



OIL AND GAS LEASE

AGREEMENT, Made and entered into the 20th day of October, 19 97, by and

Mary Anne Bosely

Whose post office address is P.O. Box 26, Woody Creek, CO 81656, hereinafter called Lessor (whether one or
Barrett Resources Corporation whose post office address is 1515 Arapahoe, Denver, CO 80202, hereinafter call

WITNESSETH, That the Lessor, for and in consideration of Ten and more (10.00+)
cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased a
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
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
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
Garfield State of Colorado
described as follows, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF:

- and containing 498.00 acres, more or less. This lease shall specifically include coalbed gas and occluded gas from coal seams.
1. It is agreed that this lease shall remain in force for a term of five years from this date and as long thereafter as oil or gas of whatsoever nature produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the 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 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; operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of or 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 product should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within (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 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 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 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 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 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 one-eighth (1/8) 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, one-eighth of the net proceeds derived from such 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 one-eighth of such gas lesshead gas, Lessor's interest, in either case, to bear one-eighth of the cost of compressing, dehydrating and otherwise treating such gas or casinghead gas if marketable or usable and one-eighth of the cost of gathering and transporting such gas and casinghead gas from the mouth of the well to the point of sale.
 - 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 (1/8) 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 y 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 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 it will be considered that gas is being produced within the meaning of this lease.
 5. If said Lessee owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including 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 a unit land for Lessee's operation thereon. Lessor shall have the free of cost foot any well on the lands covered herein for use in the principal dwelling house on said lands at the date of this lease. Lessor shall be fully for conditioning the gas for domestic use and the safety and maintenance of connecting lines.
 7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.
 8. No well shall be drilled nearer than 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 oil.
 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 other be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information 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 five, 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 tions 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 i no leasehold owner shall be liable for any act or omission of 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 produ 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 est 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 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 previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or re any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall descri Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced, i 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 a 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, inclue gas royalties, Lessor shall receive on production from the unit so pooled royalties equal on the portion of such production allocated to this lease; such allo be the 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 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 a 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 a 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, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with 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 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 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 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 an 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 exprt content to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same u of Lessee.
 13. 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 w does" shall mean, in addition to those matters covered in the preceding sentence, (1) operations of said wells to remove water or other substances from i 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) or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.
 14. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this 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 ti result of, any such Law, Order, Rule or Regulation.
 15. 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 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 subv rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of hereinafter 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 re 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 par 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 of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

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

Mary Anne Bosely

516757 11/20/1997 04:02P B1043 P359 M
1 of 3 R 16.00 D 0.00 GARFIELD COUNTY

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED OCTOBER 20, 1997 BY AND BETWEEN MARY ANNE BOSELY, AS LESSOR, AND BARRETT RESOURCES CORPORATION, AS LESSEE.

AS TO ALL FORMATIONS:

TOWNSHIP 7 SOUTH, RANGE 96 WEST, 6TH P.M.

SECTION 14: SW/4SE/4

SECTION 23: W/2SW/4

SECTION 27: LOT 1, N/2NE/4, SW/4NE/4

Excepting Therefrom: A tract of land situated in the W/2NE/4, Lot 1 & 2, Section 27, Township 7 South, Range 96 West of the 6th P.M., beginning at a point whence the north 1/4 corner of said Section 27 bears N. 2 degrees 48' west 285 feet; thence S. 1 degrees 15' east 3676 feet; thence N. 89 degrees 16' east 157 feet; thence N. 32 degrees 35' E. 400 feet; thence N. 38 degrees 07' E. 1143 feet; thence N. 44 degrees 28' E. 476 feet; thence N. 33 degrees 04' E. 76 feet; thence N. 55 degrees 19' E. 455 feet; thence N. 49 degrees 37' W. 176 feet; thence N. 74 degrees 13' W. 121 feet; thence N. 29 degrees 09' W. 228 feet; thence N. 47 degrees 47' W. 378 feet; thence N. 51 degrees 44' W. 545 feet; thence N. 63 degrees 54' W. 289 feet; thence N. 23 degrees 35' W. 290 feet; thence N. 87 degrees 46' W. 178 feet; thence N. 22 degrees 58' W. 285 feet; thence N. 59 degrees 35' W. 248 feet to the point of beginning.

AND INCLUDING THOSE LANDS FROM THE BASE OF THE MESAVERDE FORMATION AND BELOW THAT WERE EXCLUDED IN THE OIL AND GAS LEASES TO EXXON CORPORATION AS FILED IN BOOK 814, PAGES 256 AND 259, IN THE OFFICE OF THE GARFIELD COUNTY CLERK AND RECORDER, AND DESCRIBED AS FOLLOWS:

TOWNSHIP 7 SOUTH, RANGE 96 WEST, 6TH P.M.

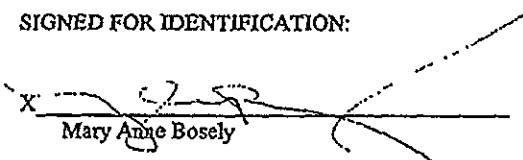
SECTION 22: S/2SE/4

SECTION 23: LOT 2, E/2NW/4, SW/4NW/4 —

ADDITIONAL PROVISIONS:

1. Notwithstanding anything contained herein to the contrary, wherever the term one-eighth (1/8) appears herein, it shall be amended to read fifteen percent (15%).
2. Lessee agrees not to drill a well South of the Denver & Rio Grande Western Railroad in the SW/4SW/4 of Section 23, Township 7 South, Range 96 West, 6th P.M.

SIGNED FOR IDENTIFICATION:

X 
Mary Anne Bosely