

MEMORANDUM OF OIL AND GAS LEASE

State: Colorado  
County: Moffat  
Lessor: Smith Minerals, Ltd., a Colorado Limited Partnership, 119 Marshall Johnson Avenue South, Port Lavaca, TX 77979  
Lessee: Axia Energy, LLC, 1430 Larimer Street, Suite 400, Denver, CO 80202  
Effective Date: June 1, 2011

As of the Effective Date stated above, Lessor, named above, executed and delivered to Lessee, named above, an Oil and Gas Lease (the "Lease") in which Lessor granted, leased, and let to Lessee all of Lessor's mineral interest in the lands (the "Lands") located in the county and state named above, which Lands are described as follows:

SEE ATTACHED EXHIBIT "A"

The Lease grants Lessee the exclusive rights for a primary term of five (5) years to explore for, drill for, produce and market oil, gas, and other hydrocarbons from the Lands during the term of the Lease; construct and maintain such facilities as are provided for in the Lease; and, the right of ingress and egress through, on, over and across the Lands.

This Memorandum of Oil and Gas Lease is executed by Lessor and Lessee and placed of record in the county in which the Lands are located for the purpose of placing all persons on notice of the existence of the Lease, which is not, at the request of both parties, being filed of record.

This Memorandum is signed by Lessor and Lessee as of the date of the acknowledgment of their signatures below, but is effective for all purposes as of the Effective Date stated above.

Smith Minerals, Ltd., a Colorado Limited Partnership

Lessor: Leland R. Smith III  
Leland R. Smith III, General Partner

Lessor: Bradford M. Smith  
Bradford M. Smith, General Partner

Lessee: Tab McGinley  
Tab McGinley, Vice President of Land

Acknowledgment

STATE OF Colorado  
COUNTY OF Moffat



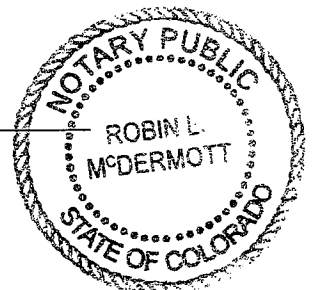
20114898 8/4/2011 2:45 PM  
1 of 2 MEM RS16.00 DS0.00

Lila Herod  
Moffat County Clerk

The foregoing instrument was acknowledged before me this 20 day of May, 2011, by Leland R. Smith Bradford M. Smith

My Commission Expires My Commission Expires  
03/10/2014

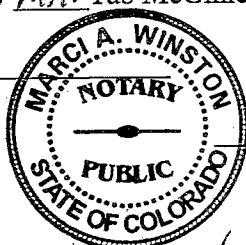
Robin L. McDermott  
Notary Public



STATE OF Colorado  
COUNTY OF Denver

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of June, 2011, by MA. Tab McGinley, Vice President of Land for Axia Energy, LLC.

My Commission Expires: \_\_\_\_\_



Marci A. Winston  
Notary Public

My Commission Expires 7/6/13

# EXHIBIT A

Attached to and made a part of that certain oil and gas lease dated June 1, 2011 to Axia Energy, LLC  
Moffat County, Colorado

## TOWNSHIP 7 NORTH, RANGE 91 WEST OF THE 6<sup>TH</sup> P.M.

Section 1: Tract described by M/B at Book 276/Page 158, Lots 9, 10, 11, 12, 13, 14, 15, 16

Section 3: Lots 7, 8, 9, 10, 11, 12, 13, 14

## TOWNSHIP 8 NORTH, RANGE 89 WEST OF THE 6<sup>TH</sup> P.M.

Section 18: Lots 13, 14, 15, 16, 17, 18, 19, 20

## TOWNSHIP 8 NORTH, RANGE 90 WEST OF THE 6<sup>TH</sup> P.M.

Section 5: Lots 13, 14, 15, 16, 17, 18, 19, 20

Section 17: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16

Section 18: Lots 7, 8, 9, 10, 15, 16, 17, 18

Section 21: Lots 9, 10, 15, 16

Section 22: Lots 13, 14, 15, 16

## TOWNSHIP 8 NORTH, RANGE 91 WEST OF THE 6<sup>TH</sup> P.M.

Section 5: SW/4SW/4

Section 6: Lots 8, 9, 12, 13, 15, 16, 17, 18, 19, 20, 21, 23

Section 7: Lots 6, 7, 8, E/2NW/4, E/2, E/2SW/4

Section 8: NW/4, N/2SW/4, SE/4SW/4, E/2

Section 10: N/2NW/4

Section 14: SW/4, S/2NW/4, NW/4NW/4

Section 15: S/2

Section 17: E/2NW/4, NW/4NW/4, NE/4, E/2SE/4

Section 18: Lots 5, 6, SE/4NW/4, NE/4, NE/4NW/4

Section 22: NE/4, N/2NW/4, NW/4SE/4, SE/4NW/4

Section 23: SE/4, NE/4

Section 24: SW/4, NW/4

Section 27: S/2

Section 28: S/2S/2

Section 31: SE/4NE/4, NE/4SE/4, NE/4NE/4

Section 32: SW/4NW/4, NW/4SW/4, NW/4NW/4, E/2NW/4, W/2NE/4, NW/4SE/4, NE/4SW/4

Section 33: N/2N/2

Section 34: N/2, SE/4, N/2SW/4

Section 35: S/2NW/4, SW/4

## TOWNSHIP 8 NORTH, RANGE 92 WEST OF THE 6<sup>TH</sup> P.M.

Section 1: Lots 13, 14, 15, S/2

Section 13: NE/4, N/2SE/4, E/2NW/4

Containing 9,433.83 acres, more or less, Moffat County, Colorado



20114898 8/4/2011 2:45 PM  
2 of 2 MEM R\$16.00 D\$0.00

Lila Herod  
Moffat County Clerk