

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 25 day of June, 2012, by and between
Edward E. Williams and Juanita R. Williams
whose post office address is P.O. Box 387, Parachute, CO 81635
hereinafter called Lessor (whether one or more) and WPX Energy Rocky Mountain, LLC whose
address is 1001 17th Street, Suite 1200, Denver, CO 80202, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Garfield, State of Colorado, described as follows, to-wit:

See the Exhibit "A" attached to and made a part hereof.

and containing 1.320 acres, more or less. This lease shall specifically include coalbed gas and absorbed gas from coal seams.

1. It is agreed that this lease shall remain in force for a term of one year from the date first mentioned above and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

In the event a well or wells is drilled and completed on the lands, or on the lands pooled therewith, for the purpose of developing coalbed gas, the word "operations" shall mean, in addition to those matters covered in the preceding paragraph: (1) operations of said wells to remove water or other substances from the coalbed, or to dispose of such water or other substances, even though such operations do not result in the production of hydrocarbons in paying quantities, or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal eighteen percent (18%) part of all oil produced and saved from the leased premises.

2nd To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, eighteen percent (18%) of the net proceeds derived from such sale or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of eighteen percent (18%) of such gas and casinghead gas. Lessor's interest, in either case, to bear the cost of transporting such gas and casinghead gas from the mouth of the well to the point of sale or use.

3rd To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of eighteen percent (18%) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn, now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. 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.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission or any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to include such non-producing formations. The forming or re-forming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

13. 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.

14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

16. If Lessee is rendered unable, wholly or in part by force majeure, to carry out its obligations under this agreement, other than any obligation to make any payments, Lessee shall give to Lessor, prompt written notice of the force majeure, with reasonably full particulars, and thereupon the obligations of Lessee, so far as the same are affected by the event of force majeure, shall be suspended during, but not longer than the continuance of the force majeure event, plus such reasonable further period of time, if any, required to resume the suspended operation. Lessee shall use all reasonable diligence to remove the force majeure situation as quickly as practicable; provided, that it shall not be required to settle strikes, lockouts or other labor difficulties contrary to its wishes, and the manner in which such difficulties are to be handled shall be entirely within the discretion of Lessee. "Force majeure" means an act of nature, strike, lock-out or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood or other adverse weather condition, explosion, governmental action, governmental inaction, restraint or delay, unavailability of equipment or any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of Lessee.

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

Edward E. Williams
Edward E. Williams

Juanita R. Williams
Juanita R. Williams

State of Colorado)
) ss.
County of Garfield)

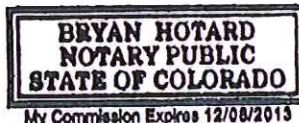
Before Me, the undersigned, a Notary Public, in and for said County and State, on this 25 day of June, 2012, personally appeared Edward E. Williams and Juanita R. Williams to me known to be the identical persons described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed same as their free and voluntary act and deed for the uses and purposes therein set forth and in the capacity stated therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission expires: 12/08/2013

Bryan Hotard
Notary Public

867 Beaver Vista Way, G.T., CO
Address: 81506



After recording please return to:
WPX Energy Rocky Mountain, LLC
1001 17th Street, Suite 1200
Denver, CO 80202
Attention: Annette Apperson
Land Department

Exhibit "A"

Attached to and made a part of that certain
Oil and Gas Lease dated June 25, 2012,
Between Edward E. Williams and Juanita R. Williams, as Lessor,
and WPX Energy Rocky Mountain, LLC, as Lessee

Description of Lands

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

Section 12: A parcel of land situated in the NE/4NE/4 of said Section 12, more particularly described as follows:

Commencing at the Northeast corner of Section 12, a Garfield County Surveyor's brass cap, from which the E 1/4 corner of Section 12, a Garfield County Surveyor's brass cap, bears S. 00°34'33" E. and all other bearings are relative thereto;
Thence S. 43°38' 14" W, a distance of 1426.63 feet to the Point of Beginning, said point bearing N. 00°12'00" E. a distance of 41.90 feet from a rebar with plastic cap marked LS 10871;
Thence N. 81°36'18" E., a distance of 19.56 feet, more or less, to the westerly right of way line of Ute Street;
Thence S. 00°24'44" W. along said westerly right of way a distance of 308.82 feet;
Thence N. 89°48'00" W. a distance of 18.19 feet;
Thence continue N. 89°48'00" W, a distance of 165.00 feet to a rebar with plastic cap marked LS 10871;
Thence N. 00°12'00" E. a distance of 264.00 feet to a rebar with plastic cap marked LS 10871;
Thence continue N. 00°12'00" E., a distance of 16.96 feet;
Thence N. 81°36'18" E., a distance of 166.87 feet to the Point of Beginning;

Together with the lands adjoining the described parcel lying South and East of the following described line, if any:

A line beginning at a point from which the Northeast corner of Section 12, a Garfield County Surveyor brass cap bears N. 42°58'50" E. a distance of 1411.02 feet; Thence S. 83°10'42" W. a distance of 186.96 feet to a rebar and cap, P.L.S. #29030; Thence S. 00°06'36" E. a distance of 18.29 feet to a rebar and cap, P.L.S. #29030, the terminus;

(Basis of bearings for this description is a bearing of S. 00°44'01" E. between the Northeast corner of Section 12, and the East Quarter corner of Section 12, both corners being Garfield County Surveyor brass caps.)

Less and except any lands lying North and West of the described line;

Being Garfield County Assessor's parcel No. 240912100033, also described as 312 Pioneer Street, Parachute, Colorado;

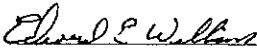
Containing 1.32 acres, more or less, in Garfield County, Colorado

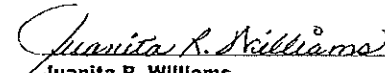
Lessor herein intends to lease any right, title and interest Lessor may have in and to any and all mineral rights in and under all strips or parcels of land including, but not limited to streets, county roads, highways, railroad strips and/or any and all other easements and rights of way whatsoever, canals, ditches, and other waterways lying across and/or adjacent and/or in any way appertaining to the lands hereinabove described, including without limitation any lands acquired by accretion through meander of waterways, and including any lands owned or deemed owned by Lessor within any river, watercourse and/or flood plain abutting said lands.

Additional Provisions

1. **Conflicts.** If there is a conflict between the terms of this Exhibit "A" and the terms of the printed form lease, the terms of this Exhibit "A" shall control.
2. **Non-Surface Occupancy.** No well, road, pipeline, structure or other surface facility of any kind shall be placed upon the Leased Premises without the prior written consent of Lessor. No entry on the surface of the Leased Premises shall be permitted and only pooling and directional drilling from neighboring lands shall be utilized by Lessee to exploit the leased mineral rights. Lessor acknowledges this limited surface access will inhibit Lessee's ability to protect the correlative rights of Lessor, and hereby expressly waives any and all express or implied duties of Lessee regarding same.
3. **Deductions.** Lessee shall bear Lessor's portion of the cost to gather, dehydrate, process and compress natural gas from the wellhead to the first interconnect with either an interstate or intrastate pipeline.

Signed for Identification by Lessor:


Edward E. Williams


Juanita R. Williams

