

3240000

WITNESSETH:

- (a) that certain Quitclaim Deed dated

of the County Clerk and Recorder

BOOK 794

Rec. No. 171-303 Mary Ann Feurstein, Recorder

2. Subject to the other provisions herein contained, this lease shall be for a term of 5 years from its date (called "primary term") and as long thereafter as oil, gas or associated liquid hydrocarbons or any of them are produced from said land hereunder, or drilling or reworking operations are conducted thereon.

3. Lessee, within three months from the date of this lease, shall commence the actual drilling of a test well on the leased premises; and thereafter prosecute the drilling of said well diligently, without unnecessary delay and in a workmanlike manner. If the actual drilling of a test well is not commenced within the time prescribed, this lease will automatically terminate.

4. The royalties to be paid by Lessee to the lessor shall be as follows:

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4. The royalties to be paid by Lessee are: (a) on oil and on associated liquid hydrocarbons, 15% of that produced and saved from said land, the same to be delivered free of cost at the wells, or to the credit of Lessor into the pipe line to which the wells may be connected; (b) on gas produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value of the well of 15% of the gas so sold or used; provided that on gas sold at the wells the royalty shall be 15% of the amount realized from such sale. Lessee shall have the free use of oil, gas and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used.

While there is a well on the leased premises or on acreage pooled therewith capable of producing only gas, but from which well production is not being sold or used, and in the absence of oil or other production from said premises, this lease shall be extended for a period of 90 days from the date such well is shut-in, and Lessee may tender or pay annually as royalty a sum to the amount of annual rentals which would be payable during the primary term but for the drilling operations on the leased premises then subject to this lease. Payment or tender of such royalty to be made during the primary term, and before the anniversary date on which such well is shut-in, and after the date on which such well is shut-in and a similar payment to be made annually thereafter on or before the anniversary date on which such well is shut-in. If such payments are so made, it shall be considered that this lease is being extended for the term of the lease from the leased premises under all the terms and provisions of this lease.

If any portion of the leased premises is included in a pooled unit, the amount of the shut-in royalty applicable to any such pooled unit upon which such gas or oil is produced in paying quantities shall be reduced in the proportion that the amount of Lessor's net mineral acres included in any such pooled unit bears to the total acreage contained in such pooled unit as provided in Section 7 hereof.

Lessee shall use reasonable diligence to market gas capable of being produced in paying quantities from a shut-in well, but shall be under no obligation to market same under terms, conditions or circumstances which, in Lessee's good faith judgment, are unreasonable or unsatisfactory.

Lessor may from time to time purchase any royalty portion of oil or associated liquid hydrocarbons in its possession, paying the market price therefor prevailing in the field where produced on the date of purchase; provided, however, that if Lessor shall so elect, Lessee shall deliver to Lessor in kind its royalty share said royalty share in kind for a period of not less than six (6) months following the date of purchase.

royalty share in kind for a period of not less than six (6) months following the termination of said sixty (60) day period. Any such deliveries are made from the facilities of Lessee, which shall have been installed for its own convenience at times and in amounts which equitably adjust deliveries of both parties.

5. If the well, provided for in Section 3 hereof is drilled and completed as a dry hole, then the provisions of this Lease shall terminate and all rights hereinafter provided on or before one year from the date of completion of the well.

5. If the well, provided for in Section 3 hereof is drilled and completed as a dry hole and if operations for drilling are not commenced on said land as hereinafter provided on or before one year from this date, the lease shall then terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender to Lessor, at P. O. Box 552, Enid, Oklahoma 73701, the sum of Fifty-Six Hundred Thirty-Four and 50/100 (\$5,634.56-), (herein called rental), which shall cover the privilege of drilling and completing said well. Any such deliveries are to be made in like manner and upon the same terms as the delivery of said sixty (60) day period. Any such deliveries are to be made at times and in amounts which equitably adjust deliveries of both parties.

[illegible]

Leasee, and the depositing of such currency, draft, or check in any post office, properly addressed to the Lessor, on or before the rental paying date, shall be deemed payment as herein provided. Lessee may at any time execute and place of record a release or releases covering any portion or portions of the Above described premises, furnishing a copy thereof to Lessor, and thereby surrender this lease as to such portion or portions and have the balance of the Above premises surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion of the portion or portions of the Above premises so released.

If Lessee shall, on or before any rental date, make a bona fide attempt to pay rental to Lessor and if such payment shall be in an amount equal to or in excess of the rental due, then the rental due shall be reduced in the proportion that the acreage covered hereby is reduced by said release or payment.

