

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 1st day of March, 2011, by and between Stephen D. Tebo, dealing in his sole and separate property

 whose post office address is P.O. Box T, 1590 Broadway, Boulder, CO 80302
 hereinafter called Lessor (whether one or more) and Lario Oil & Gas Company
whose post office address is Post Office Box 29, Denver, Colorado 80201-0029
hereinafter called Lessee;

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00+) 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, specifically including coalbed methane and any and all substances produced in association therewith, 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 Arapahoe, State of Colorado, described as follows, to-wit:

Township 4 South, Range 64 West, 6th P.M.

Section 28: W/2

Section 29: All

Section 32: All

Section 33: W/2

Township 5 South, Range 64 West, 6th P.M.

Section 1: Lots 1 (80.50), 2 (81.46), S/2N/2, S/2 (All)

Section 3: Lots 1 (78.76), 2 (77.67), S/2N/2, S/2 (All)

Section 4: Lots 1 (77.53), 3 (38.99), 4 (39.14), S/2N/2, S/2 (All)

Township 5 South, Range 63 West, 6th P.M.

Section 6: Lots 2(40.60), 3 (77.43), 4 (78.08), SE/4NW/4, E/2SW/4, S/2SE/4

together with any reversionary rights therein, and together with all strips or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 4,230.16 acres, more or less.