

CO-8295

Recorded at 1:00 o'clock P.M. March 26, 1977

Reception No 104827 Book 165 Page 443-445

Vada Wood, Recorder, Dolores Co., Colorado Anna Wood CO-8295

WLO

Form 2120-3
Eleventh Edition
September 1968UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTForm approved
Budget Bureau No. 42-R0990

Office

Serial No C-11160

RECEIVED
BR OF MINERAL CLASS
AUG 5 1970
GEOLOGICAL SURVEYThis is an unrecorded
or not subject to the
and laws in fact

OFFER TO LEASE AND LEASE FOR OIL AND GAS
(Sec. 17 Noncompetitive Public Domain Lease)

The undersigned hereby offers to lease all or any of the lands described in item 2 that are available for lease, pursuant and subject to the terms and provisions of the Act of February 25, 1920 (41 Stat 437, 30 U S C sec 181), as amended, hereinafter referred to as the Act and to all reasonable regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof

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Miss

Please notify the
agency office of any
change of address

Alliance Western, Inc.

(First Name Middle Initial Last Name)

555 17th Street

(Number and Street)

Denver, Colorado 80202

(City State, ZIP Code)

2 Land requested State Colorado County Dolores T 40N R 17W N.M. Meridian

Section 5: All unsurveyed land in partially surveyed township
protraction diagram #8

Section 7: Lots 11, 12, 13, 14, 15, 16 SE 1/4

Section 8: All

Section 17: SW 1/4

Section 20: N 1/2 NW 1/4

Total Area 2263.28 Acres

3 Land included in lease. State

County

T

I hereby certify that this reproduction
is a copy of the official record on file
in this officeLands in lease were not
within a known geologic
structure on date of
lease issuance.This Lease Embraces the lands and
the Land Described in Item 2

MAR 16 1977

Authorized Signature
COLORADO STATE OFFICE, Denver ColoradoDistrict Geologist
For the Director
U. S. Geological Survey

(Offeror does not fill in this block)

Total Area 2023.28 Acres Rental retained \$ 1012.00

4 Amount remitted Filing fee \$10, Rental \$1137.00, Total \$ 1147.00

5. Undersigned certifies as follows

(a) Offeror is a citizen of the United States Native born Naturalized Corporation or other legal
entity (specify what kind) corporation (Qualification C-0125355)

(b) Offeror's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options or 246,080 chargeable acres in options, offers to lease and leases in the same State, or 300,000 chargeable acres in leases, offers to lease and options in each leasing district in Alaska. (c) Offeror accepts as a part of this lease, to the extent applicable, the stipulations provided for in 43 CFR 3103.2 (d) Offeror is 21 years of age or over (or if a corporation or other legal entity, is duly qualified as shown by statements made or referred to herein) (e) Offeror has described all surveyed lands by legal subdivisions, all lands covered by protracted surveys by appropriate subdivisions thereof, or all unsurveyed lands not covered by protracted surveys by metes and bounds, and further states that there are no settlers on unsurveyed lands described herein

6 Offeror is ☒ is not the sole party in interest in this offer and lease, if issued (If not the sole party in interest, statements should be filed as prescribed in Item 6 of the Special Instructions)

7 Offeror's signature to this offer shall also constitute offeror's signature to, and acceptance of, this lease and any amendment thereto that may cover any land described in this offer open to lease application at the time the offer was filed but omitted from this lease for any reason, or signature to, or acceptance of, any separate lease for such land. The offeror further agrees that (a) this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the land office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed in behalf of the United States, and (b) this offer and lease shall apply only to lands not within a known geologic structure of a producing oil or gas field

8. If this lease form does not contain all of the terms and conditions of the lease form in effect at the date of filing, the offeror further agrees to be bound by the terms and conditions contained in that form

9 It is hereby certified that the statements made herein are complete and correct to the best of offeror's knowledge and belief and are made in good faith.

