



00042793

MEMORANDUM OF TITLE

Land in Rio Blanco County, Colorado

LANDS: Township 1 North, Range 95 West, 6th P.M.

THE MEADOWS Subdivision, as shown by Plat filed November 1, 1978, in the Public Records of Rio Blanco County, Colorado, as Document No. 184647.

Rio Blanco County, Colorado, containing a total of 676.665 acres, more or less.

Tract A: Parcel No. 1 of THE MEADOWS, as shown by the Plat filed November 1, 1978, in the Public Records of Rio Blanco County, Colorado, as Document No. 184647, in T1N-R95W, 6th P.M., in Sections 22 and 27.

being 35.00 acres, more or less.

25.00%
3602 3598
3607
The 45% interests shown
are all accounted for in
other encumbrances.
Use this only for the
25% mineral interest
for Meadows Subdivision
owners

In. 56

SURFACE OWNER		INTEREST	NET ACRES	COMMENTS	
Brian L. Conrado 307 Steele St. Craig, CO 81625		100.00%	35.00	6	
MINERAL OWNER		INTEREST	NET ACRES	LEASEHOLD STATUS	COMMENTS
Brian L. Conrado		25.00%	8.75 ✓	LEASED 3602 D	McMurry Oil NOT YET OF RECORD
AS 11 B	A. W. Mannel 703 26 1/2 Rd. Grand Junction, CO 81506	43.75%	15.3125	OPEN	
A	Roberta J. Mannel 630 Peace Dr., NBU No. 6 Grand Junction, CO 81504	6.25%	2.1875	OPEN	1
G	Keith Soper P.O. Box 202 Meeker, CO 81641	6.25%	2.1875	OPEN	3
F	Royetta May Miller c/o Della Lee Wear	6.25%	2.1875	OPEN	2
E	Della Lee Wear 609 Cris Mar Grand Junction, CO 81504	6.25%	2.1875	OPEN	2
AO	McMurry Oil Company P.O. Box 220 Casper, WY 82602	3.125%	1.09375	OPEN	1
AO	James R. Taylor 382 Denver Club Bldg. Denver, CO 80202	1.25%	.4375	OPEN	1
AO	Hurley Oil Properties, Partnership 1738 S. Poplar Casper, WY 82601	1.875%	.6563	OPEN	1

TOTALS: 100.0000 % 35.0000

Co-40511 -A, B, C, D, E, F,

G, H, I, J, K, L, A, O,

AP AO, AR, AS, AT, AU, AV

OIL AND GAS LEASE

BOOK 484 PAGE 339

17th

APR 11

19 90 by and between

807 Steele St., Craig, CO 81625

hereinafter called Lessor (whether one or many) and

JOHN OIL COMPANY

hereinafter called Lessee, P.O. Box 220, Casper, WY 82602

THE AND MORE (\$10.00+)

DOLLARS

that the Lessor, for and in consideration of the sum of ten and no/100ths of the lawful money of the United States, to and for the better purpose of mining, prospecting, exploring, developing, producing, and operating for and producing therefrom oil and all gas in connection therewith, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, store and take care of the same, and for all other purposes incident thereto, have granted, sold, conveyed, and confirmed unto the Lessee, the land hereinafter described, with the

RIO BLANCO

COUNTY OF RIO BLANCO

COLORADO

described as follows, to-wit:

TOWNSHIP 1 NORTH, RANGE 95 WEST, 6th P.M.

Parcel 1 of The Meadows according to the Plat filed November 1, 1978, as Reception Number 184667 of the Rio Blanco County Records

Witness that this instrument was

signed in my office at 11:12

on June 20, 1990

Signature of 240138

Signature of R. G. Agnes

Signature of Dargis P. Wilkes

15.00

per acre, more or less

It is agreed that this lease shall remain in force for a term of five years from this date and as long thereafter as oil or gas of whatsoever kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but operations are being continued on the leased premises or on acreage pooled therewith, then this lease shall continue in force so long as operations are being continued thereon. If at the expiration of the primary term of this lease, no operations are being continued on the leased premises or on acreage pooled therewith, then this lease shall terminate at the expiration of the primary term of this lease. If at the expiration of the primary term of this lease, operations are being continued on the leased premises or on acreage pooled therewith, then this lease shall continue in force so long as operations are being continued thereon. If at the expiration of the primary term of this lease, no operations are being continued on the leased premises or on acreage pooled therewith, then this lease shall terminate at the expiration of the primary term of this lease.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except in other than the usual manner, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term, and he releases of all obligations thereafter accruing as to the acreage surrendered.

