

1st

March

82

between

personal representative of the estate  
of Pauline Rosenof, deceased.

Mary Anne Coombs,

hereinafter called lessor.

6069 Shadey Grove Drive, Cupertino, CA 95014

CODY NORDELL, INC.

hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and More Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, and with the right to utilize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling, and the drilling, mining, and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline and all other gases and their respective constituent vapors, and for erecting, constructing, laying pipe lines, building tanks, storing oil, ~~wood, rock, gravel, sand, and other~~ lines and other structures thereon necessary ~~for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and for erecting, constructing, laying pipe lines, building tanks, storing oil, wood, rock, gravel, sand, and other~~ said tract of land with any reversionary

rights therein being situated in the County of Weld

State of Colorado

, and described as follows:

See Exhibit "1" attached hereto.

and containing 240 acres, more or less.

2. If conditions hereof are met  
It is agreed that this lease shall remain in full force for a term until February 15, 1985, and as long thereafter as oil or gas, or either of them, is produced from said land (or from lands with which said land is consolidated) or the premises are being developed or operated.

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

4. The lessee shall monthly pay lessor as royalty on gas marketed from each well where gas only is found, one-eighth (1/8) of the proceeds if sold at the well, or if marketed by lessee off the leased premises, then one-eighth (1/8) of its market value at the well. The lessee shall pay the lessor: (a) one-eighth (1/8) of the proceeds received by the lessee from the sale of casinghead gas, produced from any oil well; (b) one-eighth (1/8) of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas, produced from any oil well and used by lessee off the leased premises for any purpose or used on the leased premises by the lessee for purposes other than the development and operation thereof. Lessor shall have the privilege at his own risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwelling located on the leased premises by making his own connections thereto.

Where gas from a well or wells, capable of producing gas only, is not sold or used for a period of one year, lessee shall pay or tender as royalty, an amount equal to the delay rental as provided in paragraph (5) hereof, payable annually on the anniversary date of this lease following the end of each such year during which such gas is not sold or used, and while said royalty is so paid or tendered this lease shall be held as a producing property under paragraph numbered two hereof.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 15th day of February, 1983, this lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor or for the lessor's credit in the Security Pacific National Bank at San Jose, CA, or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in

said land or in the oil and gas or in the rentals to accrue hereunder, the sum of \$1.00 per mineral acre Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may further be deferred for like periods successively. 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, either direct to lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred. 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 hereon is reduced by said release or releases.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof shall continue in force just as though there had been no interruption in the rental payments.

7. 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 shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of, this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing. Lessee agrees, upon the completion of any test as a dry hole or upon the abandonment of any producing well, to restore the premises to their original contour as near as practicable and to remove all installations within a reasonable time.

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 the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.

10. 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 land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

11. Lessor hereby ~~agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, 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.~~

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

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 re-working or 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.

13. Lessee is hereby given the right at its option, at any time and from time to time, to pool or unitize all or any part or parts of the above described land with other land, lease, or leases in the immediate vicinity thereof, such pooling to be into units not exceeding the minimum size tract on which a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization: provided, however, that such units may exceed such minimum by not more than ten acres if such excess is necessary in order to conform to ownership subdivisions or lease lines. Lessee shall exercise said option, as to each desired unit, by executing and recording an instrument identifying the unitized area. Any well drilled or operations conducted on any part of each such unit shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the above described land included in any such unit such proportion of the actual production from all wells on such unit as lessor's interest, if any, in such portion, computed on an acreage basis, bears to the entire acreage of such unit. And it is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the above described land included in such unit in the same manner as though produced from the above described land under the terms of this lease.

14. This lease and all its terms, conditions and stipulations shall extend to, and be binding on each of the parties who signs this lease, regardless of whether such lessor is named above and regardless of whether it is signed by any of the other parties herein named as lessors. This lease may be signed in counterparts, each to have the same effect as the original.

IN WITNESS WHEREOF, we sign the day and year first above written. \*See Exhibit A attached hereto for an Addendum containing more specific terms.

Witness:

CODY NORDELL, INC.