If Lessee shall, on or before any rental date, make a bona fide attempt to pay rental to Lessor and if such payment shall be in an incorrect amount, Lessee shall be unconditionally obligated to pay to Lessor the rental properly payable for the rental period involved, but this lease shall be maintained in effect by Lessee if such erroneous rental payment had been properly made, provided that the erroneous rental was not the result of an intentional act by Lessee. If Lessee shall, on or before any rental date, make a bona fide attempt to pay rental to Lessor and if such payment shall be in an incorrect amount, Lessee shall be unconditionally obligated to pay to Lessor the rental properly payable for the rental period involved, but this lease shall be maintained in effect by Lessee if such erroneous rental payment had been properly made, provided that the erroneous rental was not the result of an intentional act by Lessee.

6. Should any well drilled on the above described land during the primary term before production is obtained, and if the well is not producing oil or gas in paying quantities, then and in either event, the Lessor shall be obligated to pay to the Lessee, for the rental period involved, but this lease shall be in an incorrect amount, Lessee shall be obligated to pay to the Lessor, the amount of the rental payment had been properly made, provided that the erroneous rental payment be corrected within thirty (30) days after receipt by Lessee of written notice from such Lessor of such error accompanied by any documents and other evidence necessary to enable Lessee to make proper correction.

6. Should any well drilled on the above described land during the primary term before production is obtained be a dry hole, or should production be obtained during the primary term and thereafter cease, then and in either event, if operations for drilling an additional well are not commenced or operations for working an old well are not pursued on said land on or before the first rental payment date next succeeding the anniversary of the date of completion of this well, or wells, then this lease shall terminate unless Lessee, or its duly authorized agent, shall, within thirty (30) days after the expiration of the primary term, file with the Bureau of Land Management, Department of the Interior, a written statement accompanied by any documents and other evidence necessary to enable Lessee to make proper proof of compliance with the provisions of this lease. If no such statement is filed, this lease shall terminate on the expiration of the primary term.

drilling an old well are not pursued on said land on or before the first rental paying date next succeeding the cessation of production or drilling or reworking on any well or sections, then this lease shall terminate unless Lessee, on or before said date, shall resume the payment of rentals. Upon resumption of the payment of rentals, Section 5 governing the payment of rentals, shall continue in force just as though there had been no interruption.

[illegible]

production in force as long as such drilling term, Lessee is conducting operations for drilling a new well or reworking an old well, this lease nevertheless shall continue in force for the production thereof should cease during the lease nevertheless shall continue in force if drilling or reworking operations continue, or if, after the expiration of the primary term, production on this lease shall cease, production is restored or additional production is discovered as a result of any such drilling or reworking operations, commenced within sixty (60) days after such cessation of production; if (60) days, this lease shall continue as long thereafter as such drilling or reworking operations, conducted without cessation of production; if reworking operations are had without cessation of such drilling or reworking operations, conducted without cessation of production; if

7. Lessee, at its option, is hereby given the right and power to pool or combine the land covered by this lease, or any portion thereof, with any other land, lease or leases when in Lessee's judgment it is necessary or desirable to do so for the efficient operation of the well unit or units, and the operations thereunder, and not exceeding six (6) months after the date of the expiration of this lease shall cease, and the operations shall continue as long thereafter as a result of any such drilling or reworking operations, conducted without cessation of production; if drilling operations are had without cessation of such drilling or reworking operations for more than sixty (60) days after such cessation of production; if drilling or reworking operations for more than sixty (60) consecutive days.

Leasee, at its option, is hereby given the right and power to pool or combine the land covered by this lease, or any portion thereof, as to oil and gas, with other lands, with any other land, lease or leases when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and produce therefrom oil and gas in paying quantities, and to operate such well or wells, whether or not existing, and to conduct operations for more than sixty (60) consecutive days, such pooling to be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten per cent (10%) of fractional parts of an acre, and not exceeding six hundred and forty (640) acres, plus an acreage tolerance of ten per cent (10%) of fractional parts of an acre, and to operate such pool or combine acreage as may be determined by Lessee.

larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and place of record.

the lease is pooled or combined as to any one or more strata, and jurisdiction. Lessee or its assigns shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. The entire acreage so pooled shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations on the pooled acreage shall be considered for purposes of this lease as operations on the leased premises covered by this lease. If the leased premises are located on the premises covered by this lease, and production therefrom is pooled with production from other leased premises, the leased premises shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other pools, as if such operations were on such production from a well as a shut-in gas well, shall be considered for purposes of this lease as operations on the leased premises covered by this lease.

