

CP26

Form 342 (7-71) Producers 88-80-640 (7-71)

OIL AND GAS LEASE

THIS AGREEMENT made this 7th day of February 1975 between Theron G. Story and Kathryn M. Story his wife

lessor (whether one or more, whose address is Rte. 1, Box 46, Cortez, Colorado 81321 and B. A. Wallington, Suite 1179, Three Park Central, 1515 S. Wabash, Denver, Colorado 80262)

1. Lessor, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil and gas, including casinghead gas, casinghead gasoline, condensate and all related hydrocarbons, and including all other products produced therefrom, hereinafter referred to collectively as "said minerals", together with the right to make surveys on said land, by pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construction of roads and bridges, dig canals, build tanks, power stations, telephone lines, cupolas, houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting said minerals produced from the land covered hereby or on any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Montezuma, State of Colorado, and is described as follows:

TWN 36 NORTH, RGE 17 WEST, N.M.P.M. Section 7: SE4

SAL

*carbon dioxide gas,

This lease also covers and includes any land contiguous to or adjoining the land above described, other than those constituting regular governmental subdivisions, and (a) covered or claimed by lessee by litigation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preferential right of acquisition. For the purpose of determining the amount of any bonus, delay rental or other payment hereunder, said land shall be deemed to contain 1.60 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ten (10) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the month of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other of said minerals produced and marketed or utilized by lessee from said land, one-eighth either in kind or the market value thereof at the well, at lessee's election. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessor covenants and agrees to use reasonable diligence to produce, utilize, or market said minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow line, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety (90) consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety-day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to the amount of annual delay rental provided for in this lease. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety-day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the depository bank provided for below. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all of said minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance, provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance. If limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established or after enlargement, are required under any governmental rule or order, for lease drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the requirements of such governmental order or rule. Lessee shall exercise said option as to each delineated unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease over, though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of similar royalties from a well on the unit shall satisfy any limitation of term recurring production of oil or gas. The formation of any unit hereunder shall not have the effect of exchanging or transferring any interest under this lease between parties. Neither shall it impair the right of lessee to a lease as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect. If at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that of any other part of the leased premises.

5. If operations are not conducted on said land on or before the first anniversary date hereof, this lease shall terminate as to both parties, unless lessor or he before said date shall, subject to the further provisions hereof, pay or tender to lessor or to lessor's credit in the

First National Bank at Cortez, Colorado 81321 or its successors,

which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of \$ [redacted] which shall operate as delay rental and cover the expense of deferring operations for one year from said date. In like manner and upon like payments or tenders, operations may be further deferred for like periods of one year, each during the primary term. If at any time that lessee pays or tenders delay rental, royalties, or other moneys, sum or more per acre, or claim to be entitled to receive, same, lessee may, in lieu of any other method of payment herein provided, pay or tender such rental, royalties, or other moneys, in the manner herein specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to lessor or to the depository bank on or before the due date for payment. Said delay rental shall be apportioned as to said land on an acreage basis, and a failure to make proper payment or tender of delay rental as to any portion of said land or as to any interest therein shall not affect this lease as to any portion of said land or as to any interest therein as to which proper payment or tender is made. Any payment or tender which is made in an attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depository, shall nevertheless be sufficient to prevent termination of this lease and to extend the time within which operations may be conducted in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof from lessor. If the depository bank should refuse to accept any rental tendered hereunder, the tender nevertheless shall be fully effective and lessee shall have no obligation to make any further tender or payments in connection therewith until after lessee shall have furnished lessor with an instrument satisfactory to lessee naming another bank as agent to receive such payment. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest. If this lease is so released as to all of said minerals and horizons under a portion of said land, the delay rental and other payments computed in accordance therewith shall, however, be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

CO11027-1

OIL AND GAS LEASE No. 537 Sub 867

THIS AGREEMENT made this 5th day of January 1961 between Mary Elizabeth Harrison, a widow

lessor (whether one or more), whose address is 1204 Binalco Circle, Sherman, Texas, 75081 and Shell Oil Company, P.O. Box 576, Houston, Texas, 77001 Lessee. WITNESSETH