By: Tom D. Nordell, President

Attest:

Mary Anne Coombs /Rosenof

RECORDER'S MEMORANDUM

ALL BLACKOUTS, ADDITIONS, AND CHANGES  
WERE PRESENT AT THE TIME THE INSTRUMENTS WERE RECORDED.

B 0966 REC 01889677 04/23/82 13:51 \$21.00  
F 0966 MARY ANN FEUERSTEIN CLERK & RECORDER WELD CO, CO

AR1889677

B 0966 REC 01889677 04/23/82 13:51 \$21.00 2/007  
F 0967 MARY ANN FEUERSTEIN CLERK & RECORDER WELD CO, CO

STATE OF \_\_\_\_\_ ss. Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,  
COUNTY OF \_\_\_\_\_ ss. Nebraska, North Dakota, South Dakota  
ACKNOWLEDGMENT — INDIVIDUAL

day of \_\_\_\_\_

and \_\_\_\_\_ to me known to be the identical person....., described in and who executed the within and foregoing instrument of writing and acknowledged to me that.....duly executed the same as.....free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.  
My Commission Expires.....  
Notary Public.

STATE OF \_\_\_\_\_ ss. Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,  
COUNTY OF \_\_\_\_\_ ss. Nebraska, North Dakota, South Dakota  
ACKNOWLEDGMENT — INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this..... day of....., 19....., personally appeared.....

and \_\_\_\_\_ to me known to be the identical person....., described in and who executed the within and foregoing instrument of writing and acknowledged to me that.....duly executed the same as.....free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.  
My Commission Expires.....  
Notary Public.

State of Colorado } ss. ACKNOWLEDGMENT (For use by Corporation)  
County of Weld }

On this 1st day of April, A. D. 1982, before me personally appeared Jim Nordell, to me personally known, who, being by me duly sworn, did say that he is the president of Cody Nordell, Inc.

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

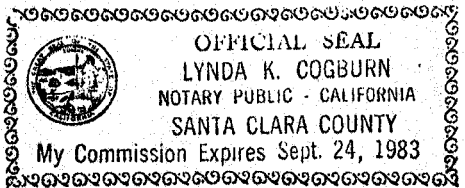
Witness my hand and seal this 1st day of April, A. D. 1982.  
(SEAL) Ticker Fischer  
Notary Public.

My Commission expires March 25, 1986  
824 3rd Ave #2 Greeley CO.

STATE OF CALIFORNIA } ss.  
COUNTY OF Santa Clara }

On this 2nd day of March in the year one thousand nine hundred and 82 before me, Lynda K. Cogburn, a Notary Public, State of California, duly commissioned and sworn, personally appeared Mary Anne Coombs as personal representative of Estate of Rosenof known to me to be the person..... whose name is..... subscribed to the within instrument and acknowledged to me that.....she..... executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the.....said..... County of Santa Clara the day and year in this certificate first above written.



Lynda K. Cogburn  
Notary Public, State of California  
My commission expires 9/24/83

EXHIBIT "1"

That part of Section Twenty-five (25), Township Five (5) North, Range Sixty-six (66) West of the 6th P.M., more particularly described as follows: Northeast Quarter (NE/4) of the Northwest Quarter (NW/4) (Lots One (1) through Four (4)); Southeast Quarter (SE/4) of the Northwest Quarter (NW/4) (Lots One (1) through Four (4)); West Half (W/2) of the Northwest Quarter (NW/4) (Lots One (1) through Five (5)); Northeast Quarter (NE/4) of the Southwest Quarter (SW/4) (Lots One (1) through Four (4)); Northwest Quarter (NW/4) of the Southwest Quarter (SW/4) (Lots One (1), Two (2) and that part of the North Half (N/2) of Lot Three (3) lying within said Quarter Quarter), all in said Section Twenty-five (25) and more particularly described in Deed recorded in Book 1502 as Reception No. 1277343 of the Weld County Records and generally described as being the approximately north 4,000 feet of the West Half (W/2) of said Section Twenty-five (25)

EXHIBIT TO OIL AND GAS LEASE DATED THIS 1st DAY OF March, 1982, BETWEEN Mary Anne Combs AS LESSORS, AND CODY NORDELL, INC. LESSEE.