Offeror duly executed this instrument this 15th day of June, 1970

Alliance Western, Inc.

by Anna Mark President (Lessee signature)

(Attorney in fact)

This lease for the lands described in item 3 above is hereby issued, subject to the provisions of the offer and on the reverse side hereof

"THIS LEASE IS SUBJECT TO THE DETERMINATION BY THE
GEOLOGICAL SURVEY AS TO WHETHER THE LANDS HEREIN
DESCRIBED WERE ON A KNOWN GEOLOGIC STRUCTURE OF
A PRODUCING OIL OR GAS FIELD AS OF THE DATE OF
SIGNING HEREOF BY THE AUTHORIZED OFFICER"

SEP 1 1970

THE UNITED STATES OF AMERICA

By Fola M. Clark (Signing officer)

SUPERVISORY ADJUDICATOR

BUREAU OF MINERALS

AUG 5 1970

(Date)

Effective date of lease

THIS OFFER MAY BE REJECTED AND RETURNED TO THE OFFEROR AND WILL AFFORD THE OFFEROR NO PRIORITY

C-11160

ORIGINAL
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
DEPARTMENT OF AGRICULTURE

SUPPLEMENTAL STIPULATION TO STIPULATION FOR LANDS UNDER JURISDICTION OF DEPARTMENT OF AGRICULTURE

To be attached to and made a part of Form 3103-2

- (a) At least two weeks before beginning of any clearing, construction, or operations, including access and work road location and construction, the lessee shall prepare a "Lessee Surface Management Operation Plan" with the District Ranger, Cortez, Colorado

The final plan shall be prepared in triplicate, including maps, for the approval by the Forest Supervisor. Such approval will be conditioned on reasonable requirements needed to prevent soil erosion, water pollution, and unnecessary damages to the surface vegetation and other resources of the United States and to provide for the restoration of the land surface and vegetation. The plan shall contain all such provisions as the Forest Service may deem necessary to maintain proper management of the lands and resources within the operating area.

Where appropriate, depending upon the location and type of operation, the Forest Supervisor may require the plan to contain, at a minimum, the following items:

1. The location, construction specifications, maintenance program, and estimated use by the lessee, his employees and agents, of all access and work roads.
2. The exact location and extent of any and all areas to be occupied during the operations.
3. The methods to be used in the operations, including disposal of waste material.
4. The size and type of equipment to be used in the operation.
5. The capacity, size, character, standards of construction and location of all structures and facilities to be constructed.
6. Typical profiles of cuts and fills of all areas to be graded for the installation of structures and facilities.
7. The location and size of areas upon which vegetation will be destroyed and/or soil laid bare and the steps which will be taken to prevent and control soil erosion thereon, including but not limited to the proposed program for rehabilitation and revegetation of these disturbed lands both during and upon cessation of operations.
8. The steps which will be taken to prevent water pollution.
9. The character, amount, and time of use of explosives or fire, including safety precautions which will be taken during their use.
10. Forest user, permitted livestock, and wildlife protection.

If later operations require departure from or additions to the approved plan, these revisions or amendments, together with justification statement for proposed revisions, will be submitted to the District Ranger for approval of the Forest Supervisor.

Any and all operations conducted in advance of approval of an original, revised, or amended operating plan, or which are not in accord with an approved plan, constitute a violation of the terms of this lease and the Forest Service reserves the right to close down the operation until such corrective action, as is deemed necessary, is taken by the lessee.

- (b) (1) To guarantee the successful rehabilitation and revegetation of abandoned operating areas, as provided for in the "Lessee Surface Management Operating Plan," paragraph (a) above, the Forest Service is agreeable to the reduction of lease or operator bonds to an amount necessary to cover the estimated cost of rehabilitation and revegetation, providing that the lessee has otherwise satisfied the conditions of this lease and the United States Geological Survey and the Bureau of Land Management have approved such a reduction.
- (2) In lieu of bond, the lessee may upon mutual agreement with the Forest Supervisor deposit cooperative funds sufficient to cover the cost of rehabilitating and revegetating abandoned operating areas. When such funds have been deposited, the Forest Supervisor shall notify the United States Geological Survey that the requirements of the Forest Service have been satisfied, providing that all other conditions of the lease which concern the Forest Service have been satisfied.
- (c) No occupancy of the surface of the following areas is authorized by this lease. The lessee is, however, authorized to employ directional drilling to develop the mineral resources under these areas provided that such drilling or other works will not disturb the surface area or otherwise interfere with their use by the Forest Service. It is understood and agreed that the use of these areas for National Forest purposes is superior to any other use. Areas to be excluded from direct drilling occupancy are:

- (1) Within 500 feet on either side of the centerline of any and all roads and/or highways within the lease areas.
 - (2) Within 200 feet on either side of the centerline of any and all trails within the lease area.
 - (3) Within 500 feet of the normal highwater line of any and all lakes, ponds, and reservoirs located within the lease area.
 - (4) Within 500 feet of the normal highwater line of any and all streams in the area.
- The distances in subparagraphs 1, 2, 3, and 4 immediately above may be reduced when specifically agreed to in the operating plan, see paragraph (a).
- (5) Within 400 feet of any and all springs within the lease area.
 - (6) Within 400 feet of any improvements either owned, permitted, leased or otherwise authorized by the Forest Service.
 - (7) Within the following described area

T. 40 N., R. 17 W., N.M.P.M.
Sec 5 SW 1/4 SE 1/4 NE 1/4 - because of NFRS #19

The land covered by this stipulation is as follows:

T. 40 N., R. 17 W., N.M.P.M.

- Sec 5 All unsurveyed land in partially surveyed township - protraction diagram No 8
- Sec 7 Lots 11-16 incl, SE 1/4
- Sec 8 All

Alliance Western, Inc.
by Armen Mark - president
Lessee

File Leases
East 1/2
12-40N-18W

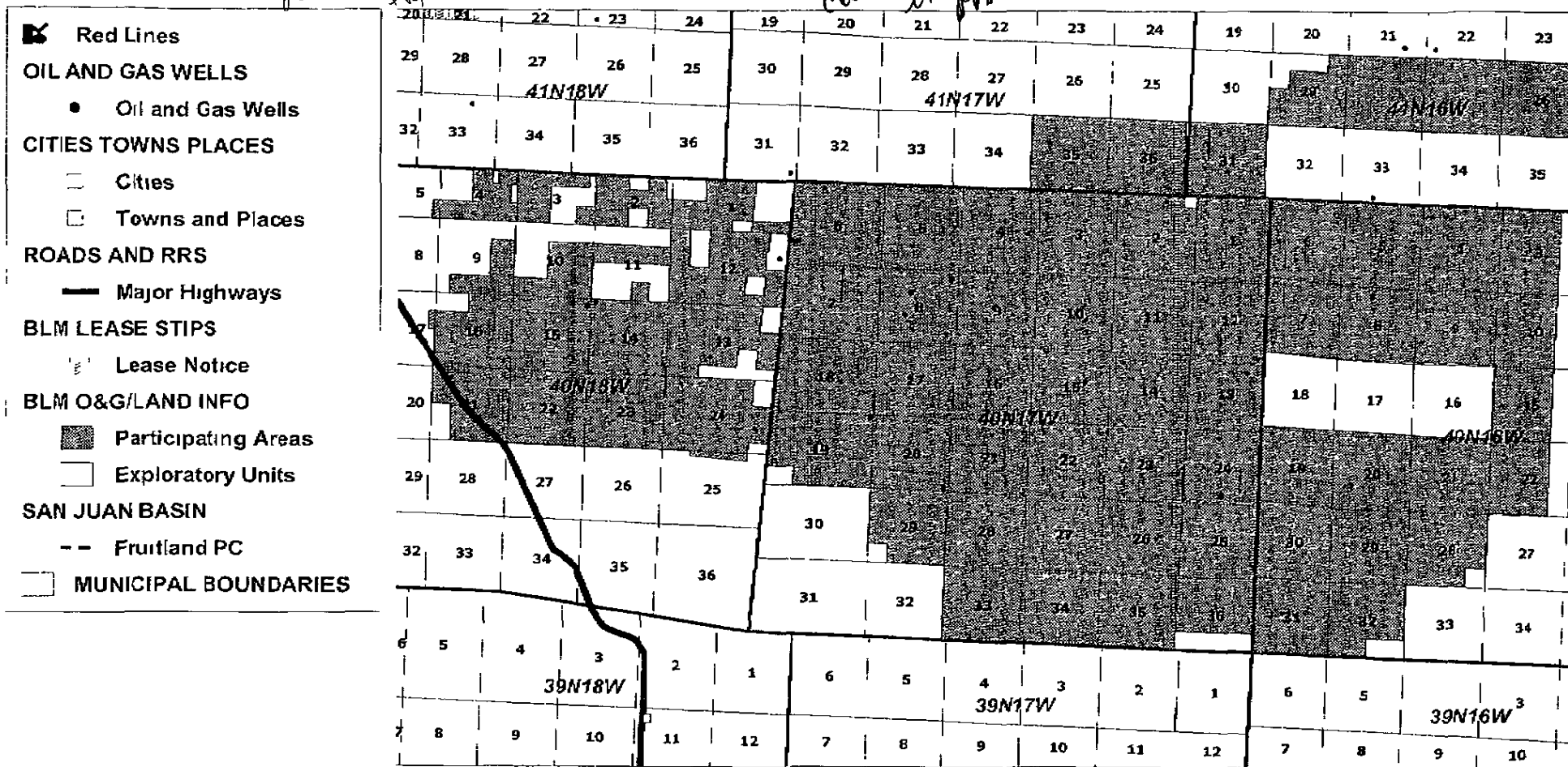
12-1
COC-15396
13-40N-18W

0N-18W
Full lease
5/2 13-40N-18W
+ 6/2 13/40N/18W

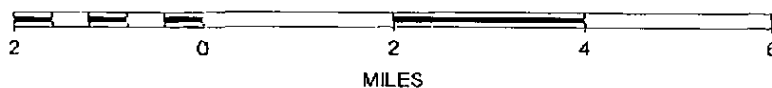
COGCC GIS Online

Pr J.A. Sec 1, 12, 13, 24 in
all in Ford Lease
15396

Lease
#15396
in PA



SCALE 1 130,572



**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

*when is
