

MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed effective as of July 20, 2005 by Mary Anne Bosely, Bosely Spring Creek Ranch LLC, a Colorado limited liability company, and Strait Bottom Ranch LLLP, a Colorado limited liability partnership (collectively, "Bosely"), with an address of P.O. Box 26, Woody Creek, Colorado 81656, as Lessor, and Williams Production RMT Company ("Williams"), a Delaware corporation, with an address of 1515 Arapahoe Street, Tower 3, Suite 1000, Denver, Colorado 80202, as Lessee.

By Oil and Gas Lease dated July 20, 2005 (the "Lease"), Bosely grants, demises, leases and lets, and hereby grants, demises, leases and lets, subject to all of the terms and conditions of the Lease, unto Williams all of Bosely's right, title and interest in the lands described in Exhibit A, including all accretions to the lands described on Exhibit A, all beds, shores, banks and islands of or in rivers (including without limitation the Colorado River), streams and lakes on, traversing or adjoining the lands described on Exhibit "A", and which are owned or claimed by Bosely (the "Lands") for the purposes of mining, exploring by geophysical and other methods, drilling, operating for, producing and saving, all oil and gas (including coalbed gas).

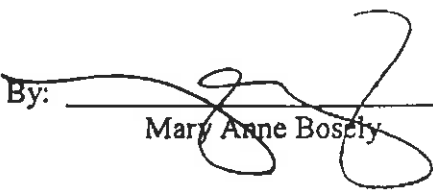
The term of the Lease is five (5) years from July 20, 2005 (the "Primary Term") and as long thereafter as oil or gas of whatsoever nature or kind is produced in paying quantities from the Lands or on acreage pooled therewith, drilling operations or any operation permitted under the Lease is being conducted on the Lands; there is a shut-in well that is capable of producing gas in paying quantities on the Leased Premises or lands pooled therewith subject to the limitations of the Lease; or the Lease is continued in effect by reason of force majeure or any other provision of the Lease.

Executed copies of the Lease are in the possession of Bosely and Williams.

This Memorandum of Lease may be executed in any number of counterparts with the same force and legal effect as if all executions were one single instrument.

Executed on the dates of the acknowledgments of the parties, to be effective as of July 20, 2005.

LESSOR

By: 
Mary Anne Bosely

407.089

Please return to:
Ms. Annette Apperson
Williams Production RMT Company
1515 Arapahoe St., Twr 3, Suite 1000
Denver, CO 80202

15/19

BOSELY SPRING CREEK RANCH LLC

By: [Signature]
Name: Mary Anne Bosely
Title: Manager

STRAIT BOTTOM RANCH LLLP

By: [Signature]
Name: Mary Anne Bosely
Title: General Partner

LESSEE:

Williams Production RMT Company

By: [Signature]
Name: Joseph P. Barrett
Title: Attorney-in-Fact *ala*

ACKNOWLEDGMENTS

State of Colorado)
County of Garfield) ss.
)

The foregoing instrument was acknowledged before me this 27 day of July, 2005, by Mary Anne Bosely.

Witness my hand and official seal.

My Commission expires: 10/31/2007

[Signature]
Notary



680846 08/25/2005 11:31A B1719 P931 M ALSDORF
3 of 9 R 46.00 D 0.00 GARFIELD COUNTY CO

State of Colorado)
County of Garfield) ss.
)

The foregoing instrument was acknowledged before me this 27 day of July, 2005, by Mary Anne Bosely, as Manager of Bosely Spring Creek Ranch LLC, a Colorado limited liability company.

Witness my hand and official seal.

My Commission expires: 10/31/2007

Notary

State of Colorado)
County of Garfield) ss.
)

The foregoing instrument was acknowledged before me this 27 day of July, 2005, by Mary Anne Bosely, as General Partner of Strait Bottom Ranch L/LP, a Colorado limited liability partnership.

Witness my hand and official seal.

My Commission expires: 10/31/2007

Notary



680846 08/25/2005 11:31A B1719 P932 M ALSDORF
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State of Colorado)
) ss.
County of Denver)

The foregoing instrument was acknowledged before me this 22 day of July, 2005, by Joseph P. Barrett, as Attorney-in-Fact for Williams Production RMT Company, a Delaware corporation.

Witness my hand and official seal.

My Commission expires: 5/21/07

Patti E Rives
Notary



EXHIBIT A

Attached to and made a part of that certain Memorandum of Oil and Gas Lease executed effective as of July 20, 2005 by and between Mary Anne Bosely, et al., Lessor, and Williams Production RMT Company, Lessee

DESCRIPTION OF LANDS

TRACT I: SPRING CREEK RANCH

Township 7 South, Range 96 West, 6th P.M.

