

AND GAS LEASE
(Paid-up Lease—No Delay Rentals)

370 PAGE 643

THIS AGREEMENT, made and entered into this 30th day of December, 1980, by and between
EXXON CORPORATION, a New Jersey corporation

of P. O. Box 2305, Houston, Texas 77001, hereinafter called lessor (whether one or more), and
NORTHWEST EXPLORATION COMPANY, of Denver, Colorado 80202 hereinafter called lessee;

WITNESSETH: that lessor, for and in consideration of -----Ten----- DOLLARS (\$ 10.00)
in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets
exclusively unto said lessee the lands hereinafter described for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining,
operating for and producing oil or gas, or both, including, but not as a limitation, casinghead gas, casinghead gasoline, gas-condensate (distillate) and
any substance, whether similar or dissimilar, produced in a gaseous state, together with the right to construct and maintain pipe lines, telephone and elec-
tric lines, tanks, piers, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive
right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, in-
cident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of
oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of
GARFIELD, State of COLORADO, and being described as follows, to-wit:

Township 6 South, Range 94 West, 6th P.M.

Section 23: Lots 1, 3, 4, NW/4NE/4 and
N/2NW/4 from the surface to the
base of the Mesaverde Formation

Reception No. 314400 MILDRED ALSDORF RECORDER

For all purposes of this lease, said lands shall be deemed to contain 221.40 acres.

Subject to the other provisions herein contained, this lease shall remain in force for a term of One (1) year from this date (herein called
"primary term") and as long thereafter as oil and gas, or either of them, is produced from the above described land or drilling operations are continuously
prosecuted as hereinafter provided. "Drilling operations" includes operations for the drilling of a new well, the reworking, deepening or plugging back of
a well or hole or other operations conducted in an effort to obtain or re-establish production of oil or gas; and drilling operations shall be considered to
be "continuously prosecuted" if not more than 60 days shall elapse between the completion or abandonment of one well or hole and the commencement
of drilling operations on another well or hole. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the above
described land but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted
and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced. If, after
the expiration of the primary term of this lease, production from the above described land should cease, this lease shall not terminate if lessee is then
prosecuting drilling operations, or within 60 days after each such cessation of production commences drilling operations, and this lease shall remain in force
so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the
above described land.

In consideration of the premises, lessee covenants and agrees:

1st. To deliver, free of cost, to lessor at the wells, or to the nearest of lessor in the pipeline to which the wells may be connected, the equal one-eighth
($\frac{1}{8}$) part of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at lessee's option, to pay to lessor for such one-
eighth ($\frac{1}{8}$) royalty the market price at the well for such ~~oil and other~~ liquid hydrocarbons at like grade and gravity prevailing on the day such oil and
other liquid hydrocarbons are run from the lease.

2nd. To pay lessor one-eighth ($\frac{1}{8}$) of the proceeds received by lessee at the well for all gas (including all substances contained in such gas) produced
from the leased premises and sold by lessee; if such gas is used by lessee off the leased premises or used by lessee for the manufacture of casinghead
gasoline or other products, to pay to lessor one-eighth ($\frac{1}{8}$) of the prevailing market price at the well for the gas so used.

