

STATE OF COLORADO
State Board of Land Commissioners
Department of Natural Resources
Denver, Colorado

COMMUNITIZATION AGREEMENT

Approval and Certification Covering State Lands included in the Communitization Agreement hereinafter called the Agreement for the Development and Operation of State Well Antelope 41-44-31H2 in the 240.00 acre Spacing Area, Colorado Oil and Gas Lease No.(s) 2146.12 located in Weld County, State of Colorado.

Acting under the authority vested in the Colorado State Board of Land Commissioners by Colorado Revised Statute §36-1-115 (1973) and in order to secure the proper protection of the State's mineral interests, and to comply with the single drilling unit spacing orders, rules and regulations of the Colorado Oil and Gas Conservation Commission, and in consideration of the premises and for the mutual advantage to the parties herein, the Colorado State Board of Land Commissioners, hereinafter called the "Board", hereby:

- A. Approves said agreement and the rights and interests of the parties thereto represented thereby;
- B. Certifies that lands of the State of Colorado included in said Agreement shall, from the effective date thereof and concurrently therewith become subject thereto, all upon the conditions hereinafter set forth;
- C. Extends the term of that part of the acreage of such State of Colorado lease herein committed per paragraph H-2 herein;
- D. Certifies that said Agreement may remain in effect for so long as oil and gas, or either of them is produced in paying quantities from said communitized lands or the lessee or operator is diligently engaged in bona fide drilling or reworking operations on said lands. Drilling or reworking operations shall be deemed to be diligently performed if there is no delay or cessation thereof for a greater period than sixty consecutive days unless an extension in writing is granted by lessor. Provided that such drilling or reworking operations are commenced during said primary term or any extension thereof or while the lease is in force by reason of production of oil and gas or either of them, or that such reworking is commenced immediately upon cessation of production for the purpose of re-establishing the same, and provided further that such production is commenced during such primary term or any extension, or while the lease is in force by reason of such drilling or reworking operations or other production;
- E. Approves the inclusion of the following lands of the State of Colorado in the Agreement for the development and operation of the above well in the above Spacing Area, provided that said Agreement shall become effective as to the following State of Colorado lands now or hereafter included within the limits of the Communitized Area as to which lands the leases have been committed by the working interest owners, to wit:

	ACRES	DESCRIPTION OF LAND	SECTION	TOWNSHIP	RANGE
STATE	80.00	W/2NW/4, Section 32, Township 5 North, Range 62 West of the 6th P.M.			
NOT STATE	160.00	E/2 E/2, Section 31, Township 5 North, Range 62 West of the 6th P.M.			

- F. Royalty payable to the State shall be computed on the basis of the State's percent of the total communitized acreage multiplied by the State's share of the total production from the communitized acreage as specified by the terms of the lease.
- G. In consideration of the premises, the lessee covenants and agrees that during the existence of this Agreement lessee shall continue to pay to lessor the annual rental as indicated in the lease.
- H. This Approval and Certification is subject to the condition that nothing in the Agreement shall be construed as altering or waiving any of the following provisions or conditions relating to State of Colorado lands:

- 1. The Agreement herein referred to is subject to the laws of the State of Colorado and the United States of America and shall be construed in conformity therewith.
- 2. The Board agrees that upon the happening of one or more of the following events, which shall be cumulative in effect, the lease or leases covering the State of Colorado lands shall be extended beyond the term specified in Paragraphs C and D above only as to the lands so affected for the additional term hereinafter set forth by such events. As to lands under a lease or leases which are

not affected by the happening of one or more of the following events, expiration shall occur at the end of the term specified in said Paragraphs C and D above, and the extension herein provided for shall not apply to such unaffected lands; it being expressly understood that by this provision an extension may occur under the following provisions only as to those lands specifically included in the approved communitized area; provided that for the purpose of this separation, if any part of a forty-acre legal subdivision or its lot, tract or nearest aliquant equivalent thereof is in the communitized area, then such legal subdivisions or equivalents shall be considered in the extended category, it being further expressly understood that the inclusion of part of the lands covered by a lease in the communitized area shall not be construed so as to extend the term of the lease as to any lands covered by the lease not so included.

- (a) If a portion of the lands in such lease is at that time included in an approved communitized area, then the lease shall be extended for so long as said lands are included in the communitized area, but only as to that portion of the lands so affected.
- (b) If a portion of the lands is at that time included in an application for establishment of a communitized area, then the lease shall be extended for a period until the application is approved or rejected, but only as to that portion of the lands so affected. In no event shall any extension granted under the provisions of this paragraph exceed ninety (90) days.
3. The Board may extend any lease covering State of Colorado lands, as to all or any part of such land, for such additional period as the Board may determine advisable.

The State Board of Land Commissioners does hereby modify the drilling and production requirements of such lease or leases included in this plan to the extent necessary to conform the same to the Agreement and the aforesaid provisions.

I (WE), the Lessee(s) of the above listed State of Colorado lease(s) involved in the above named Spacing Area of the above named County in the State of Colorado, request the Board of Land Commissioners of the State of Colorado to execute the foregoing Approval and Certification, and accept and agree to all the conditions and stipulations therein contained.