Section 27: Lots 3(16.10), 4(43.00); and a parcel being that part of the SE/4 and the SE/4NE/4 lying South and East of the centerline of the Colorado River, described as:

Beginning at the meander corner on the East line of Section 27;
thence S. 34 degrees 00 minutes W. 3304.62 feet;
thence N. 08 degrees 05 minutes E. 550.00 feet;
thence N. 13 degrees 20 minutes E. 800.00 feet;
thence N. 14 degrees 00 minutes E. 760.00 feet;
thence N. 35 degrees 00 minutes E. 710.00 feet;
thence N. 48 degrees 30 minutes E 880.00 feet;
thence N. 30 degrees 45 minutes E 656.90 feet;
thence South 1050.00 feet to the Point of Beginning,
said parcel containing 47.00 acres, more or less

Section 34: E/2NE/4

Section 35: A parcel of land situated in the SW/4 more particularly described as:

Commencing at the Southwest corner of Section 35, said corner being lava stone found in place; thence N 00 degrees 29 minutes 48 seconds W along the westerly line of said Section 35 a distance of 1384.51 feet being the South 1/16 corner of Section 34 and 35, a 3/4" X 30" bar and 3-1/4" cap L.S. #19598 set in place, the true point of beginning; thence N 00 degrees 29 minutes 48 seconds W along the westerly line of said Section 35 a distance of 1384.52 feet to the west quarter corner of said Section 35; thence leaving said westerly line S 89 degrees 50 minutes 50 seconds E along the northerly line of the SW/4 of said Section 35 a distance of 906.36 feet to the west-center sixteenth corner of said Section 35, a 3/4" x 30" bar & 3-1/4" cap L.S. No. 19598; thence leaving said northerly line S 10 degrees 40 minutes 42 seconds E a distance of 1591.50 feet to a point, said point being a rebar & 3-1/4" cap L.S. No. 19598 thence N 81 degrees 18 minutes 14 seconds W a distance of 1203.09 feet to the true point of beginning; said parcel containing 35.136 acres, more or less.

Tract I containing 221.236 acres, more or less.



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TRACT II: STRAIT BOTTOM RANCH

PARCEL 1:

Township 7 South, Range 96 West, 6th P.M.

A tract in the SW/4NE/4 (Lot 3) of Section 23, Township 7 South, Range 96 West, 6th P.M., more fully described as follows:

Beginning at a point 1683.44 feet 35°43' southeast of the northwest corner of the NE/4 of said Section 23; thence 761 feet 38°20' southwest; thence 328.2 feet northwest 55°04'; thence 489.9 feet 34°56' northeast; thence 455.4 feet east to the POINT OF BEGINNING (containing 5.0 acres, more or less);

EXCEPT that portion of the above described property described in Rule and Order recorded November 20, 1986 in Book 699 at Page 444, described as follows:

A tract or parcel of land No. 822 of the State Department of Highways, division of Highways, State of Colorado, Project No. I 70-1(45) Section 8 in the SW/4NE/4 of Section 23, Township 7 South, Range 96 West, 6th P.M., in Garfield County, Colorado, said tract or parcel being more particularly described as follows:

Beginning at a point which is the intersection of the northerly right of way line of the Denver and Rio Grande Western Railroad (May 1982) and the north line of the SW/4NE/4 of Section 23, Township 7 South, Range 96 West, 6th P.M., from which the N ¼ corner of said Section 23, a brass cap, bears North 36°59'30" West a distance of 1685.2 feet;

Thence South 89°23'30" West along the said north line a distance of 482.7 feet to the southerly right of way line of S.H. No. 6 (May 1982);

Thence South 35°00'30" West along said southerly right of way line a distance of 489.9 feet to the westerly line of that property described in Book 595 at Page 72, of the Garfield County Records;

Thence South 54°59'30" East along said westerly property line a distance of 52.8;

Thence North 62°49' East a distance of 713.6 feet to the said northerly right of way line;



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Thence North 37°45' East along said northerly right of way line a distance of 140.0 feet, more or less, to the POINT OF BEGINNING (said excepted parcel containing 3.16 acres, more or less).

PARCEL 1 containing 1.84 acres, more or less

PARCEL 2:

Township 7 South, Range 96 West, 6th P.M.

A parcel of land situated in Section 23 and Section 26, Township 7 South, Range 96 West, 6th P.M.; said parcel being situated southeasterly and adjacent to the southeasterly right of way of the Denver and Rio Grande Railroad right of way and being more particularly described as follows:

Commencing at the South Quarter Corner of said Section 23, a B.L.M. aluminum cap standard monument in place, said Quarter Corner also being a Meander Corner along the westerly meander line of the Colorado River as established by existing meander corners found in place and the 1889 G.L.O. Plat of Township 7 South, Range 96 West, 6th P.M.; then S. 20°18'39" W. along said meander line 456.42 feet to the True Point of Beginning;

then continuing along said meander line the following three (3) courses:

- 1.) S. 20°18'39" W. 185.57 feet;
- 2.) N. 69°41'21" W. 1091.38 feet;
- 3.) S. 69°39'39" W. 1553.89 feet to a point on the southeasterly right of way of the Denver and Rio Grande Railroad right of way;
then N. 39°17'37" E. along said right of way 5477.19 feet to a point on said westerly meander line;
then S. 12°25'06" W. along said meander line 866.39 feet to the centerline of the Colorado River;

then the following six (6) courses along said river:

- 1.) S. 18°32'48" E. 1157.33 feet;
- 2.) S. 00°53'55" E. 227.00 feet;
- 3.) S. 26° 03'12" W. 863.17 feet;
- 4.) S. 00°17'34" E. 705.07 feet;
- 5.) S. 46°14'52" W. 258.31 feet;
- 6.) S. 87°28'52" W. 548.32 feet to the True Point of Beginning.