1. Lessor, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil and gas including casinghead gas, casinghead sewer line, condensate and all related hydrocarbons, and including all other products produced therewith, hereinafter referred to collectively as "said minerals", together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, survey any and all of lessee's operations in exploring, drilling for, producing, treating, storing and transporting said minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Montezuma, State of Colorado, and is described as follows:

Township 36 North, Range 17 West, N.M.P.M. Section 7: NE/4SE/4; N/2SE/4SE/4;

* Also includes Carbon Dioxide Gas

This lease also covers and includes any land contiguous to or adjoining the land above described, other than those constituting regular governmental subdivisions, and far owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or this is to which lessor has a preferential right of acquisition. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 60.0 acres, whether actually containing more or less, and the above total of acreage in any tract shall be deemed to be the acreage thereof.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ninety (90) days from the date hereof, hereinafter called "primary term" and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessor from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the well at the end of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth part of the cost of treating oil to render it marketable pipe-line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, 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 one-eighth of such gas and casinghead gas; (c) To pay lessor on all other of said minerals produced and marketed or utilized by lessee from said land, one-tenth either in kind or the market value hereof at the well, at lessee's election. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market said minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety (90) consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety-day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at the end of each anniversary of the expiration of said ninety-day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Merchants & Planters National Bank at Sherman, Texas or its successors, or in the Texas Commerce Bank National Association, Houston, Texas, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty, if at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same. Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payments hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or lease, as to any or all of said minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas; (2) liquid hydrocarbons condensate which are not in situ in the subsurface reservoir; (3) minerals produced from wells classified as gas wells by the conservator agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order of rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder shall not have the effect of exchanging or transferring any interest under this lease between parties. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompletion, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas or other of said minerals, or the production of oil, gas or other of said minerals, whether or not in paying quantities.

in said land in all operations to draw and remove therefrom shall pay for damages to the surface or horizons. All of the covenants and agreements herein shall increase the obligation of said land. Notwithstanding the ownership of said land or of this lease until thirty days after the expiration of this lease, the owner, in the opinion of such owner, lessee may, for above, shall notify lessee in writing of said notice within five (5) days of the bringing of any such notice on lessee. If an admission or protest remains in force and a unit under applicable form of a secure certificate there are operations, and interests hereunder shall have the right to deduct amounts so as a less interest in said acreage (specified or not), rest shall be paid only in. All royalty interests on each party who execution of the shut-in well (whether or not subject) control of lessee, the of such delaying cause, on laws insofar as they

ACKNOWLEDGMENT

ACKNOWLEDGMENT

day of 1st of clock A.M. of the County Clerk

GP26
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SHL

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any of said minerals or horizons. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successors-in-interest. No change or division in the ownership of said land, royalties or other moneys, or any part thereof, howsoever effected, shall increase the obligations of or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, his successors or assigns, no change or division in the ownership of said land or of the royalties or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary, in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations (but in no event less than forty acres), such acreage to be designated by lessee as readily as practicable in the form of a square centered in the well, or its such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so returned.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable under this lease. If this lease covers a less interest in said minerals, or any of them, in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interests covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it, without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 7 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. Lessor hereby expressly relinquishes dower and releases and waives all rights under and by virtue of the homestead exemption laws insofar as they may in any way affect the purpose for which this lease is made.

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

Mary E Harrison
Social Security or I.D. Number:
Social Security or I.D. Number:
Social Security or I.D. Number:
Social Security or I.D. Number:

Mary Elizabeth Harrison SS#
Social Security or I.D. Number:
Social Security or I.D. Number:
Social Security or I.D. Number:

STATE OF Texas)
COUNTY OF Grayson)
INDIVIDUAL ACKNOWLEDGMENT

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that Mary Elizabeth Harrison and me personally known, and known to me to be the same person described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that she executed and delivered the same as her free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead. Given under my hand and official seal this 20 day of January, 1982.

My Commission Expires: 7-2-85

Notary Public in and for said County and State, residing at

STATE OF)
COUNTY OF)
INDIVIDUAL ACKNOWLEDGMENT

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that and me personally known, and known to me to be the same person described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that he executed and delivered the same as his free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead. Given under my hand and official seal this day of 19.

