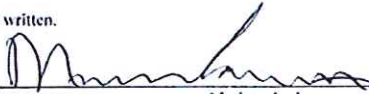
public enemy, war, blockade, public riot, lightning, fire, storm, flood or other adverse weather condition, explosion, governmental action, governmental inaction, restraint or delay, unavailability of equipment or any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of Lessee. This provision shall not operate to extend this lease for more than five (5) years cumulative and shall not release the Lessee from paying the following: royalties on actual production, compensatory royalties that may be due by reason of violations of the express or implied covenants, rentals, and shut-in payments.

13. This Lease is expressly made and accepted subject to all prior conveyances, requirements, conditions, and covenants of record and is without any covenant or warrant of title or any kind whatsoever and is without recourse against Lessor.

14. A memorandum of this lease shall be signed by the Lessor, which memorandum shall be placed in the public records of Garfield County, Colorado as evidence of this lease.

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

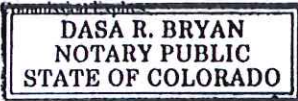
  
Susan M. Ledezma

  
Mariano Ledezma

STATE OF COLORADO )  
 ) §  
COUNTY OF )

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 10<sup>th</sup> day of June, 2009 personally appeared Mariano Ledezma and Susan M. Ledezma, to me known to be the identical persons described in that Oil and Gas Lease and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed.

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

My Commission Expires  
  
DASA R. BRYAN  
NOTARY PUBLIC  
STATE OF COLORADO  
My Commission Expires 10/22/2011

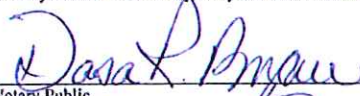
  
Notary Public  
PO Box 370 Parachute, CO 81635  
Address:



Exhibit "A"  
Attached to and made a part of that certain  
Oil and Gas Lease dated June 10<sup>th</sup>, 2009,  
Between Mariano Ledezma and Susan M. Ledezma as Lessor, and  
Williams Production RMT Company, as Lessee

Township 7 South, Range 96 West, 6th P.M.

Section 23: That portion of the accretion, reliction and the riverbed of the Colorado River attributable to the following described lands and lying in Lot 5 and the E/2SE/4 of Section 23:

Beginning at the Southeast Corner of said Section 23 being a brass cap found in place: Thence along the South line of said SE/4 of Section 23 North 88° 03' 38" West a distance of 825.98 feet:

Thence North 00° 00' 51" East a distance of 561.17 feet:

Thence North 77° 49' 28" West a distance of 1488.72 feet to a point on the centerline of the Colorado River:

Thence along the centerline of the Colorado River for the following three (3) courses:

- 1) North 19° 57' 20" West a distance of 65.96 feet;
- 2) Thence North 17° 35' 35" West a distance of 308.24 feet;
- 3) Thence North 05° 47' 38" East a distance of 146.47 feet:

Thence South 78° 07' 40" East a distance of 2424.33 feet to a point on the East line of said SE/4 of Section 23:

Thence along the East line of said SE/4 of Section 23 South 00° 34' 13" East a distance of 905.93 feet to the point of beginning.

Containing 5.63 acres, more or less, in Garfield County, Colorado

Township 7 South, Range 96 West, 6th P.M.

Section 23: That portion of the accretion, reliction and the riverbed of the Colorado River attributable to the following described lands and lying in Lot 5 and the E/2SE/4 of Section 23:

Beginning at a point on the South line of the SE/4 of Section 23, whence the southeast Corner of said Section 23 bears South 88° 03' 38" East a distance of 825.98 feet:

Thence along the South line of said SE/4 of Section 23 North 88° 03' 38" West a distance of 574.50 feet to the East Sixteenth Corner of Section 23 and Section 26:

Thence along the East line of the NW/4NE/4 of said Section 26 South 00° 35' 21" West a distance of 1304.57 feet: thence South 00° 33' 41" West a distance of 8.74 feet to a point on the North right-of-way of County Road 300:

Thence along the North right-of-way for the following two (2) courses:

- 1) along the arc of a curve to the left 63.17 feet, said curve having a radius of 617.04 feet, a central angle of 5° 51' 55", and a chord which bears South 20° 29' 40" West a distance of 63.14 feet;
- 2) Thence along the arc of a curve to the right 95.74 feet, said curve having a radius of 1597.16 feet, a central angle of 3° 26' 04", and a chord which bears South 19° 16' 44" West a distance of 95.72 feet:

Thence North 70° 12' 10" West a distance of 342.99 feet: thence North 07° 33' 39" West a distance of 1552.41 feet:

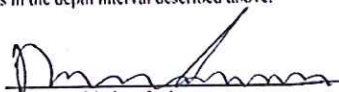
Thence North 26° 53' 56" West a distance of 356.68 feet to a point on the centerline of the Colorado River:

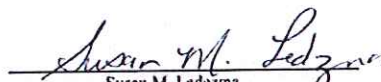
Thence along the centerline of the Colorado River North 19° 57' 20" West a distance of 367.34 feet:

Thence South 77° 49' 28" East a distance of 1488.72 feet: thence South 00° 00' 51" West a distance of 561.17 feet to the point of beginning.

Containing 2.46 acres, more or less, in Garfield County, Colorado

Including any right, title and interest Lessor may have in and to any mineral rights lying in or under any and all streets, county roads, highways, railroad strips and / or rights-of-way, canals, ditches and other waterways lying across and / or adjacent and / or in any way appertaining to the lands in the depth interval described above.

  
Mariano Ledezma

  
Susan M. Ledezma