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COLO. OIL & GAS CONS. COMM.

R E L E A S E

Under an Oil and Gas Lease between the undersigned, as Lessors, and Ralph E. Dials, as Lessee, dated October 1, 1970, which said lease is now held by Dials Oil Company, Inc., a corporation, a well has been drilled on the $SW\frac{1}{4}NE\frac{1}{4}NW\frac{1}{4}$, Section 9, Township 6 North, Range 85 West of the 6th P.M., Routt County, Colorado (a portion of the lands described in said lease), and during the course of drilling said well water has been encountered hindering further drilling of said well for oil or gas. The Lessee and his assignee desire to abandon said well, but the undersigned Lessors desire to avail of and use the new found water supply.

In consideration of the mutual desires of the parties, the undersigned Lessors hereby release and forever discharge Ralph E. Dials and the Dials Oil Company, Inc. from any and all liability to the Lessors because of or arising out of the drilling of said well and the discontinuance of the drilling thereof and, especially, any claims of the Lessors upon the surety bond or cash bond filed by the Lessee or his assignee with the Oil and Gas Conservation Commission of Colorado, and consent to the withdrawal thereof by the Lessee or his assignee. (The Lessors reserve and retain the right to use all water produced from said well, and agree that when the supply of water has been exhausted or the Lessors' use thereof has been discontinued, the Lessors shall at their expense plug said well in conformity with applicable laws and regulations.)

This Release pertains only to the aforesaid well, and does not cover any liability which may accrue by reason of future drilling operations upon the Lessors' property, and nothing herein contained shall be construed as a release of any lands from the Oil and Gas Lease above mentioned or from any other Oil and Gas Lease between the parties.

IN WITNESS WHEREOF, the undersigned have executed this Release
this 20th day of July, 1971.

Charles E. Hogue
CHARLES E. HOGUE

Margaret E. Hogue
MARGARET E. HOGUE

STATE OF COLORADO)
County of Routt) ss.

The foregoing Release was acknowledged before me this 20th day
of July, 1971, by Charles E. Hogue and Margaret E. Hogue.

Witness my hand and official seal.

A. E. Bogue
Notary Public

My commission expires: April 21, 1973.

