

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 25 day of August, 2006, by and between ATLANTIC RICHFIELD COMPANY,
an affiliate of BP Americas, Inc., whose post office
address is 1701 Summit Suite 2, Plano, Texas 75074 hereinafter called Lessor (whether one or more) and
Williams Production RMT Company whose post office address is _____
1515 Arapahoe Street, Tower 3, Suite 1000, Denver, CO 80202 hereinafter called Lessee:

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

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF:

and containing 15.73 acres, more or less. This lease shall specifically include coalbed gas and occluded gas from coal seams.

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

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

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

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

1st To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-fourth (1/4) part of all oil produced and saved from the leased premises.

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

3rd To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-fourth (1/4) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

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

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

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon. Lessor shall have the right to gas free of cost from any well on the lands covered herein for use in the principal dwelling house on said lands at the date of this lease. Lessor shall be fully responsible for conditioning the gas for domestic use and the safety and maintenance of connecting lines.

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

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

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

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

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

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

13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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

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

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

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

X: ATLANTIC RICHFIELD COMPANY
BY: Duronda Smith
TITLE: Mgr Discontinued Operations
Attorney-In-Fact

STATE OF Mass)
COUNTY OF Collin)§

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT--INDIVIDUAL

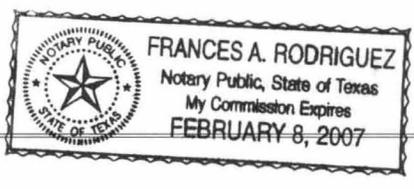
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 29th day of August, 2006, personally appeared Duronda Smith, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires 2/8/07

Frances A. Rodriguez
Notary Public

Address: 1701 Summit, Plano, Texas 75074



STATE OF _____)
COUNTY OF _____)§

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT--INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 20____, personally appeared _____, to me known to be the identical person _____, described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires _____

Notary Public

Address: _____

STATE OF _____)
COUNTY OF _____)§

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT--INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 20____, personally appeared _____, to me known to be the identical person _____, described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires _____

Notary Public

Address: _____

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated August 25, 2006 by and between Atlantic Richfield Company, as Lessor, and Williams Production RMT Company, as Lessee

Tract 1

Township 7 South, Range 95 West, 6th P.M.

Section 6: That portion of the following described land insofar as the same lies in NW/4SE/4, SE/4SW/4 and Lot 9 of Section 6:

Commencing at the East Quarter Corner of Section 6; Thence North 01°08'15" East, along east line of the Northeast Quarter of said Section 6, a distance of 380.61 feet to the Point of Beginning, said point being on the northerly right-of-way of the Denver and Rio Grande Western Railroad, currently known as the Union Pacific Railroad; Thence along said northerly right-of-way the following seven (7) courses:

1. Thence South 58°59'31" West a distance of 1,079.80 feet;
2. Thence North 01°40'45" East a distance of 59.41 feet;
3. Thence South 58°59'31" West a distance of 252.34 feet to a point of curvature;
4. Thence along the arc of said curve to the left having a radius of 2,964.93 feet, a central angle of 17°04'37", an arc length of 833.69 feet and a chord which bears South 50°27'13" West, a distance of 880.42 feet;
5. Thence South 41°54'55" West, a distance of 466.64 feet;
6. Thence South 88°41'15" East, a distance of 65.86 feet;
7. Thence South 41°54'55" West, a distance of 1,071.30 feet to the northerly line of that certain parcel of land known as Parcel 740-X on the Colorado Department of Transportation Right-of-Way plan set for project I 70 (45) Section 7 and described in instrument recorded in Book 840 on Page 219, records of the Garfield County Clerk and Records office;

Thence South 57°57'25" West along said northerly line a distance of 173.96 feet to a point of curvature;

