

PRODUCERS 88-PAID UP
Rev. 5-60, No. 2-Spt.
Spec. CO

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 4th day of March, 2012, by and between Randall S. Laniz and Pamela A. Laniz, whose address is 142 Silverton Circle, Parachute, CO 81635, hereinafter called "Lessor" (whether one or more) and WPX Energy Rocky Mountain, LLC, whose address is 1058 County Road 215, Parachute, CO 81635, 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 there from oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Garfield, State of Colorado, described as follows, to-wit:

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

and containing 6.88 acres, more or less, in Garfield County, Colorado.

1. It is agreed that this lease shall remain in force for a term of Five (5) 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.

In the event a well or wells is drilled and completed on the lands, or on the lands pooled therewith, for the purpose of developing coalbed gas, the word "operations" shall mean, in addition to those matters covered in the preceding paragraph, (1) operations of said wells to remove water or other substances from the coalbed, or to dispose of such water or other substances, even though such operations do not result in the production of hydrocarbons in paying quantities, or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.

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 obligation 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 Eighteen percent (18%) part of all oil produced and saved from the leased premises.
 - 2nd To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, Eighteen percent (18%) of the net proceeds derived from such sale or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of Eighteen percent (18%) of such gas and casinghead gas, Lessor's interest, in either case, to bear Eighteen percent (18%) of the cost of transporting such gas and casinghead gas from the mouth of the well to the point of sale or use.
 - 3rd 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 Eighteen percent (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 Ninety (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.

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 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.
7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.
8. No well shall be drilled nearer than Two-Hundred (200) feet to the house or barn, now on said premises without written consent of Lessor.
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) 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 or any other leasehold owner.

12. Lessee, at its option, 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 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 reforming 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 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 this 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 unit bears to the total number of surface acres in such unit. In addition to the foregoing, 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 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. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency be executing the same upon request of Lessee.

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.

14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and 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.

15. Should any one or more of the parties hereinabove 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 the intent to lease all acreage owned by Lessor within the E/2 Section 23, Township 7 South, Range 96 West, whether described properly or not in this Oil and Gas Lease.

17. 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, prompt written notice of the force majeure, 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.

(Signatures and Acknowledgements Continued on Next Page)

A22 116554

WHEREUP, THIS INSTRUMENT IS EXECUTED AS OF THE DATE FIRST ABOVE WRITTEN.

Randall S. Lantz
Randall S. Lantz

Pamela A. Lantz
Pamela A. Lantz

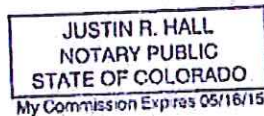
STATE OF COLORADO
COUNTY OF GARFIELD

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT-INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 29th day of February, 2012, personally appeared Randall S. Lantz, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his 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 05/16/15



Justin R. Hall
Notary Public

Address: 1058 County Rd. 215, Parachute,
Colorado 81635

STATE OF COLORADO Louisiana
COUNTY OF GARFIELD Parachute

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT-INDIVIDUAL

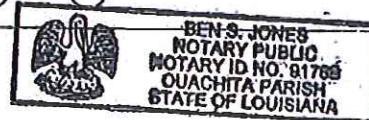
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 6th day of March, 2012, personally appeared Pamela A. Lantz, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly 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 affixed my notarial seal the day and year last above written.

My Commission Expires at Death

Ben S. Jones
Notary Public

Address:



After Recordation Please Return To:
WPX Energy Rocky Mountain, LLC
Attn: Land Dept.
PO Box 370
Parachute, CO 81635

Exhibit "A"

Attached to and made a part of that certain
Oil and Gas Lease dated March 6th, 2012,
between Randall S. Lantz and Pamela A. Lantz, as Lessor,
and WPX Energy Rocky Mountain, LLC, 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 the SE/4 of Section 23:

Beginning at the Northeast Corner of the SE/4SE/4 of said Section 23 being a brass cap found in place;
thence along the East line of said SE/4 of Section 23 South 00°34'13" East a distance of 433.54 feet;

Thence North 78°07'40" West a distance of 2424.33 feet to a point on the centerline of the Colorado River;

Thence along the centerline of the Colorado River for the following two (2) courses:

- 1) North 05°47'38" East a distance of 351.21 feet;
- 2) Thence North 22°02'00" East a distance of 276 feet;

Thence South 80°58'40" East a distance of 2057.96 feet to a point on the Westerly right-of-way line of County Road 300;

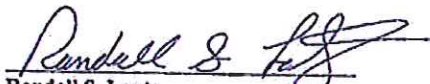
Thence along said Westerly right-of-way for the following three (3) courses:

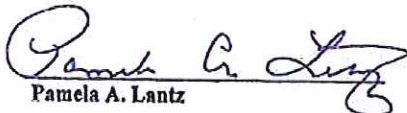
- 1) South 09°23'39" West a distance of 78.54 feet;
- 2) Thence South 10°23'54" West a distance of 194.03 feet;
- 3) Thence South 08°34'48" West a distance of 64.16 feet;

Thence South 81°25'12" East a distance of 60.51 feet to a point on the Easterly right-of-way line of County Road 300;

Thence South 87°56'48" East a distance of 194.37 feet to the point of beginning.

The total of which contains 6.88 acres, more or less, in Garfield County, Colorado.


Randall S. Lantz


Pamela A. Lantz