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6. If at any time operations are conducted on said land and if all operations are discontinued, this lease shall terminate on the thirtieth (30th) day after such discontinuance unless on or before such anniversary date lessee either (1) conducts operations or (2) commences or resumes the payment or tender of delay rental; provided, however, if such anniversary date is at the end of the primary term, or if there is no further anniversary date of the primary term, this lease shall terminate at the end of such term or on the ninetieth (90th) day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 11 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas or other of said minerals; or the production of oil, gas or other of said minerals, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any of said minerals or horizons. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division in the ownership of said land, royalties, delay rental, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, delay rental, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by true and correct originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, delay rental, or other moneys, or part thereof, to the credit of the decedent in the depository bank provided for above. In the event of assignment of this lease to any part (whether divided or undivided) of said land, the delay rental payable hereunder shall be apportionable as between the several leasehold owners, ratably according to the surface area or undivided interests of each, and default in delay rental payment by one shall not affect the right of other leasehold owners hereunder.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting forth specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or prejudice has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square center in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be subject primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in said minerals, or any of them, in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the control of lessee, the primary term and the delay rental provisions hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. Lessor hereby expressly relinquishes dower and releases and waives all rights under and by virtue of the homestead exemption laws insofar as they may in any way affect the purpose for which this lease is made.

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

X  
Social Security or I.D. Number:  
Adra Baird Adra Baird  
X  
Social Security or I.D. Number:  
Robert G. Baird Robert G. Baird  
X  
Social Security or I.D. Number:  
Edward L. Baird, Jr. Edward L. Baird, Jr.  
X  
Social Security or I.D. Number:

X Maria Grubbs  
Social Security or I.D. Number:  
X Patricia Grubbs  
Social Security or I.D. Number:  
X John Grubbs  
Social Security or I.D. Number:  
X John Grubbs  
Social Security or I.D. Number:  
X John Grubbs  
Social Security or I.D. Number:

STATE OF Colorado

INDIVIDUAL ACKNOWLEDGMENT

COUNTY OF Dolores

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that Adra Baird, a widow and Robert G. Baird, a married man to me personally known, and known to me to be the same person described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that she executed and delivered the same as her free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead. Given under my hand and official seal this 25 day of August, 1983.

My Commission Expires: 12/17/85

John J. Baird  
Notary Public in and for said County and State, residing at Watson County

STATE OF Colorado

INDIVIDUAL ACKNOWLEDGMENT

COUNTY OF Dolores

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that Robert G. Baird, a married man and Adra Baird, a widow to me personally known, and known to me to be the same person described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that he executed and delivered the same as his free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead. Given under my hand and official seal this 11th day of August, 1983.

My Commission Expires:

John J. Baird  
Notary Public in and for said County and State, residing at Watson County

WHEN RECORDED RETURN TO:

This instrument was filed for record on the 25th day of July, 1983 at 9:45 o'clock A.M. and duly recorded in Book 712 Page 407-412 of the 22083 records of this office.  
Paulene White County Clerk ag  
State of Colorado

EXHIBIT "A"

This Exhibit is attached to and made a part of that certain Oil and Gas Lease dated June 15, 1983 between Adra Baird, a widow; Robert G. Baird, Edward L. Baird, Jr.; Marie Grubbs, Marguerite Wilson, Callie Cowling, each a married person dealing in his or her sole and separate property as lessors, and Shell Oil Company, as lessee.

NOTWITHSTANDING ANY OF THE PROVISIONS herein stated to the contrary:

- a) It is agreed and understood that this lease is only applicable to the Mississippian Leadville Formation as encountered in the interval between the stratigraphic depths of 9386 to 9688 feet in the Shell Federal 8-40-16 No. 1 well located 2199 feet from the west line and 706 feet from the North line of Section 8, Township 40 North, Range 16 West, N.M.P.M., Dolores County, Colorado.

Callie Cowling  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Robert G. Baird  
 \_\_\_\_\_  
Marie Grubbs  
 \_\_\_\_\_  
Ed Baird  
 \_\_\_\_\_  
Adra Baird  
 \_\_\_\_\_

p 408  
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own and homestead.

25<sup>th</sup> day of  
5 o'clock A.M.  
1983 of the

STATE OF Colorado )  
COUNTY OF Dolores ) SS.

I, Audrey Harchar, a Notary Public in and for said County and State, do hereby certify that Marie Grubbs, a married woman, to me personally known, and known to me to be the same person, described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that she executed and delivered the same as her free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead.

Given under my hand and official seal this 16 day of June, 1983.  
My Commission Expires:

Audrey Harchar, Dep. County Clerk  
Notary Public in and for said County and State, residing at Box Creek, CO.

STATE OF Colorado )  
COUNTY OF Dolores ) SS.

I, Audrey Harchar, a Notary Public in and for said County and State, do hereby certify that Marguerite Wilson, a married woman, to me personally known, and known to me to be the same person, described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that she executed and delivered the same as her free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead.

Given under my hand and official seal this 16 day of June, 1983.  
My Commission Expires:

Audrey Harchar, Dep. County Clerk  
Notary Public in and for said County and State, residing at Box Creek, CO.

STATE OF Colorado )  
COUNTY OF Dolores ) SS.

I, Audrey Harchar, a Notary Public in and for said County and State, do hereby certify that Callie Cowling, a married woman, to me personally known, and known to me to be the same person, described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that she executed and delivered the same as her free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead.

Given under my hand and official seal this 16 day of June, 1983.  
My Commission Expires:

Audrey Harchar, Dep. County Clerk  
Notary Public in and for said County and State, residing at Box Creek, CO.

12/15/85

STATE OF Colorado

COUNTY OF Dolores

I, Reta Johnson, a Notary Public in and for said County and State, do hereby certify that Edward L. Baird, Jr., a married to me personally known, and known to me to be the same person described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that he executed and delivered the same as His free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead, man dealing in his sole and separate property.

Given under my hand and official seal this 24th day of June, 1983.

My Commission Expires:

Reta Johnson  
Notary Public in and for said  
County and State, residing at  
Deep Creek CO  
Dolores County

at  
and  
and  
and  
of

Reta Johnson  
Notary  
Public

STATE OF Colorado )  
 ) ss  
COUNTY OF Montrose )

On this 25th day of June, in the year 1983, before me,  
the undersigned, a Notary Public, personally appeared  
Ada Baird  
known to me to be the identical person described in and who executed the  
within and foregoing instrument, and acknowledged to me that s/he executed  
the same as her free and voluntary act and deed for the purpose and con-  
sideration therein expressed.

IN WITNESS WHEREOF I have hereunto set my official signature and  
affixed my notarial seal the day and year first above written.

My Commission expires:  
December 15, 1985

  
Notary Public  
Residing at Montrose, Colo.