

OIL AND GAS LEASE

25th April 1975

AGREEMENT, Made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1975, by and between  
Quebec North Investment, Ltd.

\_\_\_\_\_ party of the first part, hereinafter called lessor (whether one or more)  
and Byron Oil Industries, Inc. party of the second part, lessee.

WITNESSETH: That the lessor for and in consideration of \_\_\_\_\_ Dollars,  
in hand paid, receipt of which is hereby acknowledged, of the royalties herein provided, and of the agreements of lessee herein contained, hereby grants, leases  
and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas, casinghead gas, \_\_\_\_\_  
and associated hydrocarbons, excluding \_\_\_\_\_  
and housing its employees, the following described land in \_\_\_\_\_ County,  
State of Colorado, to-wit: The Southeast quarter of Section 8, Town-  
ship 1 South, Range 67 West of 6th P.M., the intent being to include all  
of Lessor's lands and interests in said Section 8.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Containing eight months 160 acres, more or less

TO HAVE AND TO HOLD the same (subject to the other provisions herein contained) for a term of \_\_\_\_\_ from this date (called "primary term")  
and as long thereafter as oil or gas or casinghead gas or either or any of them, is produced therefrom; or as much longer thereafter as the lessee in good faith  
shall conduct drilling operations thereon and should production result from such operations, this lease shall remain in full force and effect as long as oil or gas or  
casinghead gas, shall be produced therefrom.

- In consideration of the premises it is hereby mutually agreed as follows:
1. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells, the equal \_\_\_\_\_  
part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such \_\_\_\_\_ royalty the market \_\_\_\_\_  
price for oil of like grade and gravity prevailing in the field where produced on the day such oil is run into the pipe line, or into storage tanks.
  2. The lessee shall pay lessor, as royalty, \_\_\_\_\_ of the proceeds from the sale of the gas, as such, for gas from wells where gas only is found,  
and where not used or sold shall pay FIFTY (\$50.00) Dollars per annum as royalty from each such well, and while such royalty is so paid such well shall be held  
to be a producing well. The lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling  
house on said land by making his own connections with the well, the use of said gas to be at the lessor's sole risk and expense.
  3. To pay lessor for gas produced from any oil well and used off the premises or in the manufacturing of gasoline or any other product a royalty of \_\_\_\_\_  
\_\_\_\_\_ of the market value, at the mouth of the well, payable monthly at the prevailing market price. eight months
  4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before \_\_\_\_\_ from this date, this lease shall  
terminate as to both parties, \_\_\_\_\_

\_\_\_\_\_ And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the  
privileges granted to the date when said rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other  
rights conferred. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date.  
Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and  
thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable  
hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases. Notwithstanding the death of the lessor, or his  
successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors and administrators of such  
persons.

5. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes, on this land,  
this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing paying date, or provided the lessee begins or  
resumes the payment of rentals in the manner and amount above herein provided; and in this event the preceding paragraphs hereof governing the payment of  
rentals and the manner and effect thereof shall continue in force.

6. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals  
herein provided for shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee.

7. Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells of lessor.  
When requested by lessor, lessee shall bury his pipe lines below plow depth.  
No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.  
Lessee shall pay for damages caused by its operations to growing crops on said land.  
Lessee shall have the right at any time to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the  
right to pull and remove casing.

8. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to  
completion with reasonable diligence and dispatch, and if oil or gas or either of them, be found in paying quantities, this lease shall continue and be in force  
with the like effect as if such well had been completed within the terms of years herein first mentioned.

9. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall  
extend to their heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the rentals or royalties shall be binding on  
the lessee until after notice to the lessee and it has been furnished with the written transfer or assignment or a certified copy thereof, and in case lessee assigns  
this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

10. If the lease premises shall hereafter be owned in severalty, or in separate tracts, the premises, nevertheless, shall be developed and operated as one  
lease and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the  
acreage owned by each such separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate  
tracts into which the land covered by this lease may be hereafter divided by sale, devise or otherwise, or to furnish separate measuring or receiving tanks. It is  
hereby agreed that, in the event this lease shall be assigned as to a part or as to parts of the above described lands, and the holder or owner of any such part or  
parts shall fail or make default in the payment of the proportionate part of the rent due from him or them, on an acreage basis, such default shall not operate to  
defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee hereof shall make due payment of said rentals.

11. If at any time there be as many as six parties (or more) entitled to receive royalties under this lease, lessee may withhold payment thereof unless and  
until all parties designated in writing in a recordable instrument to be filed with the lessee a Trustee to receive all royalty payments due hereunder and to execute  
division and transfer orders on behalf of said parties and their respective successors in title.

12. Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands 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, with like approval to  
modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to  
conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and  
development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or  
agreement, and this lease shall not terminate or expire during the life of such plan or agreement. 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 allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid  
hereunder to lessor, be regarded as having been 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. Lessor 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.