File Lease?*

RunDate/Time 06/19/07 03 39 PM

Page 1 of 2

01 02-25-1920,041STAT0437,30USC226

Total Acres
2,023 280

Serial Number
COC--- - 011160

Case Type 311111 O&G LSE NONCOMP PUB LAND

Commodity 459 OIL & GAS L

Case Disposition AUTHORIZED

| Name & Address | | Serial Number COC--- - 011160 | | Int Rel | % Interest |
|---------------------------|-------------------------|-------------------------------|--------|---------|--------------|
| KINDER MORGAN CO2 CO | PO BOX 281304 | LAKEWOOD CO 80225 | LESSEE | | 50 000000000 |
| MERIT ENERGY PTNRSHIP III | 12222 MERIT DR #1500 | DALLAS TX 75251 | LESSEE | | 3 800000000 |
| MERIT MGT PARTNERS I LP | 13727 NOEL ROAD STE 500 | DALLAS TX 75240 | LESSEE | | 46 200000000 |

| Mer Twp | Rng | Sec | SType | SNr | Suff | Subdivision | District/Resource Area | County | Mgmt Agency |
|----------|-------|-----|-------|-----|------|-------------|------------------------|---------|---------------------|
| 23 0400N | 0170W | 005 | PRO | | | ALL, | MONTROSE SAN JUAN | DOLORES | BUREAU OF LAND MGMT |
| 23 0400N | 0170W | 007 | ALIC | | | SE, | MONTROSE SAN JUAN | DOLORES | BUREAU OF LAND MGMT |
| 23 0400N | 0170W | 007 | LOT: | | | 11-16, ✓ | MONTROSE SAN JUAN | DOLORES | BUREAU OF LAND MGMT |
| 23 0400N | 0170W | 008 | ALIC | | | ALL, | MONTROSE SAN JUAN | DOLORES | BUREAU OF LAND MGMT |
| 23 0400N | 0170W | 017 | ALIC | | | SW, | MONTROSE SAN JUAN | DOLORES | BUREAU OF LAND MGMT |
| 23 0400N | 0170W | 020 | ALIC | | | N2NW, | MONTROSE SAN JUAN | DOLORES | BUREAU OF LAND MGMT |