Should any unit as originally created hereunder contain less than the maximum number of acres provided for in the unit and the acreage content of the unit exceeds the acreage content provided for in the unit, then the acreage content of the unit shall be reduced to the acreage content provided for in the unit. Should any unit as originally created hereunder contain less than the maximum number of acres provided for in the unit and the acreage content of the unit exceeds the acreage content provided for in the unit, then the acreage content of the unit shall be reduced to the acreage content provided for in the unit.

whether before or after production is obtained on the unit, enlarge such unit by adding additional acre hereinabove specified, then Lessee may at any time after production is obtained on the unit as originally created, then and in such event the Lessee shall execute and place of record a supplemental declaration of acreage containing a description of the additional acre so added to the unit, which supplemental declaration shall be recorded within the first day of the calendar month next following the date of record of the original declaration of acreage. If the acreage so added to the unit exceeds the acreage content hereinabove specified, then Lessee may at any time after production is obtained on the unit, enlarge such unit by adding additional acre hereinabove specified, then Lessee may at any time after production is obtained on the unit as originally created, then and in such event the Lessee shall execute and place of record a supplemental declaration of acreage containing a description of the additional acre so added to the unit, which supplemental declaration shall be recorded within the first day of the calendar month next following the date of record of the original declaration of acreage.

of unitization identifying and describing the land added to an existing unit by adding additional acreage specified, then Lessee may at any time until after production is obtained on the unit as originally created, then and in such event the supplemental declaration of unitization is not due until the first day of the calendar month next following the filing thereof. In the absence of production Lessee may terminate any unitization of record notice of termination.

This Section 7 shall not affect the provisions of Section 10 of the Oil and Gas Lease.

8. Lessee shall have the right at any time without Lessor's consent to surrender all or any portion of the leased premises and the balance of the acreage surrendered arising subsequent to the date of surrender. Lessee shall have the right to remove all property and fixtures placed on the leased premises at any time without Lessor's consent. If this lease to remove all property and fixtures placed on the leased premises at any time without Lessor's consent.

5. The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the successors and assigns of Lessee. No change or division in ownership of the land, rentals, or royalties, however assigned, shall affect the obligations of Lessee. No change in the ownership of the land, rentals, or royalties, however assigned, shall affect the obligations of Lessee. All recorded instruments in the ownership of the land, rentals, or royalties, however assigned, shall extend to the successors and assigns of Lessee. No change in the ownership of the land, rentals, or royalties, however assigned, shall affect the obligations of Lessee. All recorded instruments in the ownership of the land, rentals, or royalties, however assigned, shall extend to the successors and assigns of Lessee.

rights of Lessee. No change in the ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligations and assigns of the lessor. If all recorded instruments, all court proceedings and all other necessary evidence of any transfer, inheritance, or sale of said rights. In event of the assign-

(CPA-174)

(CPA-174)

Lease No. 617365

ment of this lease as to a segregated portion of and, the rentals payable hereunder shall be apportioned among the several leasehold owners ratably according to the surface area of each, and default of this lease, in whole or in part, Lessee shall be assigned payment by one shall not affect the rights of other of all obligations with respect to the assigned portions arising subsequent to the date of assignment.

10. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, 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 prevented by an act of God, of the public enemy, labor disputes, inability to obtain material, failure of transportation, or other cause beyond the control of Lessee other than financial.

If, during the term of this lease, oil or gas or associated liquid hydrocarbons are discovered upon the leased premises, but Lessee is prevented from producing the same by reason of any of the causes set out in this Section, this lease shall nevertheless be considered as producing and shall continue in full force and effect until Lessee is permitted to produce the oil, gas or associated liquid hydrocarbons, and as long thereafter as such production continues in paying quantities or drilling or reworking operations are continued as elsewhere herein provided.

11. Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. If Lessor owns an interest in said land less than the entire fee simple estate in and to oil, gas and associated liquid hydrocarbons, then the royalties and rentals to be paid Lessor shall be reduced proportionately.

12. This lease does not cover oil shale.

13. The rights granted under this lease are granted without covenants of title or to give possession or for quiet enjoyment.