My Commission Expires:

Notary Public in and for said County and State, residing at

WHEN RECORDED RETURN TO:
WHEN RECORDED RETURN TO:
SHELL OIL COMPANY
LAND DEPARTMENT
P. O. BOX 991
HOUSTON, TEXAS 77001

358409
This instrument was filed for record on the day of MAY 10 1982, at 9:30 o'clock A.M. and duly recorded in Book 527 Page 867 of the County of Grayson State of Texas.

THIS AGREEMENT made this

lessor (whether one or more), whose as

1. Lessor, in consideration of the and of the covenants and agreements o and with the exclusive right of explon the, condensate and all related hydroc together with the right to make survey roads and bridges, dig canals, build tori operations in exploring, drilling for, p adjacent thereto. The land covered here and is described as follows:

This lease also covers and includes any divisions, and (c) owned or claimed or preferential right of acquisition. For d deemed to contain acre true acreage thereof.

2. Unless sooner terminated or lo date hereof, hereinafter called "primary for more than ninety (90) consecutive c

3. As royalty, lessee covenants ar eighth part of all oil produced and save of such one-eighth part of such oil as if the cost of treating oil to render it mark eighth of the amount realized by lessee other products, the market value, at the duard and marketed or utilized by lessee tion of the primary term or at any time pooled, capable of producing oil or gas, e ted on said land for so long as said well agrees to use reasonable diligence to prod lessee shall not be obligated to install or shall not be required to settle labor, from term, all such wells are shut-in for a peri expiration of said ninety-day period, less vided for in this lease, Lessee shall make such anniversary this lease being conti parties who at the time c pay not and deposited in the depository bank provic assignment of this lease, whole or in p acreage owned by ea

4. Lessee is hereby granted the rig with any other land, lease, or leases, as 10% acreage reinstate; provided, howeve horizons, so as to contain not more than head gas, (2) liquid hydrocarbons (condo the conservation agency having jurisdicd eined under any governmental rule or o to be drilled, drilling, or already drilled. Lessee shall exercise said option as to ea this lease is recorded. Each of said optio after production has been established e established hereunder shall be valid and within the unit which are not effectively i except the payment of royalty, operatio such unit that proportion of the total pr of surface acres in such land covered by well on the unit shall satisfy any limitatio changing or transferring any interest und, except that lessee may not so release as t lands within the unit. At any time wh while this lease is in force a declaration- Visions of this paragraph 4, a unit once es or hereafter covers separate tracts, no pac merely from the inclusion of such separa 4 with consequent allocation of productio ship differing, now or hereafter, either as

5. If operations are not conducted lessee on or before said date shall, subject

which shall continue as the de, story, re; which shall operate as delay rental and c tenders, operations may be further deferr rental, royalties, or other moneys, two o herein provided, pay or tender such rental, accordance with their respective ownership mail or delivered to lessor or to the depos basis, and a failure to make prop of this lease as to any portion of said land of in an attempt to make proper payment, bu prevent termination of this lease and to ex been made; provided, however, lessee shall postitory bank should refuse to accept any make any further tender or payment in co another bank as agent to receive such pay releases of this lease as to any part or all c acreage or interests, if this lease is so release passed in accordance herewith shall th' out immediately prior to such release.

OIL AND GAS LEASE

THIS AGREEMENT made this 24th day of May 1983 between DOROTHY LEE LINBERG, GUARDIAN OF THE ESTATE OF JEAN MORGAN, A PROTECTED PERSON

lessor (whether one or more), whose address is: C/O D. Lenberg, 1502 Fordham Way, Mountain View, and, Shell Oil Company, P.O. Box 276, Houston, Texas, 77001

1. Lessor, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let to lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and conveying oil and gas, including casinghead gas, compressed propane, condensate and all related hydrocarbons, and including all other products produced therefrom, hereinafter referred to as "said minerals", together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, lay canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting said minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Montezuma, State of Colorado

TOWNSHIP 36 NORTH, RANGE 17 WEST, N.M.P.M. Section 7: NE1/4, N1/2SE1/4, S1/2SE1/4, W1/2SE1/4, Lot 1, Lot 2 and BLANK;