| Act Date | Code | Action | Action Remarks | Serial Number COC--- - 011160 Pending Office |
|------------|------|-------------------------|------------------------|---|
| 06/16/1970 | 124 | APLN RECD | #0900, | |
| 08/15/1970 | 237 | LEASE ISSUED | | |
| 09/01/1970 | 496 | FUND CODE | 05.145003 | |
| 09/01/1970 | 530 | RLTY RATE - 12 1/2% | | |
| 09/01/1970 | 868 | EFFECTIVE DATE | | |
| 03/28/1977 | 575 | APD FILED | #1, SWNE, 8, | |
| 05/09/1977 | 576 | APD APPROVED | #1, TA, | |
| 12/10/1977 | 650 | HELD BY PROD - ACTUAL | VER, 08/16/90, 922, | |
| 12/10/1977 | 658 | MEMO OF 1ST PROD-ACTUAL | #1, | |
| 04/07/1978 | 102 | NOTICE SENT-PROD STATUS | ROSWELL, EFF 12/10/77, | |
| 06/07/1978 | 933 | TRF OPER RGTS APPROVED | | |
| 07/12/1978 | 510 | KMA CLASSIFIED | UNNAMED UNDEFINED KGS | |
| 11/29/1979 | 232 | LEASE COMMITTED TO UNIT | COC47612X, DOE CYN DP | |
| 11/29/1979 | 658 | MEMO OF 1ST PROD-ACTUAL | COC47612A, #1 | |
| 11/29/1979 | 660 | MEMO OF 1ST PROD-ALLOC | COC47612A, MISSLDVL A | |
| 12/05/1983 | 140 | ASGN FILED | | |
| 12/05/1983 | 932 | TRF OPER RGTS FILED | | |
| 03/07/1984 | 139 | ASGN APPROVED | EFF 01/01/84, | |
| 03/07/1984 | 933 | TRF OPER RGTS APPROVED | EFF 01/01/84, | |
| 04/09/1984 | 899 | TRF OF ORR FILED | | |
| 01/01/1985 | 658 | MEMO OF 1ST PROD-ACTUAL | COC47612A, #8910180310 | |
| 11/29/1985 | 660 | MEMO OF 1ST PROD-ALLOC | COC47612S, MISSLDVL A1 | |
| 10/13/1993 | 575 | APD FILED | 41-8, DOE CYN, | |
| 05/20/1996 | 817 | MERGER RECOGNIZED | SOUTHLAND/MER OIL, | |
| 09/18/1996 | 940 | NAME CHANGE RECOGNIZED | MER OIL/BURLINGTON, | |
| 04/14/1997 | 140 | ASGN FILED | | |
| 04/14/1997 | 932 | TRF OPER RGTS FILED | | |

