

THIS AGREEMENT, Entered into this the 17th day of December, 19 84  
between Edward Forshee and Marie Forshee, husband and wife  
3171 309 Road  
Rifle, CO 81650  
and Barrett Energy Company, 405 Urban St., Lakewood, CO 80228  
hereinafter called lessor,  
hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and more----- Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling, and the drilling, mining, and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline and all other gases and their respective constituent vapors, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, telephone lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and for housing and boarding employees, said tract of land with any reversionary rights therein being situated in the County of Garfield

State of Colorado, and described as follows:

See Exhibit "A"

and containing 314.00 acres, more or less.  
Feb. 14, 1985

2. It is agreed that this lease shall remain in full force for a term of Five (5) years from this date, and as long thereafter as oil or gas, or either of them, is produced from said land (or from lands with which said land is consolidated) or the premises are being developed or operated.

3. In consideration of the premises the said lessee covenants and agrees:  
To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

4. The lessee shall monthly pay lessor as royalty on gas marketed from each well where gas only is found, one-eighth (1/8) of the proceeds if sold at the well, or if marketed by lessee off the leased premises, then one-eighth (1/8) of its market value at the well. The lessee shall pay the lessor: (a) one-eighth (1/8), of the proceeds received by the lessee from the sale of casinghead gas, produced from any oil well; (b) one-eighth (1/8) of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas, produced from any oil well and used by lessee off the leased premises for any purpose or used on the leased premises by the lessee for purposes other than the development and operation thereof. Lessor shall have the privilege at his own risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwelling located on the leased premises by making his own connections thereto.

Where gas from a well or wells, capable of producing gas only, is not sold or used for a period of one year, lessee shall pay or tender as royalty, an amount equal to the delay rental as provided in paragraph (5) hereof, payable annually on the anniversary date of this lease following the end of each such year during which such gas is not sold or used, and while said royalty is so paid or tendered this lease shall be held as a producing property under paragraph numbered two hereof.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 14th day of February, 19 86, this lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor or for the lessor's credit in

the First National Bank at Rifle, CO 81650, or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in

said land or in the oil and gas or in the rentals to accrue hereunder, the sum of Three hundred fourteen & no/100 Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred. Lessee may at any time execute and deliver to Lessor, or place of record, a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereon is reduced by said release or releases.

6. Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof shall continue in force just as though there had been no interruption in the rental payments.

7. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of, this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing. Lessee agrees, upon the completion of any test as a dry hole or upon the abandonment of any producing well, to restore the premises to their original contour as near as practicable and to remove all installations within a reasonable time.

9. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.

10. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for re-working or drilling a well within sixty (60) days from such cessation and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

13. Lessee is hereby given the right at its option, at any time and from time to time, to pool or unitize all or any part or parts of the above described land with other land, lease, or leases in the immediate vicinity thereof, such pooling to be into units not exceeding the minimum size tract on which a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization: provided, however, that such units may exceed such minimum by not more than ten acres if such excess is necessary in order to conform to ownership subdivisions or lease lines. Lessee shall exercise said option, as to each desired unit, by executing and recording an instrument identifying the unitized area. Any well drilled or operations conducted on any part of each such unit shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the above described land included in any such unit such proportion of the actual production from all wells on such unit as lessor's interest, if any, in such portion, computed on an acreage basis, bears to the entire acreage of such unit. And it is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the above described land included in such unit in the same manner as though produced from the above described land under the terms of this lease.

14. This lease and all its terms, conditions and stipulations shall extend to, and be binding on each of the parties who signs this lease, regardless of whether such lessor is named above and regardless of whether it is signed by any of the other parties herein named as lessors. This lease may be signed in counterparts, each to have the same effect as the original.

IN WITNESS WHEREOF, we sign the day and year first above written.

Witness: 15. This lease is subject to a letter agreement dated December 17, 1984 between Barrett Energy Company, as Lessee and Edward Forshee and Marie Forshee as Lessors.

