

Recorded 181481 at 1:30 O'clock P.M.
Description No. 181481 in W. H. Jones Recorder

235 272

GAS PLANT LEASE



01727552

THIS INDENTURE, made this 17th day of June 19 95, between James Mitchek and Patricia Mitchek whose address is Post Office Box 1, Kit Carson, Colorado 80825, Lessor, and CHAMPLIN PETROLEUM COMPANY, a corporation under the laws of the State of Delaware with its main business office at 801 Cherry Street, Fort Worth, Texas 76102, Lessee:

WITNESSETH, That for the consideration hereinafter mentioned, the Lessor does hereby demise and lease to Lessee, its successors and assigns, the following described land, situated in Section 35, Township 13S., Range 48W. Cheyenne County, and State of Colorado.

As described in the survey and description shown on Exhibit "A" attached hereto and made a part thereof.

To have and to hold the said lot of ground to Lessee, its successors and assigns for a period of three (3) years beginning June 1, 1985 and ending May 31, 1988.

1. Lessee agrees to pay Lessor as rental for the demised premises the sum of THREE HUNDRED DOLLARS (\$300.00), payable annually in advance.

Said rental may be paid by check payable and delivered to Lessor personally or by mail at P.O. Box 1, Kit Carson, Colorado 80825, or at such other place as Lessor may from time to time in writing designate.

2. Lessee shall have the option of extending this lease for a total of not more than Twenty (20) successive periods of Three (3) years each, upon the same terms and conditions which were in effect during the original term.

Said options shall be automatically exercised, unless Lessee shall give to Lessor, a written notice at least thirty (30) days prior to the expiration of the then current period, and the sending of such notice shall terminate this lease at the end of the then current term.

3. (a) Lessee shall have, and is hereby given, the option of including additional adjoining lands owned by the Lessor in Section 35, Township 13 South, Range 48 West, Cheyenne County, Colorado provided Lessee shall give Lessor notice in writing of its election to exercise said option to lease additional land at any time during the original term or any extension or renewal thereof. If additional land is included in the demised premises, the rental described in paragraph 1 will increase in proportion to the amount of additional area included.

(b) It is further agreed that should Lessor, or Lessor's heirs, executors, grantees, successors or assigns, at any time during the term of this lease or any extension thereof, receive an offer to purchase the demised premises or any part thereof, or any premises which include the demised premises, and desires to accept said offer, or should Lessor during any such time make an offer to sell the demised premises, Lessor shall give Lessee ninety (90) days notice in writing of such offer, setting forth the name and address of the proposed purchaser, the amount of the proposed purchase price, and all other terms and conditions of such offer, and Lessee shall have the first option to purchase the premises which are the subject of the offer by giving written notice to Lessor of its intention to purchase within said ninety (90) day period at the same price and on the same terms of any such offer, it being understood that in the event Lessee does not give notice of its intention to exercise said option to purchase within said period, this lease and all of its terms and conditions shall nevertheless remain in full force and effect and Lessor and any purchaser or purchasers of the demised

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premises, or any part thereof, or any premises which includes the demised premises, shall be bound thereby, and in the event that the premises set forth in the offer are not sold for any reason, Lessee shall have, upon the same conditions and notice, the continuing first option to purchase the demised premises, or any part thereof, or any premises which includes the demised premises, upon the terms of any subsequent offer or offers to purchase.

In the event any of said option is exercised, Lessor will convey a merchantable title in fee simple to said real estate by good and sufficient warranty deed, with release of dower, homestead, curtesy and other rights of the respective spouses, if any, and free from all encumbrances whatsoever.

Within thirty (30) days of the date of exercise of said option, Lessor will furnish to Lessee an owner's title insurance policy issued by a title insurance company acceptable to Lessee, in its usual form, brought down to said date of exercise, insuring Lessee against loss or damage to the extent of the purchase price, subject only to the usual printed exceptions contained in insurance policies of the issuing company. Settlement of the purchase price and conveyance to the Lessee shall be made ninety (90) days from said date of exercise, but actual tender of the purchase price by the purchaser or tender of deed by the seller shall not be necessary, and neither party shall be in default until after written demand for performance shall have been made by the other party. Taxes, water rent, and other current expenses, and rent hereunder, shall be adjusted as of the date of settlement.