14. Lessee recognizes that among the exceptions and reservations set forth in the deeds referred in Section 1 of this Oil and Gas Lease are the rights of Lessor's predecessors in interest to use such portions of the leased premises as may not be required for the proper conduct of oil and gas operations for all purposes not inconsistent with such operations. Lessee shall so conduct its operations as not to interfere unreasonably with such use; provided, nevertheless, that such other use of the leased premises shall not unreasonably interfere with the operations of the Lessee.

15. Without the prior written consent of the owner thereof, Lessee shall not make any entry upon or under any portion of any railroad right-of-way or station grounds for any of the purposes of this lease, and shall not drill any well or maintain any structures within two hundred feet (200') (a) of any railroad tracks or buildings on such right-of-way or station grounds, or (b) of any buildings upon the leased premises.

16. Notwithstanding anything to the contrary in this lease contained, no well shall be drilled upon or into and no facilities shall be installed upon any lands in which Lessor owns the mineral rights only, until the consents of the surface owners have been obtained under written instruments satisfactory to Lessor. Lessor will endeavor to obtain such consents and the Lessee agrees to cooperate. Any payments which the Lessor elects to pay to the surface owners shall be paid by Lessor out of its royalty.

Lessee shall pay for all damage to surface owners' lands, buildings and growing crops caused by construction, operations or maintenance of facilities, shall bury all pipe lines below plow depth where they cross cultivated lands, shall construct gates where necessary for crossing fenced lands and keep the gates in repair and closed, and shall indemnify Lessor with respect to such obligations.

17. Lessee agrees to hold Lessor harmless from and to indemnify it against any and all claims, demands, actions and causes of action for injury to or loss or destruction of property, and for injury to or death of any person, arising out of or in connection with operations hereunder.

Lessee shall not permit or suffer any lien or other encumbrance to be filed or to remain against the leased premises as a result of its operations hereunder, and Lessee agrees to hold Lessor harmless from and to indemnify it against any and all claims, demands, actions and causes of action which may result from the filing of any such lien or encumbrance.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

CHAMPLIN PETROLEUM COMPANY

By [Signature]
Its Attorney in Fact

STATE OF Colorado

COUNTY OF Denver

ss.

Colorado-Wyoming
Acknowledgment

The foregoing instrument was acknowledged before me by R. M. MOSS
as Attorney in Fact for CHAMPLIN PETROLEUM COMPANY, this 8th day of March
19 77.

WITNESS my hand and official seal.

Notary Public

My Commission expires

STATE OF

COUNTY OF

ss.

Utah-Nebraska
Acknowledgment

On the day of , 19 , personally appeared before me, a Notary Public in and for said County, , personally known to me, who, being by me duly sworn did say that he is the Attorney in Fact of CHAMPLIN PETROLEUM COMPANY and that said instrument was signed as his voluntary act as Attorney in Fact for and in behalf of said corporation by authority and said acknowledged to me that he, as such Attorney in Fact, executed the same.

WITNESS my hand and notarial seal the date last aforesaid.

Notary Public

My Commission expires

No.

OIL AND GAS LEASE

FROM
CHAMPLIN PETROLEUM COMPANY
TO
AMOCO PRODUCTION COMPANY

Dated , 19

Section Township Range

No. of Acres

County,

STATE OF

COUNTY OF

ss.

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.

By

When Recorded Return to

When recorded return to
AMOCO PRODUCTION COMPANY
SECURITY-LIFE BUILDING
DENVER, COLORADO 80202

EXHIBIT "A"

Lease No. 617365

Weld County, Colorado

Township 3 North, Range 63 WestSection 7: Lots 1, 2, $E\frac{1}{2}W\frac{1}{2}$, $SE\frac{1}{4}$ Section 15: $W\frac{1}{2}$, $SE\frac{1}{4}$ Section 17: $W\frac{1}{2}$, $SE\frac{1}{4}$ Section 19: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{2}$, $SE\frac{1}{4}$ Section 21: $W\frac{1}{2}$, $SE\frac{1}{4}$ Section 29: $W\frac{1}{2}$, $SE\frac{1}{4}$ Township 3 North, Range 64 WestSection 19: Lots 1, 2, $E\frac{1}{2}NW\frac{1}{4}$, $SE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$ Section 21: $W\frac{1}{2}$, $SE\frac{1}{4}$ Section 23: $W\frac{1}{2}$, $SE\frac{1}{4}$ Section 27: $W\frac{1}{2}$, $SE\frac{1}{4}$ Section 29: $W\frac{1}{2}$, $SE\frac{1}{4}$ Section 35: $W\frac{1}{2}$, $SE\frac{1}{4}$

Containing 5,634.56 acres, more or less