

Producers 88

OIL AND GAS LEASE

AGREEMENT, entered into the July 18, 2012 by and between David P. Veldman, acting in his sole and separate property, whose address is 760 Whalers Way, Building A, Suite 200, Fort Collins, CO 80525 hereinafter called Lessor and Bayswater Exploration and Production, LLC whose address is 730 17th Street Suite 610, Denver, CO 80202 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more Dollars (\$10.00+) 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 Larimer, State of Colorado, described as follows, to-wit:

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

12: A portion of land lying west of the irrigating canal, containing 91.12, more or less, the W/2SE/4, S/2SW/4.

13: W/2NE/4, E/2NW/4

14: SE/4SW/4, SW/4NE/4

Containing 331.12 acres, more or less

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