This Addendum is attached to and made part of the above referenced Oil and Gas Lease:

1. Nature of this Addendum: This Addendum sets forth additional terms and conditions of the Lease between the parties and is more specific than the attached printed form. If there is any conflict between this Addendum and the attached printed form, this Addendum shall control.

2. Lease Part of Lease Block; Nature and Rights: This Lease is a part of a block of leases referred to as "Lease Block," which creates certain rights as follows:

a. Description of Lease Block: The description of the lands included within the "Lease Block," including the lands of the within Lease, are described as follows: All lands covered by leases to Cody Nordell, Inc. or Cody Nordell Exploration, Inc. as Lessee in Sections 15, 22, 24, and 25 in Township 5 North, Range 66 West of the 6th P.M. and Section 30 in Township 5 North, Range 65 West of the 6th P.M., all in Weld County, Colorado

containing approximately 1,200 acres, more or less, but subject to additions of other leases to the same Lessees in the same townships and ranges.

b. Nature and Purpose of Lease Block This Lease and all other Leases to the Lessee within said Lease Block shall be considered together for purposes of the right of Lessee to extend said Leases beyond February 15, 1983 by reason of commencement of operations within said Lease Block and payment of delay rentals as hereafter set forth. These provisions are limited to said purpose and no other. Specifically, these provisions shall not be deemed an agreement of unitization or pooling.

c. Right to Extend and Renew Leases Within Lease Block Upon Certain Terms: All Leases within the Lease Block provide for commencement of operations on or before February 15, 1983. For purpose of this Lease, "commencement of operations" shall mean actual spud date, i.e., commencement of actual drilling with the drill rig in place. If no such operations are commenced on the specific property leased herein or if said property is not unitized with other property within the Lease Block on or before said date, this Lease shall terminate unless Lessor pays the delay rental provided in the printed form of the Lease and unless the following occurs:

(1) Extension for One Year Beyond February 15, 1983: Operations have been commenced on lands within the Lease Block on or before February 15, 1983.

(i) Formations to be Explored: Once Lessee has timely commenced operations, the well shall be diligently completed and shall test the following formations: Sussex, Shannon, Niobrara and Codell. In addition, Lessee may test the Dakota "J" sand formation.

(2) Extension for a Year Beyond February 15, 1984: If no operations have been commenced on the lands leased herein or if they have not been unitized with other lands in the Lease Block on or before February 15, 1984, then this Lease may be extended only upon payment of the delay rental provided and by commencement of operations for two additional wells on or before February 15, 1984 on other lands within the Lease Block, at least one of which other lands are no further than 1350 feet from the premises leased herein.

(i) Formations to be Explored: Once commenced, both such additional wells shall be diligently completed and shall test the following formations: Sussex, Shannon, Niobrara and Codell. In addition, at least one of the three wells (including the first well to be drilled under subparagraph (1) above) shall test the Dakota "J" sand formation.

3. Nature of Surface Interests: The lands being leased herein are developmental lands by reason of their inclusion within, or proximity to, the Cities

of Greeley and Evans in the State of Colorado. As a result thereof, said lands have either been subdivided or may be in the future for more intensive, urban use. It is the intention of the parties to preserve and protect those developmental rights of Lessor by recognizing that the Mineral Lessee cannot have unlimited rights to the use of the surface but rather must conduct its operations in a manner to avoid unnecessary damage or interference with such developmental surface use.

4. Ancillary Rights: This Lease includes the granting to Lessee of necessary rights incidental to the exploration and production of oil and gas but it is also expressly concerned with the protection of the surface interest and the water rights of Lessors. Accordingly, ancillary rights shall be limited to only those as are necessary such as a pipeline and installation of necessary power lines. Any above ground facilities shall be kept to the absolute minimum and if there are alternatives to the location of any such facilities, they shall be located where they cause the least damage to Lessor's surface interests.