* INCLUDING CARBON DIOXIDE GAS

** California 94040

This lease also covers and includes any land contiguous to or adjoining the land above described, other than those constituting regular governmental subdivisions, and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preferential right of acquisition. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 319.02 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the acreage thereof.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of five (5) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with this exception for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, no soon time to time, at the option of lessee, to pay lessor the average pooled market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, in heat one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee on said land or in the manufacture of products or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other oil and minerals produced and marketed or utilized by lessee from said land, one-tenth either in kind or the market value thereof at the well, at lessee's election, if, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market said minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and it shall not be required to settle lease trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety-day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank of America, National Association, Houston, Texas, or its successor, which shall continue as the depository, regardless of changes in the ownership of such royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to a share owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or lease, as to any or all of said minerals or horizons, so as to establish units containing not more than 60 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the surface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilled, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit that proportion of the total production of unitized minerals from the unit, after deducting any need in lease or well operations, which the number of surface acres in such land covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any well hereunder shall not have the effect of any change of transferring any interest under this lease between parties. Neither shall it impair the right of lessor to release as provided in paragraph 5 hereof, except this lease may not be released as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may designate any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be construed or result merely from the inclusion of such separate tracts within this lease to lease shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or interests, from that as in any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part of all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas or other of said minerals, or the production of oil, gas or other of said minerals, whether or not in paying quantities.

7. Lessee shall have the right to shut-in a well casing. No well shall be drilled caused by its operations to

8. The rights and obligations of the parties to this lease shall be governed by the laws of the State of California.

9. In the event of lessor's death, this lease shall survive and shall not be terminated by the death of lessor.

10. Lessee hereby warrants that it is the owner of the land covered hereby and that it has no interest therein, that it is the proportion which it covered by this lease.

11. If, while this lease is in force, the provisions of paragraph 10 are allegedly determined to be in violation of the law, and this lease may be void.

12. Lessee hereby warrants that it is the owner of the land covered hereby and that it has no interest therein, that it is the proportion which it covered by this lease.

13. Lessee hereby warrants that it is the owner of the land covered hereby and that it has no interest therein, that it is the proportion which it covered by this lease.

14. Lessee hereby warrants that it is the owner of the land covered hereby and that it has no interest therein, that it is the proportion which it covered by this lease.

15. Lessee hereby warrants that it is the owner of the land covered hereby and that it has no interest therein, that it is the proportion which it covered by this lease.

IN WITNESS WHEREOF

GUARDIAN OF THE ESTATE OF JEAN MORGAN

Social Security of

Social Security of

STATE OF California

COUNTY OF Santa

I, the undersigned, do hereby execute the foregoing in my free and voluntary

My Commission Expires

STATE OF

COUNTY OF

I, the undersigned, do hereby execute the foregoing in my free and voluntary

My Commission Expires

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SAL

RECORDED AT 1235 P. JUN 8 1984

CO-7559-2

Producers 88-80-640 (7-71) Paid Up

323601 JUAN JOSEPH AGUIRRE, MONTAZUMA CO. CO.

OIL AND GAS LEASE

23rd day

THIS AGREEMENT made this 23rd day of June 1983 between THE SUNSET HOME OF THE UNITED METHODIST CHURCH, SOMETIMES REFERRED TO AS METHODIST SUNSET HOME, AN ILLINOIS NOT-FOR-PROFIT CORPORATION, HAVING AS LESSOR (whether one or more), whose address is: 418 Washington Street, Quincy, Illinois 62101 and Shell Oil Company, P.O. Box 579, Houston, Texas 77001

1. Lessor, in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the term hereinafter stated and with the exclusive right of exploring, drilling, mining and operating for producing and owning oil and gas, including condensate, and all related hydrocarbons, and including all other products produced therefrom, hereinafter referred to collectively as "minerals", together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of said water, mud, brine, roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, access to the same, and to conduct operations in exploring, drilling for, producing, treating, storing and transporting said minerals produced from the land covered hereby, and to do all things necessary and convenient thereto. The land covered hereby, herein called "said land", is located in the County of Montezuma, State of Colorado and is described as follows:

TOWNSHIP 36 NORTH, RANGE 17 WEST, N.M.P.M. Section 7: NE1/4SE4, N1/2SE4, W1/2SE4 and S1/2SE4;

*Including Carbon Dioxide Gas

** OFFICES IN QUINCY, ILLINOIS.

This lease is subject to all of the terms and provisions of the McElmo Dome (Leadville) Unit Agreement, effective April 1, 1983, recorded at Book 548, Page 806, of the Clerk-Recorder Records of Montezuma County, Colorado.

