

77

325 East Third St., Wray, Colorado 80758

That the lessor, for and in consideration of _____ and Other

[illegible]

Township 1 South, Range 45 West, 6th P. M.

Section 23: E

Section 24: SW₁

Reception 401368 Gary E. Stone, Recorder

of Section 2 Township 2 Range 1 together with all submerged lands, accretions, strips and gores adjacent or contiguous thereto and owned or claimed by the lessor, which land shall, for the purpose of calculating the amount of any money payment permitted or required by the terms of this lease, be considered as containing exactly 800.00 acres, whether there is more or less. ☒ 1000 00

TO HAVE AND TO HOLD the same (subject to the other provisions herein contained) for a term of FIVE years from the date (hereafter called "Primary Term") and as long thereafter as oil, gas, gas condensate, casinghead gas, casinghead gasoline, and other materials may be produced from said lease premises or operations for the drilling or production thereof are continued as hereinafter provided.

In consideration of the premises, it is herewith mutually agreed, between and among the undersigned parties, that:

1. To deliver, free of cost, to the lessor at the well or to the credit of lessor into the pipe line to which lessee may connect its well, an equal one-eighth (1/8th) part of all oil produced and saved from the lease premises or at the lessee's option to pay to the lessor for such one-eighth (1/8th) the market price at the wellhead for oil of a like grade and gravity prevailing on the day such oil is run into the pipe line or storage tanks.

2. On gas, gas condensate, gas distillate, casinghead gas and all other gases, including their constituent parts, produced from said land and sold or used off the lease premises or in the manufacture of gasoline or other products, lessee shall pay to lessor a sum equal to one-eighth (1/8th) of the gross proceeds received from the sale of such produced substances where the same is sold at the mouth of the well or, if not sold at the mouth of the well, then one-fourth (1/4th) of the market value thereof at the mouth of the well, but in no event more than \$10.00 per acre-foot.

3. If gas from any well or wells on the premises capable of producing gas in commercial quantities is not sold or used off the premises or in the manufacture of gasoline for a period of one (1) year or more during which time there is no other production from the lease premises, then lessee shall become obligated to pay a royalty for such annual period of one (1) year or more during which time there is no other production from the lease premises.

4. On all other minerals produced and marketed, Lessee shall pay one-eighth (1/8th) of the current market price at the month of the well, but in no event more than one-eighth (1/8th) of the actual amount received by the lessor.

5. If any gas well on the lease premises produces dry gas in excess of that needed for operations hereunder, lessor shall have the privilege, at his sole risk, cost and expense, of using such surplus gas for stoves and inside lights in the principal dwelling located upon the lease premises. Notwithstanding any of the provisions aforesaid, lessee shall have free use of oil, distillate, condensate, gas, casinghead gas, casinghead gasoline and all other petroleum products, water and other substances produced or recovered from the well or wells on the lease premises for the use of the lease premises and for the use of the lease premises and for the use of the lease premises.

6. If operations for the drilling of a well for oil or gas are not commenced on the lease premises on or before one (1) year from the date hereof, then this lease, except as otherwise provided herein, shall terminate.

First National Bank at Wray, Colorado 80758

For any bank designated in writing by lessor whether or not such written designation is recorded, or its successor or successors, which bank and its successors are lessor's agents and shall continue as the depository bank regardless of changes in the ownership of said land or the right to receive rentals, the sum of _____

of said well may be further deferred for like periods successively. It is understood and agreed that the consideration first recited herein, the down payment, covers all the privileges, options and other rights conferred upon the lessee. Lessee may, at any time, exercise and deliver to lessor, the entire or a portion of said consideration.

above described premises, as to any or all horizons, and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the portion surrendered, and where a part or portion of this lease is released as to all horizons, then rentals thereafter payable hereunder may be reduced in the proportion that the acreage covered by this lease is reduced by said release or releases. Payment or tender of rental may be made by draft or check of the lessee, transmitted, delivered or mailed to the authorized depository bank as to

7. It is expressly agreed that if Lessee shall commence operations for the drilling of a well at any time while its lease is in force, this lease shall remain in force and its term shall continue for as long as such operations are conducted.