4. It is further agreed that Lessee, or its assignee or sublessee, shall have the privilege of using said premises for the erection, operation and maintenance of a gas plant, with all buildings, tanks, pipes, machinery and fixtures necessary for such plant; and the right to lay, repair, and remove lines of pipe for water, oil or gas over said premises and adjacent premises located in Section 25, 26, 34, 35, Township 13 South, Range 48 West, Cheyenne County, Colorado which are owned by Lessor, and for any other lawful purpose. In connection with such business, Lessee shall have the privilege, after all permits mentioned in Paragraph 6 have been obtained and after all of the provisions of Paragraph 7 have been fulfilled, of wrecking any improvement located upon said premises at the time of the execution of this lease, of erecting upon said premises such building or buildings, driveways, pumps, pipelines and other improvements and equipment as is deemed requisite for the proper use of said premises for the aforesaid business or any thereof. Also the right to do and perform such acts on adjacent premises as may become necessary to protect said property in case of flood or fire, and prevent spread and loss of oil. ~~In the event that it becomes necessary to drill a water well for the use at said gas plant, Lessee agrees to leave casing in same for use of Lessor when premises are vacated and Lessee, its successors and assigns may remove all machinery, building, tanks, pipes, and fixtures on the premises, or connected therewith, at any time.~~ JM
FM
Rsp

5. It is further mutually agreed that Lessor shall pay all taxes and assessments that may be levied against the above described premises and the buildings and equipment belonging to Lessee thereon, and Lessee shall reimburse Lessor for all taxes and assessments that may be levied against the improvements and equipment owned by Lessee thereon. Upon written request from Lessee, Lessor shall furnish Lessee with written evidence that such taxes and assessments have been paid.

6. In the event Lessee shall be unable to obtain from governmental agencies having jurisdiction the necessary permits, which would allow Lessee to construct and operate a gas plant on the premises, or should Lessee be restrained or enjoined from operating said gas plant, then Lessee shall have the right to terminate this Lease by giving ten days written notice of its intention so to do, and shall thereupon be relieved of all liability hereunder.

7. ~~Lessor agrees to furnish Lessee a leasehold title insurance policy issued by a title insurance company acceptable to Lessee in its usual form brought down to the date of recording of this lease, insuring Lessee against loss or damage to the extent of Five Thousand (\$5,000), subject only to the usual printed exceptions contained in insurance policies of the issuing company provided, however, that if said policy discloses mortgage liens and other liens against the demised premises, Lessor agrees to procure the subordination of such liens to the rights of Lessee under this lease, and in connection with any such mortgage liens will procure for the inspection of Lessee all principal and interest notes secured by such mortgage or mortgages, duly endorsed with a memorandum indicating the subordination of such mortgage to the right of Lessee hereunder, together with agreements duly executed by the owners and holders of such notes subordinating their rights to the right of Lessee herein, and with respect to other liens, Lessor agrees to procure for the inspection of Lessee subordination agreements in form satisfactory to Lessee, duly executed by the owners and holders of such notes subordinating their rights to the rights of Lessee herein. Lessor may in lieu of such subordinations obtain the release of all such liens. The premium for title insurance shall be paid by Lessee. Should Lessor be unable to provide such subordinations or releases to the satisfaction of Lessee, Lessee shall have the right to terminate this lease by written notice to Lessor.~~ JM.
PM
RCP
8. Lessee agrees to indemnify and save harmless Lessor from all claims, mechanic liens, damages, demands, actions, costs and charges arising out of or by reason of the erection and construction of the improvements herein contemplated, an the operation of the business herein authorized on the premises herein demised during the term of this lease.
9. Lessee and any assignee or sublessee is expressly given the right at any time during the term of this lease or any extension thereof, and for a period of sixty (60) days after the termination of this lease, or any extension thereof, by lapse of time or otherwise, to enter upon and demolish or detach and remove from said premises any improvements or equipment heretofore or hereafter purchased or placed by it or them upon the leased premises, but shall not be obliged to do so. In the even Lessee shall elect to demolish, detach and remove all of its improvements or equipment as aforesaid, Lessee agrees to restore the leased premises to a level state.
10. It is further mutually agreed that Lessee may sublet part or all of the premises and assign this lease without consent of Lessor. Lessee shall, however, give Lessor written notice of any such sublease or assignment.
11. In the event the demised premises shall be taken by or pursuant to any governmental authority or through the exercise of the right of eminent domain; or in the event any part of said demised premises, or any interest therein, including, but not limited to the right of free access to the demised premises, is so taken or substantially interfered with and the said demised premises after said taking or interference in the opinion of the Lessee, is not suitable for the operation of a gas plant, this lease, at the option of Lessee, shall terminate without liability on the part of Lessee, or Lessee may continue in possession of the remaining portion of said demised premises, in which event the rent herein provided for shall be reduced in proportion to the reduction in the utilizable area of the premises, but nothing herein shall be deemed a waiver of the sole right of Lessee to any award for damages to it or to its leasehold interest caused by such taking, whether made separately or as a part of a general award.
12. Lessor hereby warrants and agrees to defend the title to the land and premises herein demised and covenants that Lessee may quietly enjoy same and agrees that Lessee shall have the right at any time to redeem for Lessor by payment of any mortgage, taxes, or other liens on said lands, and premises in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, or to offset rents subsequently due hereunder to fully reimburse itself therefor.