5. The Following Provisions Shall Control Lessee's Activities on the Subject Property:

a. Minimum Use of Surface: Under any circumstance, Lessee shall make all reasonable efforts to use only the minimum amount necessary of Lessor's property in its operations so as to minimize any damage to, or interference with, Lessor's property. The maximum acreage affected shall be no more than three (3) acres per well site, provided however, if more than one well site is located on a drilling site as provided in subparagraph b. hereof, the affected acreage may be increased up to 6 acres. "Affected acreage" shall include the well site, any roads installed, areas for pipelines and utilities, tank batteries and any other use of the property.

b. Only One Drilling Site Per Eighty (80) Acres: In order to minimize interference with surface usage, Lessee shall not locate more than one (1) drilling site on each eighty (80) acres within the Lease Block. At the same drill site, however, Lessee may directionally drill to additional locations and locate more than one well at the same drill site, but no more than 3 wells.

c. Location of Facilities; Approval of Lessor: Facilities shall generally be located so as to minimize damage or interference with Lessor's property, including due consideration for existing or planned urban or developmental use of the surface. Lessee shall consult with Lessors prior to the proposed location of any exploration, well site or facility related to this Lease and Lessee shall not conduct any activities on the subject property without the prior written approval of Lessors as to the location of such activities. Lessor shall not withhold such approval if the proposed location avoids unreasonable damage or interference with the subject property and its development, and so long as any such location is consistent with the other terms hereof.

d. Establishing Drilling Location: Lessor may specify an acceptable location on the leased premises for a drilling site in order to minimize disruption of the planned surface usage. If reasonably practicable for said purpose on the premises and if not in violation of the spacing or other requirements of the Colorado Oil and Gas Commission, Lessee shall use such specified drilling site. If such specified location does violate the rules of said Commission or is not reasonable for the development of the premises for the Lease purposes, the parties shall agree as to another location consistent with the terms hereof.

e. Distance from Established Improvements: Any drilling site shall not be nearer than 300 feet to improvements on the leased premises without the written consent of Lessors. The term "improvements" shall include all buildings, irrigation facilities and other permanent structures on the property.

f. Above Ground Facilities: To the extent reasonably possible, Lessee shall minimize the installation of above ground facilities for producing wells. In addition, any motors shall be electric only and all tankage shall be of low profile. All above ground facilities shall be appropriately screened by Lessee with a ten (10) foot semi-opaque screening or other fencing approved by Lessor.

g. Pipelines: All pipelines shall be located to meet as many of the following criteria as is reasonably possible: Along or near lot lines; within dedicated utility easements or roadways; and as far from established improvements as reasonably possible. Further, pipelines shall be buried beneath plow depth and

water packed upon installation. In excavating, the soil shall be separated and then returned back in the same order and leveled, with topsoil on top. No pipeline shall be permitted which serves any well not located on the leased premises, unless the leased premises are unitized with such well.

h. Utilities: Utilities reasonably necessary for the production of oil and gas shall be placed underground, unless the Lessor otherwise agrees. Further, the same shall be located and installed upon the same criteria and in the same manner as is provided for pipelines.

i. Roadways: Whenever reasonably possible, Lessee shall use established or planned roadways on the premises and avoid damage to the subject property. Should it be reasonably required that Lessee establish its own roadway, then the same shall be located consistent with the terms of this Addendum in order to minimize interference with the surface usage and avoid unreasonable damage consistent with the other terms hereof.

6. Damages: Bonuses and rentals paid or promised to be paid are considerations solely for the privilege of leasing and not compensation in any way for the surface use of the leased premises. In addition to crop damage, Lessee shall pay and be responsible to Lessors for all damages to the leased premises and for the right to use the same by reason of its exploration and production activities in accordance with the following terms:

a. Restoration: Upon completion of any activity by Lessee, the leased premises shall be restored to its original condition as near as is reasonably practicable. If a well site is drilled, all matters brought upon the premises and not required for production shall be removed within a reasonable time, including any and all concrete, betonite, sludge pits, etc., and not just buried. Upon completion of all activities, the facilities of Lessee shall be completely removed from the premises and the same restored as above provided.