Thence continuing along said northerly line and along the arc of said curve to the right having a radius of 904.90 feet, a central angle of 24°00'14", an arc length of 379.11 feet and a chord which bears South 69°57'32" West, a distance of 376.34 feet to a point of cusp, said point being on the northwesterly right-of-way line of the Colorado Department of Transportation Project F 001-1(9);

Thence along the arc of a curve to the left, not tangent to the previous curve, having a radius of 904.90 feet, a central angle of 30°16'20", an arc length of 478.10 feet and a chord which bears North 57°30'21" East, a distance of 472.56 feet;

Thence North 41°54'55" East, not tangent to the previous curve, a distance of 1,764.92 feet to a point of curvature;

Thence along the arc of a curve to the right having a radius of 2,000.00 feet, a central angle of 17°18'51", an arc length of 604.37 feet and a chord which bears North 50°34'20" East, a distance of 602.08 feet;

Thence North 59°13'45" East, a distance of 4,970.50 feet;

Thence North 64°29'12" East, a distance of 215.57 feet to a point on a curve;

Thence along the arc of a curve, not tangent to the previous course, having a radius of 2,790.79 feet, a central angle of 23°12'15", an arc length of 1,130.24 feet and a chord which bears North 74°12'30" East, a distance of 1,122.53 feet;

Thence North 85°48'37" East, a distance of 1,476.73 feet;

Thence South 89°34'36" East, a distance of 911.38 feet to said northerly right-of-way line of the Denver and Rio Grande Western Railroad;

Thence along said northerly right-of-way line the following four (4) courses:

1. Thence South 85°12'31" West, a distance of 1,336.08 feet to a point on the east line of the Southeast Quarter of Section 32, Township 6 South, Range 95 West, of the Sixth Principal Meridian;
2. Thence continuing South 85°12'31" West, a distance of 1,058.62 feet to a point of curvature;
3. Thence along the arc of a curve to the left having a radius of 2,914.93 feet, a central angle of 26°13'00", an arc length of 1,333.77 feet and a chord which bears South 72°06'01" West, a distance of 1,322.17 feet;
4. Thence South 58°59'31" West, a distance of 3,554.18 feet to the Point of Beginning;

The bearings for this legal description are based on the east line of the Northeast Quarter of Section 6, Township 7 South, Range 95 West, of the Sixth Principal Meridian as being North 01°08'15" East. The East Quarter Corner of said Section 6 is a number 5 rebar and the Northeast Corner of said Section 6 is a 2.5" G.L.O. brass cap on a 2" pipe.

Being the same tract of land described as Parcel No. 500X Colorado Department of Highways Project No. F 001-1(9) and described at Book 1234, Page 959, Reception No. 576801 of the records in the Office of the Clerk and Recorder in and for Garfield County, Colorado,

Containing 5.77 acres, more or less, in Garfield County, Colorado.

Tract 2

Township 7 South, Range 95 West, 6th P.M.

Section 6: The following described lands lying within the SE/4SW/4:

Beginning at a point on the northerly right of way line of S.H. No. 6 from which the NW corner of Sec. 7, T. 7 S., R. 95 W., 6th P.M., an aluminum cap, bears No. 46°17'30" W., a distance of 1,162.7 feet;

1. Thence S. 08°45' W. a distance of 270.9 feet to the southerly right of way of said highway;
2. Thence N. 56°19'30" E., along said right of way, a distance of 316.3 feet;
3. Thence N. 80°07' E. continuing along said southerly right of way, a distance of 218.5 feet to the northerly right of way line of the Denver and Rio Grande Western Railroad (April 1984);
4. Thence N. 40°19'30" E. along said railroad right of way, a distance of 1,137.5 feet to the north line of Sec. 7;
5. Thence S. 89°43' W. along said section line, a distance of 296.4 feet, to the said northerly highway right of way;
6. Thence S. 40°19'30" W. along said highway right of way, a distance of 295.2 feet;