13. In the interest of conservation, the protection of reservoir pressures and the recovery of the greatest ultimate yield of oil, gas and other minerals, lessee  
shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and  
recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder  
upon any gas used for repressuring and recycling operations benefitting the leased premises.

14. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge  
any taxes, mortgage, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated  
to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or  
rentals accruing hereunder.

15. All rental payments which may fall due under this lease may be made to \_\_\_\_\_ any  
one of the above named lessors, in the manner herein stated.

16. If within the primary term of this lease production on the leased premises shall cease from any cause, this lease shall not terminate provided  
operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment  
of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on the leased premises shall cease  
from any cause, this lease shall not terminate provided lessee resumes operations for drilling a well within sixty (60) days from such cessation, and this lease  
shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

17. It is agreed that this lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions,  
or stipulations until it shall have first been finally judicially determined that such failure exists, and after such final determination, lessee is given a reasonable  
time therefrom to comply with any such covenants, conditions, or stipulations.

18. All express and implied covenants of this lease shall be subject to all federal and state laws, executive orders, rules and regulations, and this lease  
shall not be terminated in whole or in part, nor lessee held liable in damage 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, or if such compliance is prevented by or failure is the result of inability of lessee through no fault of  
its own, to obtain sufficient and satisfactory material and equipment to justify the commencement of drilling operations or to continue production of oil or gas  
from the leased premises.

19. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor or lessees.

20. Where necessary for the purpose of this lease lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WITNESSETH: \_\_\_\_\_  
\_\_\_\_\_ of Adams County, Colorado  
BY: X Munir F. Ibrahim  
Munir F. Ibrahim, a general partner

*Handwritten notes:*  
Haley  
Coch  
County  
Adams  
my commission expires 2-11-78  
sworn to by \_\_\_\_\_  
this 30th day of April 1975  
\_\_\_\_\_ of Adams County, Colorado

ACKNOWLEDGMENT

BOOK 1991 PG 344

STATE OF \_\_\_\_\_ } ss.  
County of \_\_\_\_\_ }

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person \_\_\_\_\_ described in and who executed the foregoing instrument and acknowledged that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.  
Given under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.  
My Commission Expires \_\_\_\_\_ Notary Public.

ACKNOWLEDGMENT—MAN AND WIFE

STATE OF \_\_\_\_\_ } ss.  
County of \_\_\_\_\_ }

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person \_\_\_\_\_ described in and who executed the foregoing instrument and acknowledged that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed, including the release and waiver of the right of homestead; the said wife having been by me fully apprised of her right and the effect of signing and acknowledging the said instrument.  
Given under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.  
My Commission Expires \_\_\_\_\_ Notary Public.

MONTANA ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ } ss.  
County of \_\_\_\_\_ }

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, before me \_\_\_\_\_ a notary public, personally appeared \_\_\_\_\_  
Known to me to be the person \_\_\_\_\_ whose name \_\_\_\_\_ subscribed to the within instrument, and acknowledged to me that \_\_\_\_\_ executed the same.  
Witness my hand and official seal.  
My Commission Expires \_\_\_\_\_ Notary Public within and for the State of \_\_\_\_\_  
Residing at \_\_\_\_\_

COLORADO ACKNOWLEDGMENT

STATE OF Colorado } ss.  
County of Northglenn }

The foregoing instrument was acknowledged before me this 30th day of April, 1975, by Marilyn F. Upperman, a general partner for Quebec North Investment, Ltd.  
Witness my hand and official seal.  
My Commission Expires 2-11-78

Jean O. Spangler  
Suite 311 50701 Melody St.  
Northglenn, Colorado  
Notary Public.  
80234

No. \_\_\_\_\_  
**OIL AND GAS LEASE**  
FROM  
Quebec North Investment, Ltd.

TO  
Byron Oil Industries, Inc.

State of \_\_\_\_\_ } ss.  
County of \_\_\_\_\_ }

This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, at \_\_\_\_\_ o'clock, \_\_\_\_\_ M., and duly recorded in Book \_\_\_\_\_, Page \_\_\_\_\_, of the records of this office.

County Clerk—Register of Deeds.  
By \_\_\_\_\_ Deputy.

When recorded return to  
Alan J. Byron, President  
Byron Oil Industries, Inc.  
1599F Trowbridge Road  
Chesterfield, Missouri 63017  
Phone: 314/391-8770

EXHIBIT "A"

THIS EXHIBIT "A" IS ATTACHED TO, AND MADE A PART OF, A CERTAIN OIL AND GAS LEASE DATED APRIL 25, 1975, BETWEEN QUEBEC NORTH INVESTMENT, LTD., LESSOR, AND BYRON OIL INDUSTRIES, INC., LESSEE.