This lease also covers and includes any land contiguous to or adjoining the land above described, other than those constituting regular governmental subdivisions, and (a) owned or claimed by lessee by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessee has a preferential right of acquisition. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 160 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the acreage thereof.

2. Unless sooner terminated or longer kept in force under other provision hereof, this lease shall remain in force for a term of five (5) years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with the exception for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver in the credit of lessor in the pipe line to which lessee may connect its wells, the proportionate part of all oil produced and saved by lessor from said land, or from time to time, at the option of lessor, to pay lessor the average pooled market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of casinghead or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other oil and minerals produced and marketed or utilized by lessee from said land, one-tenth either in kind or the market value thereof at the well, at lessee's election, if, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market said minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tanks, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety (90) consecutive days, and during such time there are no operations on said land, then as to, before the expiration of said ninety-day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety-day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Mercantile Trust & Savings Bank, a bank at Quincy, Illinois, or its successors, which shall continue as the depositories, regardless of changes in the ownership of said royalties. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly as such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessor's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessor is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease and/or with any other land, lease, or leases, as to any or all of said minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction if larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order. For the drilling or operation of a well at a regular location, or for obtaining maximum flow, this lease may be drilled, drilled, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order; and this lease shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established on any of said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversion, mineral estate of any part royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder shall not have the effect of changing or transferring any interest under this lease between parties. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled lease are released as to lands within the unit. As any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereupon be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completion, reworking, reworking, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas or other oil and minerals, or the production of oil, gas or other oil and minerals, whether or not in paying quantities.

This lease shall terminate any date lessor or on the ninetieth operations or (2) the shall mean opera search for or in in paying quantities. aid land in all opera to draw and remove shall pay for damages

is or horizons. All of assign and successer effected, shall in- ment of production. ion in the ownership upon the then record sor or lessor's heirs, have been properly as shall be necessary n of the death of the nt in the depository rental payable here- and default in de-

shall notify lessee in of said notice within the bringing of any ch notice on lessee, an admission or pre- main in force and nt under applica- om of a square cen- are operations.

s and interests here- lessee shall have the erof and to deduct is lessee covers a less- rent is herein spec- covers less than such ed fee simple estate l. This lease shall be

of the shut-in well whether or not sub- trinal of lessee, the days following the

laws insofar as they

ud Helen Leonard

KNOWLEDGMENT

and Betty cribed in and who lived the same as and homestead.

KNOWLEDGMENT

cribed in and who lived the same as and homestead.

day of o'clock P.M. County Clerk

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Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any or said interests or interests. All of the covenants, obligations and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and assigns. No change or division in the ownership of said land, royalties or other moneys, or any part thereof, however effected, shall in any way diminish or deprive the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice (intent or not) of Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties or other moneys, or the right to receive the same, nevertheless effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

In the event Lessee considers that Lessee has not complied with all its obligations hereunder, both explicit and implied, lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The period of said notice shall be precursors to the bringing of any action by lessor on this lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any act by Lessee, intended to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to all obligations accrued around each well as to which there are operations to constitute a drilling or production allowable unit under applicable governmental regulations (but in no event less than forty acres), such acreage to be designated by Lessee, in nearly as practicable in the form of a survey outlined at the well, or in such shape as the existing spacing rules require, and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whatsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interests and other charges on said land, but lessor agrees that Lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to collect amounts or paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in said minerals, or any of them, in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid each in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalties and other moneys covered by this lease whether or not owned by lessor shall be paid out of the royalty herein provided. This lease shall be binding upon each party when executed without regard to whether it is executed by all those named herein as lessor.

