

PRODUCERS 88 PAID UP
HHS 560 No 2

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GARFIELD CO., CITY



10168204

BOOK 706 PAGES

OIL AND GAS LEASE

AGREEMENT Made and entered into the 28th day of December 1986 by and
James F. Reynolds

whose post office address is 3333 S. Habash Ct., Denver, Co. 80222 hereinafter called Lessor (by this one or n
Barrett Energy Company whose post office address is 1125-17th St., Suite 12100, Den
Ten and More ---

WITNESS: III That the Lessor for and in consideration of
each in hand paid the receipt of which is hereby acknowledged and the covenants and agreements hereinabove contained has granted
leased and let and by these presents does grant demise lease and let exclusively unto the said lessee the land hereinafter described
exclusive right for the purpose of mining, exploring by geophysical and other methods and operating for and producing therefrom oil and
whatever it nature or kind with rights of way and easements for laying pipe lines and erection of structures thereon to produce, save and
use and products all that certain tract of land situated in the County of Garfield

State of Colorado described as follows to wit

TOWNSHIP 6 SOUTH, RANGE 94 WEST

Section 25: SE/4 NW/4, SW/4 NE/4, E/2 SW/4, SE/4

Section 36: E/2 W/2, W/2 E/2

TOWNSHIP 7 SOUTH, RANGE 94 WEST

Section 1: NE/4

800.00

and containing five acres more or less

1. It is agreed that this lease shall remain in force for a term of 300 years from this date and is long thereafter as oil or gas of whatever
nature or kind is produced from said leased premises or on acreage pooled therewith or drilling operations are conducted as herein after
set forth at the expiration of the primary term of this lease oil or gas is not being produced from the leased premises or on acreage pooled therewith
lessee is then engaged in drilling or in working operations thereon then this lease shall continue in force so long as operations are being
conducted on said acreage or on acreage pooled therewith and operations shall be considered to be continuously prosecuted
so long as there is (90) days production of oil or gas or oil and gas on an acreage pooled therewith the production thereof should cease from a
subsequent well if after diversion of oil or gas or oil and gas on an acreage pooled therewith the production thereof should cease from a
well after the primary term this lease shall not terminate if lessee commences additional drilling or in working operations within ninety (90) days
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 it
or premises or on acreage pooled therewith.

2. This is a PAID UP LEASE. In consideration of the down cash payment Lessor agrees that Lessee shall not be obligated except
as 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 site or station by delivering to Lessor or by filing for
relief as provided herein and be relieved of all obligation thereafter accruing as to the lease surrendered.

3. In consideration of the premises the said Lessor covenants and agrees

1. To deliver to the credit of Lessor free of cost in the pipe line to which Lessor may connect wells on said land the equal of
one-half of all oil produced and saved from the leased premises

15% And to pay Lessor one-half (.50%) of the gross proceeds each year payable quarterly for the gas from each well where it
is found that the same is being used off the premises and if used in the manufacture of gasoline a royalty of one-half (.50%)
monthly at the prevailing market rate for gas.

1. 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 one-half (.50%) monthly at the prevailing market rate.

4. When gas is from a well capable of producing gas not sold off the lease, Lessor may pay or tender as royalty to the lessor one
Dollar per cu ft plus royalty acre retained hereunder such payment or tender to be made on the anniversary date of this lease
commencing 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
such well is shut in. If such payment or tender is made it will be considered that gas is being produced within the month of

5. If said Lessor owns a less than one-half interest in the above described land then the entire undivided fee simple estate therein, then the
undivided interest in the above described land shall be paid to Lessor only in the proportion which Lessor's interest bears to its
undivided fee.

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

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

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

9. Lessor shall not drill for diamonds as set by Lessor's regulations, restrictions, rules and regulations.

10. Lessee shall have the right at any time to remove all fixtures and fixtures placed on said premises including the right to c
remove same.

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

12. Lessor at its option is hereby given the right and power at any time and from time to time as a recurring right either before
production 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
land estate and the mineral estate covered by this lease with other land, leases or leases in the immediate vicinity for the production of oil
or gas separately for the production of oil when in Lessor's judgment it is necessary or advisable to do so, and irrespective of whether a
unit is to this exist with respect to such other land, leases or leases. Likewise units previously formed to include formations not producing
gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessor
and filed of record a declaration of such unitization or reformation which declaration shall describe the unit. Any unit may include
as much or as little as Lessor deems fit or want of a market where a unit which includes all or a part of this lease shall be treated as
a production unit or a separate unit as Lessor may desire for want of a market under this lease. In lieu of the royalties to which he is
entitled, including share in gas royalties, Lessor shall receive upon production from the unit so pooled royalties only on the portion of such pro
duced to the lease such allocation shall be that proportion of the unit production that the total number of surface acres covered by it
and included in the unit is to the total number of surface acres in such unit. In addition to the foregoing Lessor shall have the right to
pool or combine all or any part of the above described lands as to one or more of the formations hereunder with other lands in the same
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
hereof shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of develop
ment and particularly all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance
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
development or operation by the production therefrom is allocated to different portions of the land covered by said plan then the
portion allocated to my 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 it
hereunder to Lessor shall be based upon production only as so allocated. Lessor shall form an express or implied plan of any cooperative
plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of
Lessor.

13. All taxes and applicable assessments on this lease shall be paid by Lessor and shall be paid in full to all Federal and State Laws Executive Orders, Rules or Regulations
this lease shall not be terminated or voided or in any way affected by Lessor's failure to pay taxes or other assessments for failure to comply therewith
by him if such failure is the result of any such Law, Order, Rule or Regulation.

14. Lessor, or Lessee, or any other party to this instrument, covenants and agrees that the Lessor shall have the right
to be released by Lessor by payment any mortgages, taxes or other liens on the above described lands in the event of default of
Lessee and be liable to the rights of the holder of the and the undersigned Lessor, for themselves and their heirs, executors and
administrators, in respect of all rights of dower and homestead in the premises his wife herein in case it is sold that a wife shall be
in any way affected the purpose for which this lease is made as set forth 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 the Lessor. All the provisions of this lease shall be binding on the heirs successors and assigns of Lessor and Lessee.

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

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✓ SEP 18 200

COGCC

James F. Reynolds SS#