Executed, this 10th day of October, 20 13

Attest:

Lessee:

Kerry A. McCowen

By Kerry A. McCowen, Vice President Rocky Mountain Operations

Attest:

By

Executed in behalf of the State of Colorado, acting by and through the State Board of Land Commissioners, on the 14th day of January 20 14, covering above listed State lands within the Antelope 41-44-31H2 Spacing Area of Weld County, Colorado.

Recommended:

Timothy J. Kelly
Timothy J. Kelly, Leasing Manager

STATE BOARD OF LAND COMMISSIONERS

Pete Milonas

Pete Milonas, Minerals Director

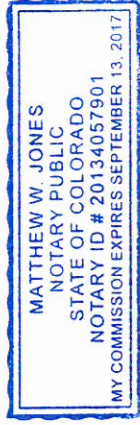


Attached to Communitization Agreement regarding Antelope 41-44-31HZ

STATE OF Colorado)
COUNTY OF Denver) ss.)

On the 2nd day of January, ^{14 *wpf*}~~2013~~, before me, the undersigned Notary Public, personally appeared, Kerry A. McCowen personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



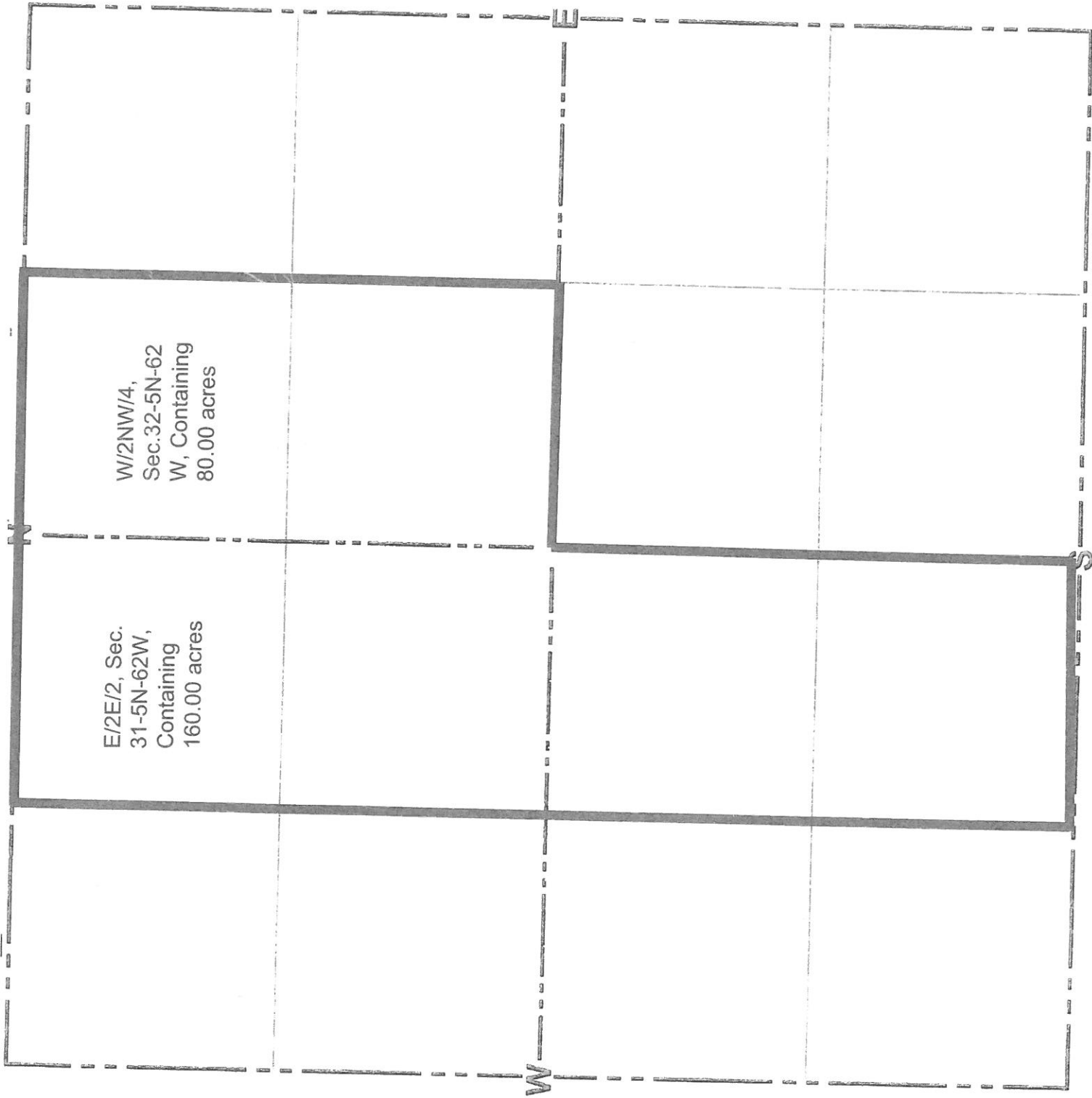
Matthew W. Jones
Notary Public

My Commission Expires 9/13/2017

Spacing Unit Diagram

Wells: Antelope 41-44-31HZ

Spacing Unit: E/2E/2, Sec. 31 & W/2NW/4, Sec. 32, T5N-62W
containing 240.00 acres more or less



SCALE FOR SECTION.
660 Ft. = 1 inch

Each side large blue squares = area of square 40 acres.