If, while this lease is in force, at or after the expiration of the primary term hereof, it is not being continued in force by reason of the violation of provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land, by reason of (1) any law, order, rule or regulation, whether or not subsequently determined to be invalid, or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the next anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

Lessor hereby expressly relinquishes, cedes and releases all rights under and by virtue of the homestead exemption laws insofar as they may in any way affect the purpose for which this lease is made.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.
The Sunset Home of the United Methodist Church, sometimes referred to as Methodist Sunset Home, an Illinois not-for-profit Corporation

By: Richard Thomas
President, Richard Thomas

Social Security or I.D. Number: _____
Social Security or I.D. Number: _____
Social Security or I.D. Number: _____
Social Security or I.D. Number: _____

Attest: Ethel Knodel
Secretary, Ethel Knodel
Tax I.D. NO: _____
Social Security or I.D. Number: _____

STATE OF Illinois)
COUNTY OF Adams) SS. WITH RECORDED RETURN TO
CORPORATE ACKNOWLEDGEMENTS
DEPT. OF REVENUE
STATE OF ILLINOIS
SPRINGFIELD, ILLINOIS 62701

I, Hubert G. Staff, a Notary Public in and for said County and State, do hereby certify that Richard Thomas, to me personally known, and known to me to be the same person who executed the foregoing instrument as President of the Sunset Home of the United Methodist, a Illinois not-for-profit corporation, appeared before me this day in person and, being first duly sworn, acknowledged that he is the President of said corporation, that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed, sealed, and delivered in behalf of said corporation by authority of its Board of Directors, and further acknowledged said instrument and his execution thereof to be the free and voluntary act and deed of said corporation and his own free and voluntary act and deed for the uses, purposes and considerations therein expressed.

Given under my hand and official seal this 15th day of December, 1983.

My Commission Expires:

4/18/84

Hubert G. Staff
Notary Public in and for said County and State, residing at 625 Vermont Quincy, IL 62301

** Church, sometimes referred to as Methodist Sunset Home, an Illinois not-for-profit Corporation,

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OIL AND GAS LEASE

BOOK 453 PAGE 173

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THIS AGREEMENT made this 4th day of February 1975, between
Troy M. Oliver and W. Shortene Oliver, his wife

lessor (whether one or more), whose address is: Rt. 1, Box 48, Cortez, Colorado 81301
and E. A. H. Arlington, 1179 Three Fork Centre, Denver, Colorado 80202, lessee. WITNESSETH:

1. Lessor, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purpose and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil and gas, including casinghead gas, casinghead gasoline, condensate and all related hydrocarbons, and including all other products produced therewith, hereinafter referred to collectively as "said minerals", together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, mining, storing and transporting said minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Montezuma, State of Colorado, and is described as follows:

Township 36 North - Range 17 West, N.M.P.M.
Section 8: 54 1/2 and Lot 7
Township 36 North - Range 18 West, N.M.P.M.
Section 1: 54
Section 2: 54 1/2

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Drill through

* Carbon Dioxide Gas

This lease also covers and includes any land contiguous to or adjoining the land above described, other than those constituting regular governmental subdivisions, and (a) owned or claimed by lessee by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessee has a preferential right of acquisition. For the purpose of determining the amount of any bonus, delay rental or other payment hereunder, said land shall be deemed to contain 547.51 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of ~~ten~~ ^{THIRTY EIGHT (38)} years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average pooled market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth of such gas and casinghead gas; (c) To pay lessor on all other of said minerals produced and marketed or utilized by lessee from said land, one-tenth either in kind or the market value thereof at the well, at lessee's election. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market said minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety (90) consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety-day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to the amount of annual delay rental provided for in this lease. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety-day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the depository bank provided for below. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all of said minerals or horizons, so as to establish units containing not more than 36 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, of existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas; (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir; (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the establishment or after enlargement, are required under any governmental rule or order for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilled, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to such desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within such such unit that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder shall not have the effect of exchanging or transferring any interests under this lease between parties. Neither shall it confer the right to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit, while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended. It shall be implied or result merely from the inclusion of such separate tracts within this lease; but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If operations are not conducted on said land on or before the first anniversary date hereof, this lease shall terminate as to both parties, unless lessee on or before said date shall, subject to the further provisions hereof, pay or tender to lessee or to lessor's credit in the

