

and otherwise complies with and performs all other terms, covenants and conditions hereof, Anadarko shall grant to UXP a lease, substantially in the form of lease attached hereto as Exhibit "B" (the "Lease"), effective from the date Contract Depth was reached in the applicable well, covering 100% of Anadarko's oil and gas interest in the Subject Lands included in the Section on which such well is drilled. Such Lease shall provide for a primary term expiring at 12:00 a.m., MST, on November 30, 2010. Each Lease shall provide for horizontal and vertical severance at the end of its primary term, i.e., at the expiration of such primary term, UXP shall only be entitled to retain the drillsite spacing unit, as established by the governmental authority having jurisdiction therefor, for each of the wells it has drilled or is then drilling on the Subject Lands that are producers (or, if no drillsite spacing unit has been established, eighty (80) acres for a productive oil well and three hundred twenty (320) acres for a productive gas well) limited to those depths from the surface to the stratigraphic equivalent of the base of the deepest producing horizon for a producing well, and from the surface to total depth drilled for a dry hole, and all other lands and formations shall revert to Anadarko and shall no longer be subject to the applicable Lease or this Agreement. The Lease also shall provide for a Lessor's royalty of 20%.

As used in this Agreement, the term "Section" shall mean the numbered governmental survey section, consisting of approximately 640 acres, within a Congressional Township.

UXP shall request a Lease from Anadarko in writing within forty-five (45) days from the date the well earning that Lease is Completed or is plugged and abandoned as a dry hole. Such request shall include the prepared lease form; copies of the completion report filed with the Colorado Oil and Gas Commission; the drilling title opinion (if acquired); the surface damage release (or, in the event no surface damage release is obtained, verification of bond coverage); and final copies of all geological information. Each such Lease shall be delivered to UXP within sixty (60) days of receipt of notice requesting each Lease. For a well Completed as a producer, a division order ready for execution by Anadarko shall be included.

ARTICLE 9 EXCLUDED LANDS

Lands included in the Contract Area which, as of the execution date of this Agreement, are subject to agreements ("Existing Agreements") under which Anadarko's interest in the formations covered thereby is presently committed, shall be excluded from the provisions of this Agreement (collectively, the "Excluded Lands").

Check AFE #

Bonus. CC

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