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

RunDate/Time 06/19/07 03 39 PM

Page 2 of 2

01 02-25-1920,041STAT0437,30USC226

Total Acres

Serial Number

Case Type 311111 O&G LSE NONCOMP PUB LAND

2,023 280

COC--- - 011160

Commodity 459 OIL & GAS L

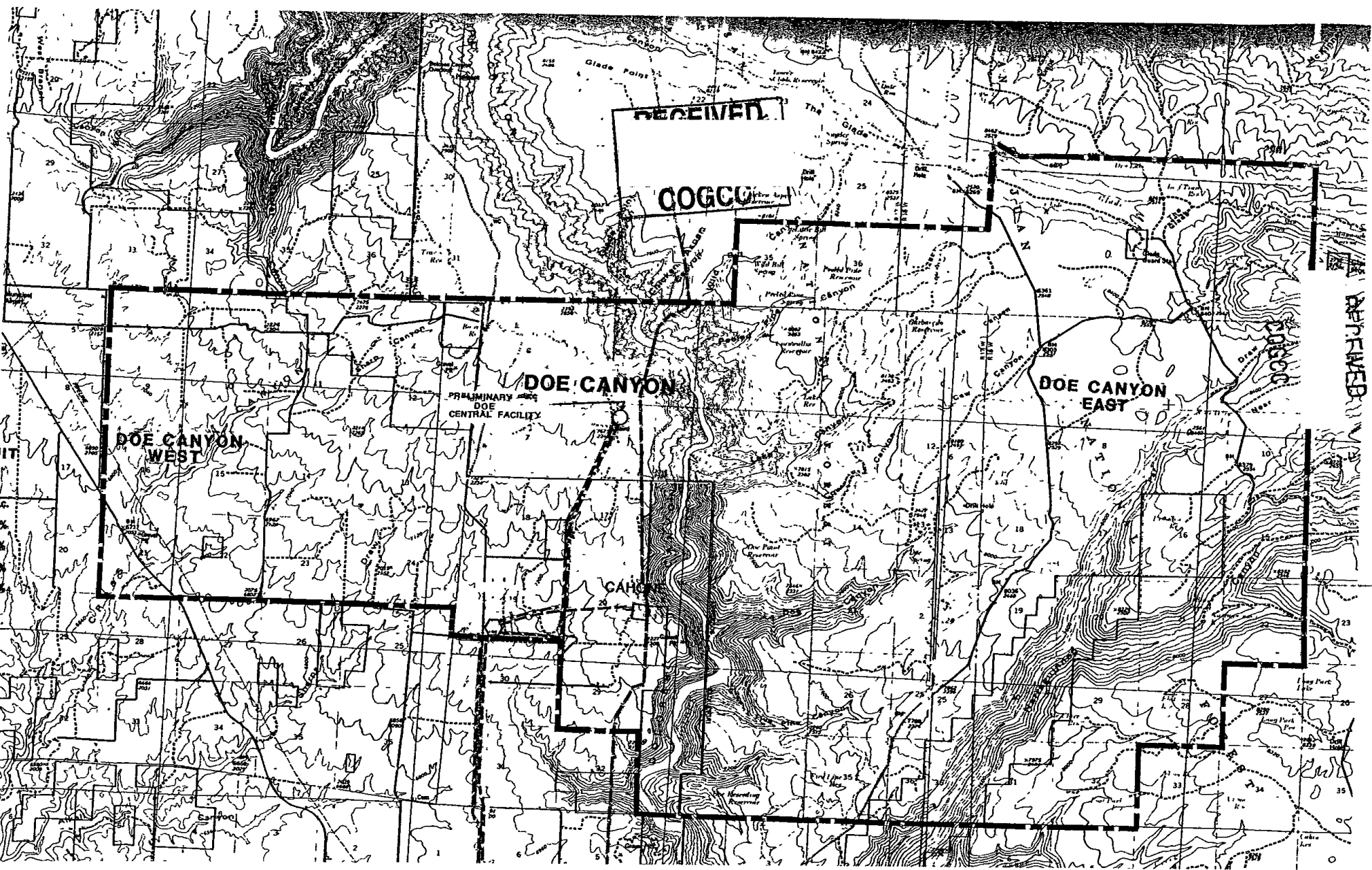
Case Disposition AUTHORIZED

| | | | |
|------------|-----|------------------------|-----------------------|
| 04/14/1997 | 933 | TRF OPER RGTS APPROVED | EFF 05/01/97, |
| 07/30/1997 | 139 | ASGN APPROVED | EFF 05/01/97, |
| 10/19/1998 | 932 | TRF OPER RGTS FILED | |
| 10/19/1998 | 933 | TRF OPER RGTS APPROVED | EFF 11/01/98, |
| 02/29/2000 | 140 | ASGN FILED | |
| 02/29/2000 | 932 | TRF OPER RGTS FILED | |
| 02/29/2000 | 933 | TRF OPER RGTS APPROVED | EFF 03/01/00, |
| 04/25/2000 | 139 | ASGN APPROVED | EFF 03/01/00, |
| 07/20/2000 | 940 | NAME CHANGE RECOGNIZED | SHELL/KMCO2 |
| 04/28/2004 | 899 | TRF OF ORR FILED | 2 |
| 08/30/2005 | 940 | NAME CHANGE RECOGNIZED | MP LP/MERITM P I, LP, |
| 10/20/2005 | 932 | TRF OPER RGTS FILED | 1 |
| 10/21/2005 | 933 | TRF OPER RGTS APPROVED | EFF 11/01/05, |
| 11/03/2006 | 932 | TRF OPER RGTS FILED | 1 |

FLUID MINERALS

Line Nr Remarks

Serial Number COC--- - 011160



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