Bearings referenced hereon are relative to a bearing of N. 00°06'00" E. between the Center of Section 23, a B.L.M. aluminum cap standard monument, and the North Quarter Corner of Section 23, a G.L.O. brass cap standard monument.

PARCEL 3:

Township 7 South, Range 96 West, 6th P.M.

A parcel of land situated in Lots 3 and 6, and the E/2SW/4 of Section 23, and Lots 2 and 3 of Section 26, Township 7 South, Range 96 West, 6th P.M.; said parcel being more particularly described as follows:

Commencing at the Southwest Corner of said Section 23, a G.L.O. brass cap in place, the True Point of Beginning; thence S. 86°45'50" E. along the southerly line of said Section 23 1400.34 feet to the Southwest Corner of the E/2SW/4 of said Section 23, a rebar and cap in place, L.S. #15651;

thence N. 00°50'34" E. along the westerly line of said E/2SW/4 2573.15 feet to the Northwest Corner of said E/2SW/4, a B.L.M. aluminum cap in place;

thence S. 88°13'00" E. along the northerly line of said E/2SW/4 of Section 23 1366.17 feet to the Center of said Section 23, a B.L.M. aluminum cap in place;

thence N. 00°06'00" E. along the westerly line of said Lot 3 of said Section 23 667.83 feet to a point on the easterly right of way of the Colorado Department of Highways;

thence N. 34°56'00" E. along said right of way 330.17 feet;

thence continuing along said right of way N. 61°49'03" E. 112.23 feet to a point on the southerly line of a parcel of land described in Reception No. 328642 of the Garfield County records;

thence S. 55°04'00" E. 277.45 feet to the southeast corner of said Reception No. 328642;

thence N. 38°20'00" E. along the easterly line of said Reception No. 328642 657.97 feet, also being a point on the northerly line of said Lot 3;

thence S. 86°52'50" E. along said northerly line 87.27 feet to a point of the westerly meander line of the Colorado River as established by existing meander corners found in place and the 1889 G.L.O. Plat of Township 7 South, Range 96 West, 6th P.M.;

thence continuing along said meander line the following five courses:

- 1.) S. 31°04'06" W. 447.51 feet;
- 2.) S. 12°25'06" W. 3655.26 feet to the square quarter corner of said Section 23, also being a meander corner, a B.L.M. aluminum cap in place;
- 3.) S. 20°18'39" W. 641.99 feet;
- 4.) N. 69°41'21" W. 1091.38;
- 5.) S. 69°39'39" W. 1660.83 feet to a meander corner on the westerly line of said

Section 26, a B.L.M. aluminum cap;
thence N. 00°26'15" E. along said westerly line 958.27 feet to the True Point
of Beginning;

EXCEPTING THEREFROM:

Township 7 South, Range 96 West, 6th P.M.

A parcel of land situated in Section 23 and Section 26, Township 7 South, Range 96 West,
6th P.M.; said parcel being situated southeasterly and adjacent to the southeasterly right of way of
the Denver and Rio Grande Railroad right of way and being more particularly described as
follows:

Commencing at the South Quarter Corner of said Section 23, a B.L.M. aluminum
cap standard monument in place, said Quarter Corner also being a Meander
Corner along the westerly meander line of the Colorado River as established by
existing meander corners found in place and the 1889 G.L.O. Plat of Township 7
South, Range 96 West, 6th P.M.; then S. 20°18'39" W. along said meander line
456.42 feet to the True Point of Beginning;

then continuing along said meander line the following three (3) courses:

- 1.) S. 20°18'39" W. 185.57 feet;
- 2.) N. 69°41'21" W. 1091.38 feet;
- 3.) S. 69°39'39" W. 1553.89 feet to a point on the southeasterly right of way of
the Denver and Rio Grande Railroad right of way;
then N. 39°17'37" E. along said right of way 5477.19 feet to a point on said
westerly meander line;
then S. 12°25'06" W. along said meander line 866.39 feet to the centerline of
the Colorado River;

then the following six (6) courses along said river:

- 1.) S. 18°32'48" E. 1157.33 feet;
- 2.) S. 00°53'55" E. 227.00 feet;
- 3.) S. 26° 03'12" W. 863.17 feet;
- 4.) S. 00°17'34" E. 705.07 feet;
- 5.) S. 46°14'52" W. 258.31 feet;
- 6.) S. 87°28'52" W. 548.32 feet to the True Point of Beginning.

Bearings referenced hereon are relative to a bearing of N. 00°06'00" E. between
the Center of Section 23, a B.L.M. aluminum cap standard monument, and the
North Quarter Corner of Section 23, a G.L.O. brass cap standard monument.

PARCELS 2 and 3 containing 184.013 acres, more or less

TOTAL LEASED ACREAGE (TRACTS I and II): 407.089 acres, more or less