First National Bank at Cortez, Colorado, 81301, or its successors,

which shall continue as the depository, regardless of changes in ownership of delay rental, royalties, or other moneys, the sum of \$_____ which shall operate as delay rental and cover the provision of deferring operations for one year from said date. In like manner and upon like payments or tenders, operations may be further deferred for like periods of one year each during the primary term. If at any time that lessee pays or tenders delay rental, royalties, or other moneys, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such rental, royalties, or other moneys, in the manner herein specified, either jointly to such parties or separately to each in accordance with respective ownership thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to lessor or to the depository bank on or before the first date for payment. Said royalty rental shall be apportionable as to said land on an acreage basis, and a failure to make proper payment or tender of delay rental as to any portion of said land or as to any interest therein shall not affect this lease as to any portion of said land or as to any interest therein as to which proper payment or tender is made. Any payment or tender, which is made in an attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depository, shall nevertheless be sufficient to prevent termination of this lease and to extend the time within which operations may be conducted in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof from lessor. If the depository bank should refuse to accept any rental tendered hereunder, the tender nevertheless shall be fully effective and lessee shall have no obligation to make any further rental or payment in connection therewith until after lessee shall have furnished lessee with an instrument satisfactory to lessee naming another bank as agent to receive such payment. Lessee may at any time and from time to time execute and deliver in lease or file for record a release of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest. If this lease is so released as to all of said minerals and horizons under a portion of said land, the delay rental and other payments commuted in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

6. If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall terminate after its anniversary date next following the nineteenth (90th) day after such discontinuance unless on or before such anniversary date lessee either (1) conducts operations or (2) commences or resumes the payment of rental or delay rental; provided, however, if such anniversary date is at the end of the primary term, or if there is no further anniversary date of the primary term, this lease shall terminate at the end of such term or on the nineteenth (90th) day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 11 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas or other said minerals, or the production of oil, gas or other said minerals, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, either than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to its, of said minerals or horizons. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns and successive assigns. No change or division in the ownership of said land, royalties, delay rental, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessor, its successors or assigns, no change or division in the ownership of said land or of the royalties, delay rental, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, delay rental, or other moneys, or part thereof, to the credit of the decedent in the depository bank provided for above. In the event of assignment of this lease as to any part (whether divided or undivided) of said land, the delay rental payable hereunder shall be apportionable as between the several leasehold owners, ratably according to the surface area or undivided interests of each, and default in delay rental payment by one shall not affect the right of other leasehold owners hereunder.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or conform to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations (that is no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in said minerals, or any of them, in all or any part of said land than the entire and unqualified fee simple estate (whether lessor's interest is hereon specified or not), or no interest therein, then the royalties, delay rental, and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty moneys covered by this lease (whether or not owned by lessor) shall be paid out of the royalties herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term and the delay rental provisions hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. Lessor hereby expressly relinquishes dower and release, and waives all rights under and by virtue of the homestead exemption laws insofar as they may in any way affect the purpose for which this lease is made.

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

Troy K. Cliver
Social Security or I.D. Number:
Troy K. Cliver
Social Security or I.D. Number:
Social Security or I.D. Number:
Social Security or I.D. Number:
Social Security or I.D. Number:

Forlene Cliver
Social Security or I.D. Number:
Forlene Cliver
Social Security or I.D. Number:
Social Security or I.D. Number:
Social Security or I.D. Number:

STATE OF Colorado)
COUNTY OF Montezuma) SS.
I, the undersigned, a Notary Public in and for said County and State, do hereby certify that Troy K. Cliver and Forlene Cliver to me personally known, and known to me to be the same person described in and who executed the foregoing instrument, appeared before me this day in person and acknowledged to me that he or she executed and delivered the same as their free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead.

Given under my hand and official seal this 4th day of February, 1975.
My Commission Expires: 11/10/76
Notary Public in and for said County and State, residing at

STATE OF)
COUNTY OF) SS.
I, the undersigned, a Notary Public in and for said County and State, do hereby certify that

and executed the foregoing instrument, appeared before me this day in person and acknowledged to me that he or she executed and delivered the same as their free and voluntary act and deed, for the uses, purposes and consideration therein expressed, including the relinquishment of dower and homestead.
Given under my hand and official seal this day of 19

My Commission Expires: Notary Public in and for said County and State, residing at

WHEN RECORDED RETURN TO
This instrument was filed for record on the 7th day of March, 1975, at 2:12 o'clock P.M., and duly recorded in Book 453, Page 174 of the records of this office.
Troy K. Cliver County Clerk
County of Montezuma State of Colo.
400 PL