The consideration paid to lessor for this lease includes consideration in lieu of delay rental provisions and the rights and obligations of the parties
hereunder shall be the same as if this lease contained provisions for the payment of periodic delay rentals throughout the primary term hereof and each
such delay rental had been timely paid and accepted by lessor.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on the leased premises (or on acreage pooled or consoli-
dated with all or a portion of the leased premises into a unit for the drilling or operation of such well) is at any time shut in and no gas or gas-condensate
therefrom is sold or used off the premises or for the manufacture of gasoline or other products, nevertheless such shut-in well shall be deemed to be a well
on the leased premises producing gas in paying quantities and this lease will continue in force during all of the time or times while such well is so shut in,
whether before or after the expiration of the primary term hereof. Lessee shall use reasonable diligence to market gas or gas and gas-condensate capable
of being produced from such shut-in well but shall be under no obligation to market such products under terms, conditions or circumstances which, in
lessee's judgment exercised in good faith, are unsatisfactory. Lessee shall be obligated to pay or tender to lessor within 45 days after the expiration of
each period of one year in length (annual period) during which such well is so shut in, or royalty, an amount equal to \$1.00 per acre for the acreage
covered by this lease as to which the leasehold rights are, at the end of such annual period, owned by the lessee making such payment; provided that, if
lessor owns less than the full and entire royalty interest in such acreage, such payments shall be such part (calculated on a royalty-acre basis) of said
amount as lessor's royalty interest bears to the full and entire royalty interest in such acreage; and provided further that, if gas or gas-condensate from
such well is sold or used as aforesaid before the end of any such annual period, or if, at the end of any such annual period, this lease is being maintained
in force and effect otherwise than by reason of such shut-in well, lessee shall not be obligated to pay or tender, for that particular annual period, said
sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Such payment may be made or tendered to lessor ~~at the lessor's~~
~~option in the~~ Post Office Box 2305 Bank at Houston, Texas 77001

which bank and its successors shall continue as the depository regardless of changes in the ownership of said land or the right to receive royalty hereunder.
Royalty ownership as of the last day of each such annual period as shown by lessee's records shall govern the determination of the party or parties en-
titled to receive such payment.

If lessor owns a less interest in the land covered by this lease than the entire and undivided fee simple mineral estate therein, then whether or not
such less interest is referred to or described herein, all royalties herein provided shall be paid lessor only in the proportion (calculated on a royalty-acre
basis) which the royalty interest owned by him in said land bears to the full and entire royalty interest in said land.

If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the ex-
press and implied covenants hereof shall extend to the sublessees, successors or assigns of the parties; and in the event of an assignment or subletting
by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any
of the covenants or conditions of this lease, either express or implied. No change in the ownership of the land or royalties, however accomplished, shall
operate to enjoin the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding
any actual or constructive knowledge of or notice to lessee, no change in the ownership of said land or of the right to receive royalties hereunder, or of
any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular
case) until 90 days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as
a result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all documents and other instruments or
proceedings necessary in lessee's opinion to establish the ownership of the claiming party.

Lessee may, at any time, execute and deliver to lessor or place of record a release covering all or any part of the acreage embraced in the leased
premises or covering any one or more zones, formations or depths underlying all or any part of such acreage, and thereupon shall be relieved of all obli-
gations thereafter to accrue with respect to the acreage, zones, formations or depths covered by such release.

Lessee is granted the right, from time to time while this lease is in force, to pool into a separate operating unit or units all or any part of the land
covered by this lease with other land, lease or leases, or interests 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 lessee thereof), when in lessee's judgment it is necessary or advisable in order to pro-
mote 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 all oil and gas, or any one or more of the substances covered by this lease,
and may cover one or more or all zones or formations underlying all or any portion or portions of the leased premises. Any unit formed by such pooling
shall be of abutting or cornering tracts and shall not exceed 640 acres (plus a tolerance of 10%) for gas or gas-condensate and shall not exceed 160 acres
(plus a tolerance of 10%) 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 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 or
counties 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 lieu of the royalties elsewhere herein specified, except shut-in gas well royalties, lessor shall receive on production from an area

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so pooled only such portion of the royalties which, in 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 commencement of a well, the conduct of other drilling operations, the completion 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, said lands. Lessee may terminate any pooling effected pursuant hereto at any time which the pooled area is located a written declaration of the termination of such pooling, provided that the pooling of all interests not covered by this lease which comprise a part of such pooled unit be also terminated in some effective manner.