- 13. It is further understood and agreed that all notices given under this lease shall be deemed to be properly served if delivered in writing personally, or sent by certified mail to Lessor at the address herein shown in the first unnumbered paragraph of this lease, or at the last address where rent was paid or to Lessee at its office at 5800 South Quebec Avenue, Englewood, Colorado 80111. Date of service of a notice served by mail shall be the date on which said notice is deposited in a post office of the United States Post Office Department.
- 14. The terms, conditions and covenants of this lease shall be binding upon and shall insure to the benefit of each of the parties hereto, their heirs, personal representatives, successors, sublessees or assigns, and shall run with the land; and where more than one party shall be lessors under this lease, the word "Lessor" whenever used in this lease shall be deemed to include all parties-lessor jointly and severally.
- 15. This lease embodies the entire agreement between the parties hereto relative to the subject matter hereof and shall not be modified, changed or altered in any respect except in writing; and in the event of any termination of this lease pursuant to any right reserved by Lessee herein, all liability on the part of Lessee for payment of rent shall cease and determine upon payment proportionately to the date of such termination of this lease.

In Witness Whereof, the parties hereto have duly signed these presents and affixed their respective seals, the day and year first above written.

James M. Mitchek
James Mitchek - Lessor

Patricia Mitchek
Patricia Mitchek - Lessor
PM Mitchek

P. O. Box 1, Kit Carson, Colorado 80825
Address

CHAMPLIN PETROLEUM COMPANY

By R. Palme
Attorney-in-Fact

APPROVED	
ENV	
LEGAL	PK
LAND	GU
GEOLOGICAL	
OPERATIONS	AK
PLANNING	
SALES	
TITLE	

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ACKNOWLEDGEMENTS

THE STATE OF COLORADO

COUNTY OF CHEYENNE

On this 2nd day of July, 1985, before me personally appeared James Mitchek and Patricia Mitchek, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Marilyn K Ward
Notary Public, State of Colorado

Notary's Printed Name:

MARILYN K WARD
Notary I
101 Corson, Co. 80828



My Commision Expires: 3-9-88

STATE OF COLORADO

COUNTY OF ARAPAHOE

The foregoing instrument was acknowledged before me on June 17, 1985 by R.C. Palmer, Attorney-in-Fact of Champlin Petroleum Company, a Delaware Corporation, on behalf of said corporation.

Cardee Smith
Notary Public, State of Colorado

Notary's Printed Name:

Cardee Smith

5800 S. Quebec St, Englewood, CO 80111

My commission expires: 6-19-89

PLANT SITE

A portion of the Northeast 1/4 of Section 35, Township 13 South, Range 48 West of the Sixth Principal Meridian, Cheyene County, Colorado, more particularly described as follows:

Note: For the purpose of this description, the North line of said Northeast 1/4 shall be assumed to bear N. 89°15'00" E.

BEGINNING at the North 1/4 corner of said Section 35;

Thence S. 13°49'23" E., a distance of 1656.72 feet to the TRUE POINT OF BEGINNING of the parcel herein described;

Thence N. 23°33'49" W., a distance of 400.00 feet;

Thence N. 66°26'11" E., a distance of 300.00 feet;

Thence S. 23°33'49" E., a distance of 400.00 feet;

Thence S. 66°26'11" W., a distance of 300.00 feet to the TRUE POINT OF BEGINNING,

containing 120,000 square feet or 2.75482 acres, more or less.

Western States Surveying, Inc.
7030 S. Yosemite Street
Suite 204
Englewood, Colorado 80112

Robert A. Ball
Robert A. Ball, P.L.S.

August 12, 1985
Date

INGRESS AND EGRESS
EASEMENT

A portion of the North 1/2 of Section 35, Township 13 South, Range 48 West of the Sixth Principal Meridian, Cheyene County, Colorado, more particularly described as follows:

A 24 foot wide easement for Ingress and Egress lying Southwesterly, Southerly, and contiguous with the following described line.

Note: For the purpose of this description, the North line of said Northeast 1/4 shall be assumed to bear N. 89°15'00" E.

BEGINNING at the North 1/4 corner of said Section 35;

Thence S. 13°49'23" E., a distance of 1656.72 feet to the TRUE POINT OF BEGINNING of the parcel herein described;

Thence N. 23°33'49" W., a distance of 400.00 feet;

Thence N. 24°45'37" W., a distance of 343.68 feet;

Thence N. 24°20'09" W., a distance of 86.29 feet;

Thence N. 22°58'15" W., a distance of 138.38 feet;

Thence N. 23°35'18" W., a distance of 724.51 feet;

Thence N. 36°00'43" W., a distance of 69 feet more or less to the North line of the Northwest 1/4 of said Section 35;

Thence Westerly along the North line of said Northwest 1/4 of said Section 35, a distance of 2312 feet more or less to the Northwest corner of said Section 35 said point being the TERMINUS of the line herein described;

The Southerly end-line of the above described parcel is intended to be at right angles to the first course of the above described line. The Westerly end-line of the above described parcel is intended to terminate on the West line of said Section 35.

Western States Surveying, Inc.
7030 S. Yosemite Street
Suite 204
Englewood, Colorado 80112

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Robert A. Ball, P.L.S.

August 12, 1985
Date