described land be a dry hole or fail to establish production, then and in that event if a second well is not commenced on said land within twelve (12) months following the expiration of the last rental period for which rental has been paid for within twelve (12) months from the first anniversary of the lease if such well is drilled during the first year of the primary term, this lease shall terminate as to both parties upon the lease or, in the event the expiration of said anniversary.

amount and in the same manner as hereinabove provided. If, within the primary term of this lease, production on the lease premises shall cease from any cause (other than a cessation contemplated in paragraph 3), this lease shall not terminate provided operations for the drilling or reworking of a well shall be commenced before or on the next ensuing rental paying date failing more than ninety (90) days after such cessation; or, provided lessee begins or resumes the payment of rentals in the manner and amount provided herein.

the primary term of this lease, production on the lease premises shall cease from any cause (other than a cessation contemplated in paragraph 3), this lease shall not terminate; provided lessee resumes or commences operations for the drilling or reworking of a well within ninety (90) days from the date of such cessation, and this lease shall remain in force and effect during the prosecution of such operations, and if production results therefrom, then as long as such production continues or the well or wells are capable of producing.

all cultivated crops growing on said land. Lessee shall have the right, but shall not be obligated, at any time, either before or after expiration of this lease, to remove all fixtures and other property placed by lessee on the lease premises, including the right to draw and remove all casing, any structures and facilities placed on the lease premises by lessee for operation hereunder and any well or wells on the lease premises.

9. Lessee is granted the right, from time to time while this lease is in force, At well John, a conveyor operation, to use the premises and the land in the same area, the right to so use such facilities may be continued beyond the term of this lease by payment in advance of the sum of One Hundred Dollars (\$100.00) per year. No well shall be drilled nearer than 200 feet to any house or barn now on the premises without the consent of lessor.

with other land, lease or leases, or interest therein (whether such other interests are pooled by a voluntary agreement on the part of the owners thereof or by the exercise of a right to pool by the lessees thereof), in lessee's judgment it is necessary or advisable in order to promote conservation, to properly develop or operate the land and interests to be pooled, or to obtain a multiple production allowable from any governmental agency having control over such matters. Any pooling hereunder may cover oil, oil, and gas, and may be extended to include other minerals.

the substances covered by this lease, and may cover one or more of all zones or formations underlying all or any portion or portions of the lease premises. Any unit formed by such pooling shall be of abutting or cornering tracts and shall not exceed 640 acres for gas, gas distillate or gas condensate and shall not exceed 60 acres for any other substance covered by this lease; provided that if any governmental regulation or order shall prescribe a spacing pattern for the development of a field wherein the above described land or a portion thereof is included, the unit shall conform to such spacing pattern.

located, or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be permitted in such allocation of allowable. The area pooled and the zones or formations and substances pooled shall be set forth by lessee in a "Declaration of Pooling" filed for record in the county in which the pooled area is located. Such pooling shall be effective on the date such declaration is filed unless a later effective date is specified in such declaration. In the event of the royalties otherwise herein provided, except that in any such case, the

absence of such pooling, would be payable hereunder to lessor on production from the land covered by this lease which is placed in the pooled area as the amount of the surface acreage in the land covered by this lease which is placed in the pooled area bears to the amount of the surface acreage of the entire pooled area. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest pooled pursuant hereto. The foregoing provisions of this lease shall not apply to any production from the land covered by this lease which is placed in the pooled area as the amount of the surface acreage in the land covered by this lease which is placed in the pooled area bears to the amount of the surface acreage of the entire pooled area. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest pooled pursuant hereto.

of a well or of a dry hole, or the operation of a producing well on the pooled area, shall be considered for all purposes (except for royalty purposes) the same as if said well were located on, or such drilling operations were conducted upon, the lands covered by this lease whether or not such well is located upon, or such drilling operations are conducted upon, said lands. Lessee may terminate any pooling effected pursuant hereto at any time the pooled unit is not capable of producing and no drilling operations are being conducted above.

10. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in the ownership of the land hereby conveyed shall constitute an assignment of this lease.

hereafter be divided, or to furnish separate measuring or receiving tanks. Notwithstanding any actual or constructive knowledge of or notice to the lessee, no change in the ownership of said land or the right to receive rentals or royalties hereunder, or any interest therein, shall be required to offset wells on separate tracts into which the land covered by this lease may be enlarged or increased.

days after lessee has been furnished with written notice thereof, together with the supporting information hereinafter referred to, by the party claiming as the result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all recorded documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. All advance payments of rentals made hereunder within thirty (30) days after the date of the filing of the notice shall be credited to the party claiming as the result of such change in ownership or interest.

land above described the rental payments hereunder shall be apportioned as to the several leasehold owners (including sublessees) ratably according to the surface area of each, and default in the rental payment by one shall not affect the rights of the other leasehold owners.