- 1) THE LESSEE HEREIN OR HIS AGENT OR REPRESENTATIVE SHALL, BEFORE COMMENCING ANY OPERATIONS FOR OIL AND GAS DEVELOPMENT OR EXPLORATION ON THE SAID LANDS, CONTACT THE TENANT FARMER OR LANDOWNER FOR THE PURPOSE OF DECIDING THE BEST LOCATION OF ALL ROADS TO THE PROPOSED DRILL SITE. SUCH DISCUSSIONS WILL BE FOR THE EXPRESS PURPOSE OF CAUSING AS LITTLE DISRUPTION TO THE FARM OPERATIONS AS POSSIBLE, WITHOUT IMPAIRING THE RIGHTS OF THE LESSEE. EVERY CONSIDERATION WILL BE GIVEN THE LANDOWNER OR TENANT FARMER TO COOPERATE IN SUCH A MANNER AS TO PLACE ROADS, STRUCTURES, ETC., IN SUCH LOCATIONS AS TO CAUSE THE LEAST DAMAGE AND INCONVENIENCE WITHOUT IMPAIRING THE LESSEES RIGHTS AND OBLIGATIONS.
- 2) THE LESSEE WILL CONDUCT HIS OPERATIONS IN SUCH A MANNER SO AS TO USE AS LITTLE OF THE SURFACE AS POSSIBLE FOR HIS OPERATIONS, AND TO ERECT ANY NECESSARY FENCES, CULVERTS, ETC., IN ORDER TO PROTECT THE LIVESTOCK, IF ANY, AND TO CAUSE AS MINIMAL DAMAGE AS POSSIBLE TO ANY CROPS ON THE SAID LANDS.
- 3) THE LESSEE SHALL PAY A MINIMUM OF \$1,000.00 WHEN DRILLING COMMENCES ON SAID LANDS, FOR ALL DAMAGES TO CROPS ON THE SAID 160 ACRES, AND FOR ALL DAMAGES TO LANDS, ROADS, CROPS AND OTHER STRUCTURES ON THE SAID LANDS, AND ALSO FOR THE PERMANENT RIGHTS OF INGRESS AND EGRESS, AND FOR THE USE OF ALL ROADS, LANDS AND SURFACE AREA AND UNDERGROUND RIGHTS FOR THE LESSEE'S DRILLING, DEVELOPMENT, COMPLETION AND OPERATION OF ALL THE OIL AND GAS WELL OR WELLS AND ALL TANKS, PIPELINES AND OTHER STRUCTURES USED BY THE LESSEE ON SAID LANDS.
- 4) THE LESSEE SHALL NOTIFY THE LESSOR PRIOR TO ANY PLANS TO ENTER UPON THE LANDS TO BEGIN OPERATIONS FOR OIL AND GAS DEVELOPMENT FOR THE EXPRESS PURPOSE OF DISCUSSING THE LOCATIONS FOR ROADS, TANK BATTERIES AND OTHER NECESSARY STRUCTURES.

  
M. D. Page 1.

EXHIBIT "A" CONTINUED

5) THE LESSEE SHALL DO EVERYTHING POSSIBLE DURING THE OIL AND GAS DEVELOPMENT AND OPERATIONS TO CAUSE AS LITTLE DAMAGE AND INCONVENIENCE AS POSSIBLE, AND TO CONFER PERIODICALLY WITH THE TENANT FARMER OR LAND-OWNER, IF NECESSARY, TO SEE THAT ALL PARTIES ARE SATISFIED.

6) THE LESSOR HEREBY CONSENTS TO ALL OF THE TERMS OF THE LEASE HEREIN-ATTACHED, AND EXPRESSLY GRANTS AND APPROVES ANY POOLING OR UNITIZATION WHICH THE LESSEE MAY CREATE, SUBJECT TO THE SPACING RULES AND REGULATIONS <sup>for gas only and on an acreage basis & 20% mineral</sup> OF THE COLORADO OIL AND GAS COMMISSION, INVOLVING THE ABOVE DESCRIBED 160 ACRE TRACT.

7. THE LESSEE HEREBY AGREE TO DRILL AND COMPLETE A SECOND OIL WELL WITHIN ONE YEAR FROM THE DATE OF COMPLETION OF THE FIRST WELL, OR PAY LESSOR (QUEBEC NORTH INVESTMENT, LTD.) \$250.00 (TWO HUNDRED FIFTY DOLLARS IN AMERICAN MONEY) PER MONTH ADDITIONALLY, OVER AND ABOVE ANY ROYALTIES WHICH LESSOR MAY GET FROM LESSEE FOR OIL AND/OR GAS PRODUCTION, COMMENCING A YEAR AFTER THE COMPLETION OF THE FIRST WELL. FAILURE TO DRILL THE SECOND WELL OR TO PAY THE \$250 MONTHLY SHALL RESULT IN THE CANCELLATION OF THE LEASE ON THE UNDRILLED 30 ACRES.

*M. J. D.*  
*M. D.*

NOV 1 8 56 AM '75

ALAMOGONTO COUNTY, COLO.  
RECORDED

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