707037 09/18/2006 02:00P B1843 P406 M ALSDORF
5 of 6 R 31.00 D 0.00 GARFIELD COUNTY CO

7. Thence continuing along said highway right of way along the arc of a curve to the right having a radius of 2,765.0 feet, a distance of 772.1 feet (the chord of this arc bears S. 48°19'30" W., a distance of 769.6 feet);

8. Thence S. 56°19'30" W. continuing along said highway right of way, a distance of 133.5 feet, more or less, to the point of beginning;

And,

Beginning at a point which is the intersection of the northerly right of way line of said S.H. No. 6 and the Section line common to Sections 6 and 7, T. 7 S., R. 95 W., 6th P.M. from which point the above said NW corner of Sec. 7 bears S. 89°43' W., a distance of 1,718.5 feet;

1. Thence N. 89°43' E. along said section line, a distance of 296.4 feet to the northerly right of way line of the Denver and Rio Grande Western Railroad (April 1984);

2. Thence N. 40°19'30" E. along said railroad right of way, a distance of 620.1 feet;

3. Thence S. 56°22' W., a distance of 173.9 feet;

4. Thence along the arc of a curve to the right having a radius of 904.9 feet, a distance of 379.2 feet (the chord of this arc bears S. 68°22' W., a distance of 376.4 feet) to the said northerly highway right of way;

5. Thence S. 40°19'30" W. along said highway right of way, a distance of 313.7 feet, more or less, to the point of beginning;

The bases of bearing is True North.

Being the same tract of land described as Parcel No. 740-X, Colorado Department of Highways Project No. 1 70-1(45) and described as Book 840, Page 219, Reception No. 438359 of the records in the Office of the Clerk and Recorder in and for Garfield County, Colorado,

Containing 2.16 acres, more or less, in Garfield County, Colorado.

Tract 3

Township 7 South, Range 95 West, 6th P.M.

Section 6: The following described tract lying in Lot 9, SE/4SW/4, NW/4SE/4:

Beginning at a point on the S. line of Sec. 6 from which point the SW corner of Sec. 6, T. 7 S., R. 95 W., bears S. 89°38' W. a distance of 1717.0 feet;

1. Thence along the S. line of Sec. 6, N. 89°38' E. a distance of 296.3 feet to the northwesterly right of way line of the D.&R.G.W. Railroad;

2. Thence along the northwesterly right of way of the D. & R.G.W. Railroad N. 40°13' E. a distance of 1691.4 feet;

3. Thence along the northwesterly right of way of the D. & R.G.W. Railroad S. 89°38' W. a distance of 65.8 feet;

4. Thence along the northwesterly right of way line of the D.& R.G.W. Railroad N. 40°13' E. a distance of 408.0 feet;

5. Thence along the northwesterly right of way of the D. & R.G.W. Railroad N. 38°57' E. a distance of 102.2 feet;

6. Thence along the northwesterly right of way line of the D. & R.G.W. Railroad along the arc of a curve to the right with a radius of 2965.0 feet a distance of 630.8 feet (the chord of

707037 09/18/2006 02:00P B1843 P407 M ALSDORF
6 of 6 R 31.00 D 0.00 GARFIELD COUNTY CO

which arc bears N. 47°18'30" E. a distance of 629.6 feet) to the E. line of the NW/4 of the SE/4, Sec. 6;

7. Thence along the E. line of the NW/4 of the SE/4, Sec. 6, N. 0°32'30" W. a distance of 276.9 feet;

8. Thence along the arc of a curve to the left with a radius of 2010.0 feet a distance of 531 feet (the chord of which arc bears S. 47°47' W. a distance of 529.5 feet);

9. Thence S. 40°13' W. a distance of 2661.2 feet, more or less, to the point of beginning.

Being the same parcel described in that Quit Claim Deed filed of record at Book 280, Page 558, Reception Number 187683, in the office of the Clerk and Recorder in and for Garfield County, Colorado

LESS AND ACCEPT Tract 1 herein

Containing 7.80 acres, more or less, in Garfield County, Colorado