11. In the event lessor considers that the lessee has failed to comply with any obligation hereunder, express or implied, lessor shall notify lessee in writing, specifying in what respect lessor claims lessee has breached this lease. The service of such notice and elapse of sixty (60) days without lessee meeting or commencing to meet the alleged breaches shall be a condition precedent to any action by lessor for any cause. If, within sixty (60) days after the receipt of such notice lessee shall meet or commence to meet the breaches alleged by lessor, lessee shall not be deemed in default hereunder.

12. If lessor owns a less interest than the entire fee or mineral estate (whether or not a lesser interest is stated above), the rentals and royalties herein provided shall be paid to lessor only in the proportion that his interest bears to the entire fee or mineral estate. If, however, during the term of this lease any reversion of interest to lessor should occur, then and in that event on the next succeeding rental anniversary after lessor shall have notified the lessee in writing of such reversion, the rentals and royalties shall be paid to lessor.

13. All provisions hereof express or implied shall be subject to all federal and state laws and the orders, rules and regulations of all governmental agencies administering the same (and interpretations thereof by such agencies or courts having jurisdiction), and this lease shall not in any way be deemed to be in violation of any such laws, orders, rules and regulations.

damages for failure to comply with any of the express or implied covenants hereof. If such failure is caused by any such laws, orders, rules or regulations (or interpretations thereof by said agencies or courts having jurisdiction). If lessee should be prevented during the last six (6) months of the primary term hereof from drilling a well hereunder by the order of any duly constituted authority having or asserting jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to an embargo, embargo by the oil field

14. This lease and all of its terms and conditions shall be binding upon all successors of the lessors and the lessees. Should any one or more of the parties above named as lessors fail to execute this lease, it shall nevertheless be binding upon all lessees.

that any payment or payments made by the lessee to the owner of any interest subject to this lease shall be sufficient payment hereunder as to such interest notwithstanding the joinder herein of the spouse of any such party as a party-lessor for the purpose of waiving homestead, dower or inchoate rights of inheritance, if any.

any mortgage, taxes or other liens on the above described land in the event of default of payment by the lessor and the lessee shall be subrogated to the rights of the holder thereof, and the lessor hereby agrees that the lessee shall have the right at any time to redeem for lessor, by payment, of any such payments made by the lessee for the lessor may, at lessee's option, be deducted from any amounts of money which may become due or payable to the lessor under the terms of this lease.

In WITNESS WHEREOF, we sign this as of the Day and year first above written.

Edna B. Kitzmiller

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0-1534

401:368 INDEXED

MICROFILMED

OIL AND GAS LEASE

FROM

EDNA B. KITZMILLER

TO

KANSAS-NEBR. NATURAL GAS CO., INC.

Date _____, 19__

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF COLORADO

County of YUMA

This instrument was filed for record on the

23rd day of February 19 77

at 12:30 o'clock P. M. and duly recorded

in Book 511 Page 84 of

the records of this office.

By *E. W. Mitchell* Register of Deeds.

By *Margie E. Kitzmiller, Deputy*

When received, return to _____

THE KANSAS BLUE PRINT CO.
WICHITA, KANSAS
PHOTODUPLICATION SERVICE UP TO DATE ON MAPS

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged. For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF _____

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____ day of _____, 19____, personally appeared _____ and _____

to me personally known to be the identical person, who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____

Notary Public.

My commission expires _____

Notary Public.

STATE OF _____ } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF _____

On this _____ day of _____, A. D. 19____, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared _____ President and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth. Given under my hand and seal the day and year last above written.

My commission expires _____

Notary Public.

STATE OF Colorado } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF Yuma

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____ day of _____, 1977, personally appeared *Edna B. Kitzmiller, a widow* and _____

to me personally known to be the identical person, who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires *February 4, 1977*

E. W. Mitchell
E. W. Mitchell
Notary Public.

Book 511 Page 85