Edward Forshee  
Edward Forshee

Marie Forshee  
Marie Forshee



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STATE OF Colorado } ss. Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,  
COUNTY OF Garfield } Nebraska, North Dakota, South Dakota  
ACKNOWLEDGMENT—INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 24  
day of December, 19 84, personally appeared Edward & Marie Forshee  
and \_\_\_\_\_  
\_\_\_\_\_, 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 \_\_\_\_\_ duly executed the same as \_\_\_\_\_ 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 5.3.86 \_\_\_\_\_  
James L. Pick  
Notary Public.  
Address: PO Box 1340  
Rifle, CO 81650

STATE OF \_\_\_\_\_ } ss. Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,  
COUNTY OF \_\_\_\_\_ } Nebraska, North Dakota, South Dakota  
ACKNOWLEDGMENT—INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this \_\_\_\_\_  
day of \_\_\_\_\_, 19\_\_\_\_\_, personally appeared \_\_\_\_\_  
and \_\_\_\_\_  
\_\_\_\_\_, 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 \_\_\_\_\_ duly executed the same as \_\_\_\_\_ 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 \_\_\_\_\_  
\_\_\_\_\_  
Notary Public.  
Address: \_\_\_\_\_

STATE OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT (For use by Corporation)  
COUNTY OF \_\_\_\_\_ }

On this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 19\_\_\_\_\_, before me personally  
appeared \_\_\_\_\_, to me personally known, who, being by  
me duly sworn, did say that he is the \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of  
said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said  
\_\_\_\_\_ acknowledged said instrument to be free act and deed of said corporation.  
Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 19\_\_\_\_\_.  
\_\_\_\_\_  
Notary Public.  
Address: \_\_\_\_\_

(SEAL)  
My Commission expires \_\_\_\_\_

No. _____	FROM	TO	Dated _____, 19____	No. Acres _____	County, _____	Term _____	This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in _____ volume _____ of the records of this office.	County Clerk.	By _____ Deputy.
When recorded return to <b>HUNT WALKER</b> P. O. BOX 2409 DENVER, CO 80201-2409									

This EXHIBIT "A" is attached to and made part of that certain Oil and Gas Lease dated December 17, 1984 between Edward Forshee and Marie Forshee, husband and wife, as Lessor, and Barrett Energy Company as Lessee.

Township 7 South, Range 95 West, 6th P.M.

Tract 1

Section 2: SW $\frac{1}{4}$ NW $\frac{1}{4}$  less a tract described as beginning at the SE corner of SW $\frac{1}{4}$ NW $\frac{1}{4}$ , thence North 400 feet, thence Southwest 400 feet to a point 158 feet North of the South line of SW $\frac{1}{4}$ NW $\frac{1}{4}$ , thence West 172 feet to a point 162 feet North of the South line of SW $\frac{1}{4}$ NW $\frac{1}{4}$ , thence Southwest 250 feet to a point on the South line of SW $\frac{1}{4}$ NW $\frac{1}{4}$  100 feet West of the NW corner of Tract 2 of the Morrisania Ranch, thence East along the South line of the SW $\frac{1}{4}$ NW $\frac{1}{4}$  762 feet to the point of beginning;

Section 2: All of tracts 1, 15, 16, 17, 18, 19, and 33 of Morrisania Ranch according to map thereof on file in the office of the Clerk and Recorder of Garfield County, Colorado;

Also, that part of the SW $\frac{1}{4}$  of said Section 2 lying East of tracts 1, 16, 17, 18 and 33 of the Morrisania Ranch;

Section 3: Lot 4 (18.25 ac.), Lot 5 (20.00 ac.), S $\frac{1}{2}$ NE $\frac{1}{4}$ ;

Section 2 & 3: A tract of land beginning at a point 150 feet West of the SW corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of said Section 2, thence along the center of Campbell Gulch to the North line, extended, of Tract No. 14 of the Morrisania Ranch; thence East 200 feet along said line thence, Northeasterly along the fence line as now constructed to a point on the North line of Tract No. 3 of said Morrisania Ranch, 100 feet West of the NE corner of said Tract No. 3, thence West 650 feet, more or less, to the point of beginning;

Tract 2

Meander Lands: A tract of land containing 41.25 acres, more or less, contiguous to ~~Tract 1~~ and described as bounded on the East by the East line of Section 3; on the West by the North and South center line of Section 3; on the North by the center line of the Colorado River and on the South by the South meander line of the Colorado River and the North line of ~~Tract 1~~; ~~LOT 4 & 5~~ ~~87 mg~~

87 mg

It is the intention of the Lessors to lease and they do hereby lease all of their ownership in the above described lands, including any meander lands, accretion rights and riparian rights which may be owned or claimed by Lessors.

SIGNED FOR IDENTIFICATION:

Edward Forshee  
Edward Forshee

Marie Forshee  
Marie Forshee

GARFIELD COUNTY

FEES \$ 900 per ck  
100