Lessee shall have the right to utilize all or any part of the above described lands with other lands in the same general area by entering into an agreement setting forth a plan of development or operation approved by the Secretary of the Interior, or other officer or representative of the United States having authority to approve such unit agreements, and, from time to time, with like approval, to modify, change or terminate any such agreement. In any of such events, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such approved unit agreement, and all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such agreement, and this lease shall not terminate or ~~expire~~ during the life of such agreement except as may be otherwise provided in said agreement. In the event that said above described lands or any part thereof, shall be operated under any such unit agreement whereby the production thereunder is allocated to different portions of the land covered by said agreement, then the production allocated to any particular tract of land pursuant to such agreement shall, for the purpose of computing royalties, be regarded as having been produced from the particular tract of land to which it is allocated and not from any other tract of land and any royalty payments on such production to be made hereunder to lessor shall be based solely upon the production so allocated. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest unitized pursuant hereto. Lessee's execution of such unit agreement shall be binding as to both lessor and lessee and their respective interests. Lessee, following such execution, shall furnish lessor with a copy of such unit agreement by mail to lessor's last known address as shown by Lessee's records and shall give lessor written notice of approval of the same in the same manner within a reasonable time after Lessee is notified of such

Lessee shall have the right to use, free of cost, oil, gas and water produced on said land for its operations thereon except water from wells of lessor. 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. No part of the surface of the leased premises shall, without the written consent of lessee, be let, granted or licensed by lessor to any other party for the location, construction or maintenance of structures, tanks, pits, reservoirs, equipment, or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil, gas or other minerals.

Lessee shall bury below plow depth its pipe lines on the leased premises when requested by a lessor owning an interest in the surface. No well shall be drilled nearer than 200 feet to any house or barn now on said premises without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for damages to growing crops caused by its operations on said lands.

Lessor, by execution hereof, makes no warranty of title, express or implied, as to the lands hereinabove described.

Of any party claiming any interest in said land and exercise such rights as may be obtained thereby but lessee shall not purchase or lease the rights any liability to lessor by reason thereof. Lessee shall have the right at any time to pay for lessor, any mortgage, taxes or other lien on said lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and any such payments made by lessee for lessor may be deducted from any amounts of money which may become due lessor under this lease.

All express provisions and implied covenants of this lease shall be subject to all applicable laws, governmental orders, rules and regulations. This lease shall not be terminated in whole or in part, nor lessee held liable in damages, because of a temporary cessation of production or of drilling operations due to breakdown of equipment or due to the repairing of a well or wells, or because of failure to comply with any of the express provisions or implied covenants of this lease if such failure is the result of the exercise of governmental authority, war, armed hostilities, lack of market, act of God, strike, civil disturbance, fire, explosion, flood or any other cause reasonably beyond the control of lessee.

This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective successors and assigns. Reference herein to lessor and lessee shall include reference to their respective successors and assigns. Should any one or more of the parties named above as lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

The royalty provided by the foregoing printed portions of this lease is hereby amended from one-eighth (1/8) to three-sixteenths (3/16) as to all of the leased substances.

IN WITNESS WHEREOF, this lease is executed as of the day and year first above written.

EXXON CORPORATION

O. K. to be
transacted

(FED. ID. # 13-5409-005)

By

Attorney-in-Fact

O. K. to be
transacted

(FED. ID. #)

(FED. ID. #)

(FED. ID. #)

CAR. PRO. 100-3
NOTARY
TIMOTHY R. DAVIES
COUNTY OF ARIZONA
On the 15th day of September, 1980, personally appeared before me R.M. MEER, who, being by me duly sworn, did say that he is the attorney in fact of EXXON CORPORATION, and that said instrument was signed in behalf of said grantor by authority, and said R.M. MEER acknowledged to me that he, as such attorney in fact, executed the same.

UTAH-COLORADO ACKNOWLEDGMENT
(ATTORNEY IN FACT)

My commission expires: June 19, 1983

Timothy R. Davies
Notary Public
Residing at: Aurora, Colorado

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

(Certificate of Recording)

MAY 01 1981

This instrument was filed for record on the day of 19, at 11:48 o'clock A.M. and recorded in Book at Page of the records of this office.

Dwight A. Alford County Clerk Register of Deeds By [Signature] Deputy

AFTER RECORDING, RETURN to [Signature] 2245-5800 LA. Dec 1980