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

(b) To pay Lessor one-eighth (1/8) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is produced, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (1/8), payable monthly at the prevailing market rate for gas.

(c) To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One-eighth (1/8) of the proceeds of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease until such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessee owns a lease interest in the above described land then the entire and undivided fee simple estate therein, then the royalties and shut-in gas royalty herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, the oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessee, Lessee shall bury Lessor's pipe line below plow depth.

8. No well shall be drilled more than 300 feet to the bottom or burn now on said premises without written consent of Lessee.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessor has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereunder made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership in or to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessor's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the lease or separately for the production of oil, gas or both in the immediate vicinity for the production of oil and gas, similar in this estate with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be included to include such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations on a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were not shut, including shut-in gas royalties. Lessee shall receive on production from the unit as pooled royalty only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease pool, or consider all or any part of the above described lands as to one or more of the formations hereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, operations and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the same. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessee shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. This lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. Lessee hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right to sue and to defend for Lessee, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessee, and to release and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

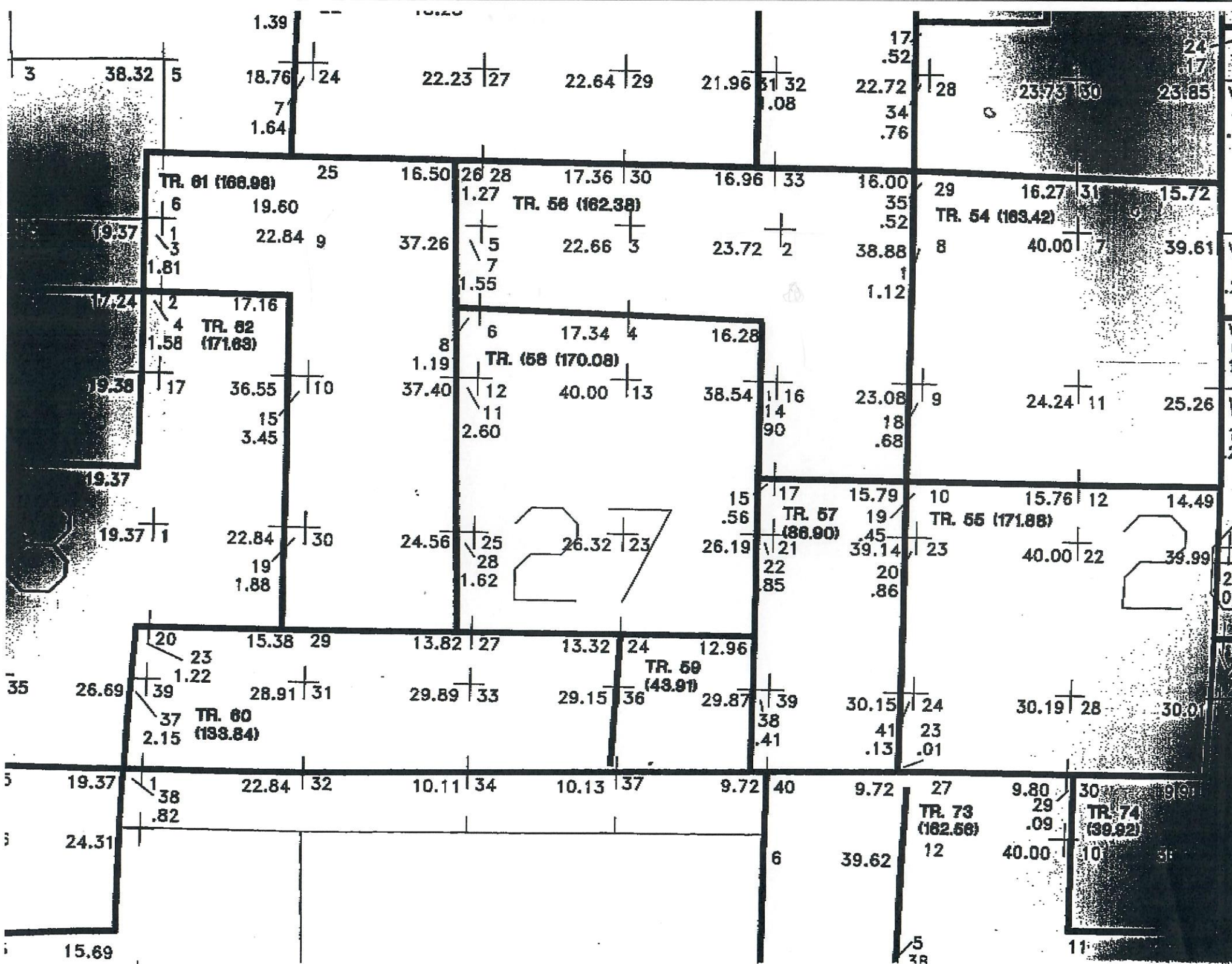
14. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more of all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

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

Brian L. Contrado

Co-40511 AU

Document filed 2/1/1994 To Ft. Worth

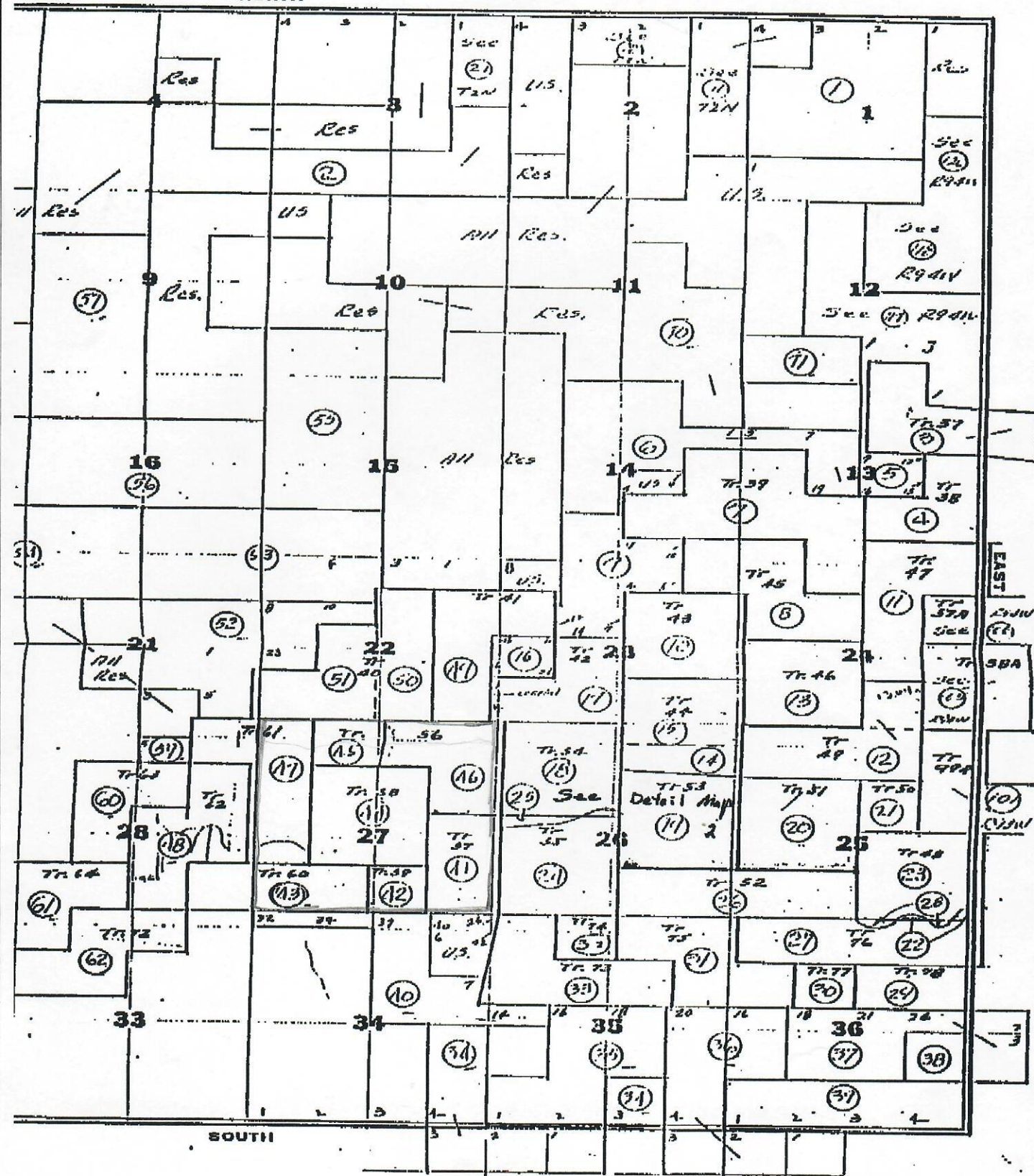


THE FLEA MARKS

Co' ty, Colorado

Subdivision

NORTH



SCALE:

One inch to one-half mile
Magnetic Variation,

14

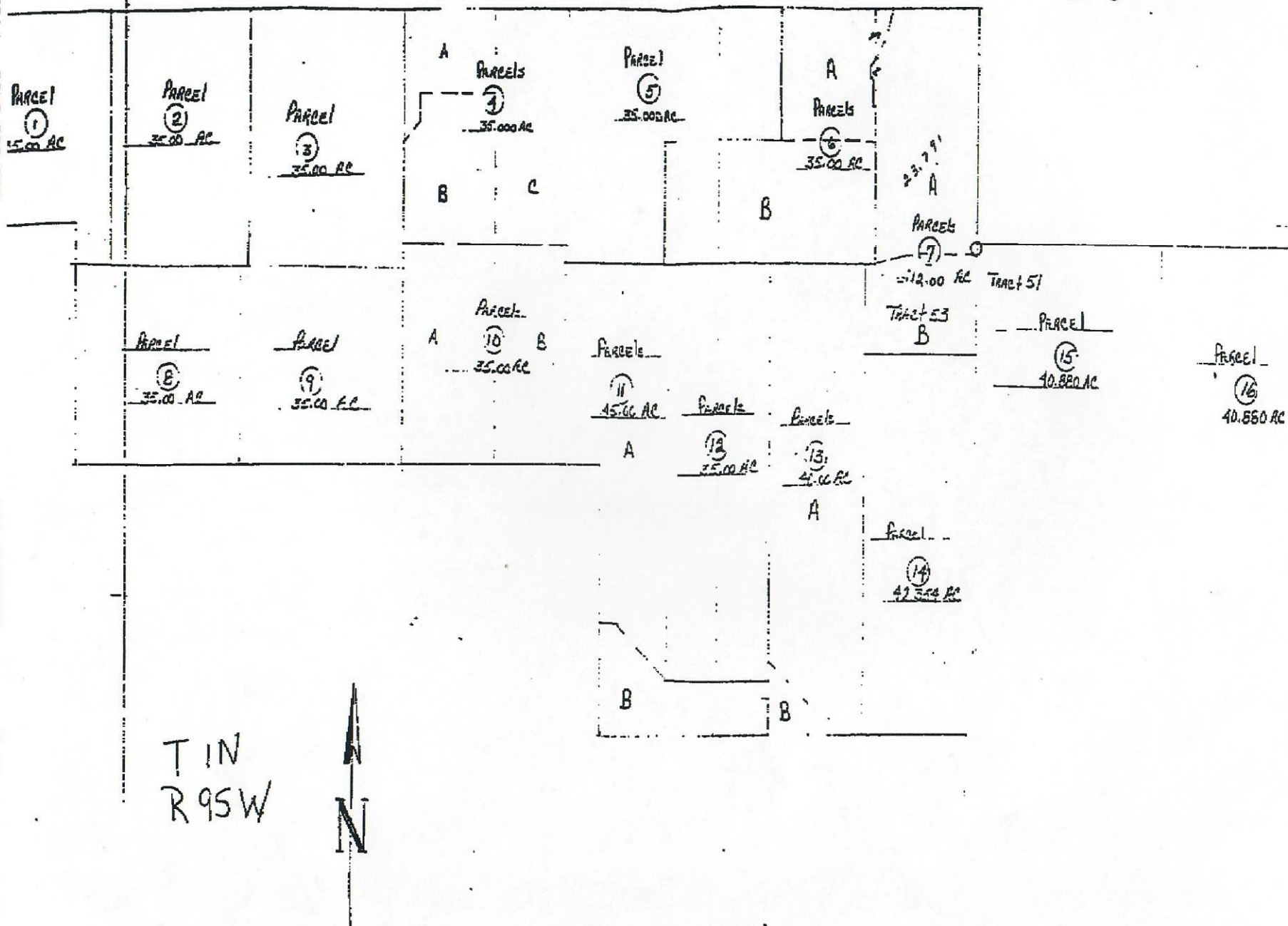
MERIDIAN OIL

11:11 1994-06-06

303 930 9491 P.05

Date of Plat,

Dodo lands
Co 3602 B



T 1N
R 9SW