b. Payments Prior to Activity: Prior to drilling any well, Lessee shall pay Lessor \$1,000.00 per acre for the drilling or well site, with a minimum of three (3) acres. In addition, and at the same time, Lessee shall deposit \$2,000.00 per acre for the same acreage with a bank in Greeley, Colorado or other escrow acceptable to Lessors to be held by such escrow agent for payment to Lessor for any additional damages caused by Lessee's activities and as security for restoration of the premises if the well is a dry hole. If the well is such a dry hole and Lessee has timely and properly restored the premises, Lessee can make written demand upon Lessor for release of the escrow monies to Lessee, with a copy to the escrow agent. Unless Lessor notifies both Lessee and the escrow agent in writing of any objection to payment of the funds to Lessee within thirty (30) days of Lessor's receipt of the notice from Lessee, escrow agent may pay said funds to Lessee. If there are additional damages or Lessor believes Lessee has not adequately or timely restored the premises, Lessor may make a written demand for payment to Lessee, with a copy to the escrow agent. Unless Lessee objects in writing to Lessors and escrow agent that the demand is excessive within twenty (20) days of Lessor's demand, escrow agent shall pay the amount to Lessors. In the event of timely objection by Lessee, each party shall appoint one arbitrator to assess the damages, and the two arbitrators so appointed shall appoint a third. A decision of the majority of said arbitrators as to the dollar amount of additional damages shall be binding on the parties hereto. Any such arbitrator selected shall be reasonably familiar with the values of the property or damages involved. If the damages are determined to be in excess of the amount deposited in escrow, the Lessee shall be liable for said excess and shall pay the same immediately upon determination.

c. Payments if Producing Well: If the well is not a dry hole and the Lessee's facilities are left in place for production purposes, Lessee shall pay additional damages for affecting Lessor's property as follows: a gross damage figure shall be determined by multiplying the per acre market value of the leased property affected times the acres affected times the interest in the property used by Lessee. The term "interest in the property" shall be expressed in a percentage. For example, the well site and surface area used for a producing well, including a roadway, shall be deemed a 100% interest in the property. On the other hand, the necessary right-of-way for underground pipeline or utilities shall be deemed a 50% interest in the property. Until February 15, 1984, the per acre value of the leased property shall



be deemed to be \$ \_\_\_\_\_ for these purposes. Thereafter, said value shall be adjusted to reflect the fair market value of the leased property. After so determining the gross damage figure, the \$1,000.00 per acre paid pursuant to subparagraph b. above shall be subtracted to determine a net damage figure. Lessee shall then, at its option, pay Lessor for the same under either of the following alternatives: (i) said net damage figure in total, or with Lessor's consent, over an established time period, or (ii) 1.25% of said net damage figure per month for each month that the Lessee's facilities are in place on the leased property.

d. Additional Damages: The provisions for payment in case of a producing well are compensation solely for the use of or damage to the interest in the subject property and is not intended to cover any other damages to Lessor's property, such as damages to crops, improvements or otherwise, which shall remain the liability of Lessee to immediately pay.

7. Providing of Information: At Lessor's request, Lessee shall provide Lessors with all geological information obtained from Lessee's drilling and exploration upon the leased premises free of charge.

8. Limitations on Unitization and Pooling: Unless the leased premises are less than 45 acres, Lessee shall not unitize, pool or combine the leased premises with other lands for oil production. Any unitization, pool or combination for production of gas purposes shall be subject to Lessor's approval, which will not be unreasonably withheld so long as the proposed unit, pool or combination is in accordance with established rules and regulations of the Colorado Oil and Gas Commission and the same will not be detrimental to Lessor sharing in the production from the applicable well.

9. Limitation on Shut-in Provision: Notwithstanding the terms of the printed form to which this exhibit is attached, if a well is drilled which is capable of producing gas and the same is not sold or used for a period of six (6) months, Lessee shall pay or tender as royalty an amount equal to \$100.00 per acre of the leased premises on or before the next anniversary date of this Lease after the expiration of said six (6) month period. Upon payment of such amount, this Lease shall be held as a producing property under paragraph 2 of the printed Lease form for an additional year, but no longer. If there is no actual production before the end of that additional year, this Lease shall terminate unless capable of extension in accordance with other terms hereof.

✓ Margaret Coonan  
personal representative of Estate of Pauline Rosen

CODY NORDELL, INC.

By Tom D. Nordell, President

ATTEST: