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Facility ID 120102

LEASE AGREEMENT

Reception No. 247336 Date MAY 25 1983
Elbert County Recorder
By *[Signature]* 3:10 PM


THIS LEASE AGREEMENT, made and entered into this 15
day of April, 1983, by and between RUNNING
CREEK RANCH COMPANY, 45400 Road 21, Elizabeth, Colorado 80107
(herein called "Lessor") and BUCKEYE NATURAL GAS COMPANY, a
Delaware corporation, 320 South Boston Building, Tulsa, Oklahoma
74103, (herein called "Lessee"), WITNESSETH:

1. Lessor hereby lets, leases and demises unto Lessee
for the term of this Agreement, and any extension or extensions
thereof, a tract of land in Elbert County, Colorado, more
particularly described as follows:

A portion of Section 21, T6S-R64W of the sixth principal
meridian, County of Elbert, State of Colorado, being more
particularly described as commencing at the southwest
corner of said Section 21; thence S89°21'06"E and along
the south line of said Section 21 a distance of 30.00
feet to the point of beginning; thence N00°05'58"W and
along a line 30.00 feet east of and parallel with the west
line of said Section 21 a distance of 660.03 feet; then
S89°21'06"E along a line 660.3 feet north of and parallel
with the south line of said Section 21 a distance of
660.03 feet; thence S00°05'58"E and along a line 690.03
feet east of and parallel with the east line of said
Section 21 a distance of 660.03 feet to a point on the
south line of said Section 21; thence N89°21'06"W and
along the south line of said Section 21 a distance of
660.03 feet to the point of beginning, containing 10.000
acres.

2. The primary term of this Agreement shall commence on
the date hereof and shall continue for a period of five (5)
years. During the term hereof, Lessee shall pay Lessor an
annual rental of \$8,000.00, payable on the date hereof of each
year during the term of this lease at such place as may from
time to time be designated by Lessor. Lessor hereby grants
Lessee the right and option to renew and/or extend the term
of this lease for an additional term of five years from the

last day of the primary term, upon the same terms and conditions as are provided herein except that the annual rent payable by Lessee to Lessor during such renewal term shall be adjusted in accordance with increases in the cost of living so that such annual rental shall be equal to the amount determined by multiplying \$8,000.00 by the Cost of Living Index number in effect on the expiration date of the primary term and then dividing said figure by the Cost of Living Index number in effect on the date hereof. For example, assume that the Cost of Living Index on the first day of the primary term is 135.0 and that the Cost of Living Index on the first day of the first renewal term is 155.0. The annual adjusted rent during the first renewal term would be \$8,000.00 multiplied by 155.0 divided by 135.0 which equals \$9,185.19. In addition, Lessor hereby grants Lessee the further right and option to renew and/or extend the term of this lease for an additional renewal term of five years after the expiration of the first renewal term upon the same terms and conditions as are provided herein except that the annual rental during such second renewal term shall be adjusted in accordance with increases in the cost of living so that such annual rental shall be equal to an amount determined by multiplying the annual rent during the first renewal term by the Cost of Living Index number in effect at the beginning of the second renewal term and then dividing said figure by the Cost of Living Index number in effect at the beginning of the first renewal term. In addition, Lessor hereby grants Lessee the further right and option to renew and/or extend the term of this lease for an additional renewal term of five years after the expiration of the second renewal term upon the same terms and conditions as are provided herein except that the annual rental during such third renewal term shall be adjusted in accordance with increases in the cost of living so that such annual rental shall be equal to an amount determined by multiplying the annual rent during the second renewal term by the Cost of Living Index



number in effect at the beginning of the third renewal term and then dividing said figure by the Cost of Living Index number in effect at the beginning of the second renewal term.

The Cost of Living Index numbers to be used shall be the ones in effect at the applicable dates defined as the "U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Items for Urban Wage Earners and Clerical Workers" unadjusted for seasonal variations. The index base shall be "1967 - 100" or such later base as may be adjusted by the Bureau of Labor Statistics so long as the base used for the respective dates is the same or made so by proper adjustment. The index numbers are presently published in Federal Reserve Bulletin, Table A68, Column 1, "All Items."

It is the intention of the parties that the rent shall be adjusted upward at the stated intervals in the event of an increase in the Cost of Living Index or an equivalent increase figure in the event of a reevaluation or revision of said index. If the Department of Labor ceases publication of said Consumer Price Index as it is now known, then another index generally accepted as authoritative shall be established by agreement of the parties. Should the parties fail to agree, then upon request of either party a judge of a State District Court for the district in which the premises are located shall select another comparable index to be used and the substituted index so selected shall be binding on the parties.

In no event, however, shall the annual rent during the first, second or third renewal term be decreased below the annual rent specified for the initial term regardless of whether the index number in effect at the beginning of either such renewal terms be less than the index number in effect at the beginning of the initial term.

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Each of the foregoing renewal options shall be exercised by Lessee giving notice by certified mail to Lessor, return receipt requested, at least 30 days before the expiration of the then existing term. It shall be a condition of the exercise of any of the foregoing options that at the time of the exercise of said option, Lessee shall not be in default under the terms and conditions of this lease.

It is expressly understood and agreed that the Lessee may terminate this lease at the end of any lease year during its 5-year primary term or at the end of any lease year during any extended term by giving Lessor written notice of its election to terminate the same Thirty (30) days in advance of the termination date selected by Lessee, provided, however, that if such termination is prior to the expiration of the full primary term, or the expiration of any full extended term, Lessee shall pay to Lessor, as liquidated damages, an amount equivalent to the unpaid annual rentals which would be paid for the remaining primary term of any extended term in which such termination is declared.

3. The Lessee may, at the Lessee's option, erect, maintain and operate on said leased property a natural gas processing plant, including any pumps, compressors, power stations, power lines, telephone lines, poles, tanks, pipes, pipelines, machinery, boilers, fixtures, security fence and gate, loading racks, roads, buildings, structures, and grant easements incident to the same and the right to lay, maintain and operate and remove all necessary lines of pipe for water, steam, gas, oil or liquefied petroleum gases, in, over, upon and across said leased land, and to erect and maintain thereon radio transmission and receiving equipment, poles for the purposes of communication, with full ingress and egress at all times, and the right to construct embankments, dig pits and ditches, and do and perform all other necessary acts and things to process natural gas and recover,

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remove liquefied petroleum gases, and prevent outbreak of fire and the spread thereof. Any and all fixtures and other property installed or placed on the leased property shall be and remain the property of Lessee. Lessee may at any and all times remove lines, fixtures and other property placed by it upon the leased property.

4. Lessee agrees that it will not suffer or permit, during the term hereby granted or any extension thereof, any mechanic's or other liens for work, labor, services or materials to attach to the real property hereinbefore described or to any portion thereof; and whenever and as often, if ever, as any such lien or liens shall be filed or shall attach, it will, within sixty (60) days thereafter, either pay the same or procure the cancellation thereof by giving security, or in such other manner as is, or may be prescribed by law. Lessee shall reimburse Lessor for all reasonable expenses and costs, including attorney fees, incurred by Lessee in defending against any such lien or claim or in clearing title to the leased property from any such lien or claim. Upon surrender, cancellation or termination of this lease, the Lessee agrees to remove all pipes, tanks, valves and other fixtures, and to level the surface of the leased premises, leaving the premises in a clean and usable condition as existed at the commencement of this lease.

5. Lessor covenants that Lessee shall have continuous peaceful, uninterrupted and exclusive possession and quiet enjoyment of the entire leased premises during the term of this lease or any extension thereof, the breach of which covenant by operation of law or for any other reason, even if affecting only a portion of the premises, if not promptly corrected, will entitle Lessee, at its option, to terminate and cancel this lease and to remove its equipment and all improvements owned

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or placed by it on the premises. Any unearned rental shall be promptly refunded to Lessee on any termination by Lessee for cause.

6. Lessor agrees to pay all real property taxes levied on and attributable to the unimproved leased premises. Lessee shall pay the taxes on its improvements, equipment and other personal property owned or placed by it on the leased premises.

7. Lessee agrees to pay for all utilities used by Lessee in and upon the leased premises.

8. Lessee shall not use the leased premises, or permit anything to be done in or about the premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessee shall, at its expense and cost, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies now or hereafter constituted relating to or affecting the condition, use or occupancy of the premises. It is further understood and agreed that if, by reason of any law, ordinance or regulation of properly constituted authority, or by injunction, Lessee is prevented from using all or any part of the property herein leased for its business activities, or if the use of the premises for the purposes herein permitted shall be in any manner restricted, or should any governmental authority refuse at any time during the term or any extension of this lease to grant such permits as may be necessary for the installation of reasonable equipment and operation of said premises for the permissible purposes hereunder, Lessee may, at its option, surrender and cancel this lease, remove its improvements, equipment and personal property from the leased premises, restore the premises as provided under

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Paragraph 4, and be relieved from the payment of rent or any other obligations as of the date of such surrender.

9. Lessor covenants and warrants that at the time of execution of this lease, Lessor is the owner of the demised premises and has full right to lease the same for the term aforesaid, and the optional extensions thereof as above provided, and will place Lessee in actual possession of the premises at the beginning of said term.

10. Lessee shall have the right and privilege to assign this lease or sublet said premises for the purposes set forth in Paragraph 3, in whole or in part, to a financially responsible firm or entity for the whole or any part of the term of this lease, or any extension thereof.

11. Lessee agrees to indemnify, defend and hold Lessor harmless against any suit, claim or cause of action arising without negligence of Lessor and as a result of Lessee's business activities on the demised premises, and to reimburse Lessee for any reasonable attorney fees or other expenses and costs incurred by Lessor in defending against any such suit, claim or cause of action.

12. It is agreed that Lessor shall not terminate this lease or on account of the failure of Lessee to pay the rental when due, or any installment thereof, or to comply with any other terms of this lease, without first giving Lessee written notice by certified mail of Lessor's intention to so terminate or cancel this lease, not less than thirty (30) days prior to cancellation or termination. If, during the thirty (30) period, Lessee shall pay said rental installment or otherwise comply with the term or condition of the lease as stated in notice, then the right of the Lessor to cancel this lease on the cause mentioned shall cease and be of no effect.

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13. If more than twenty (20%) percent of the leased premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, Lessee shall have the right, at its option, within sixty (60) days after said taking, to terminate this lease upon thirty (30) days' written notice to Lessor. If either less than twenty (20%) percent of the premises are taken, or if Lessee has not elected to terminate as hereinabove provided, the rent for the remaining premises shall remain the same. In the event of any taking or appropriation whatsoever, any and all awards and/or settlement compensation for the land so taken shall be the sole entitlement of Lessor, except for personal property or improvements owned by Lessee, which shall belong solely to Lessee.

14. It is mutually agreed that if after the expiration of this lease, the Lessee shall remain in possession of the premises, and continue to pay rent without written agreement as to such possession, then such tenancy shall be regarded as a tenant from month to month at a monthly rental, payable in advance, equal to one twelfth (1/12) of the last annual rental paid hereunder, and subject to all of the other terms and provisions of this lease.

15. This lease is made by and between the parties hereto with the express understanding and agreement that in the event Lessee becomes insolvent, or declared bankrupt, either voluntary or involuntary, or a receiver is appointed for Lessee, then in either event, Lessor may declare this lease ended, and all rights of Lessee shall thereupon terminate and cease, and Lessor shall be entitled to the immediate possession of the property.

16. It is further understood and agreed to by the parties that if as a result of the use of the leased premises by Lessee any damage or injury results to the remaining properties owned by Lessor, adjacent to the leased premises, or other properties

farmed by Lessor, including, but not limited to, the land, soil, crops, water, building and improvements now or hereafter placed or located thereon, then Lessee shall be liable to Lessor for any and all such damage and injury suffered by Lessor, including all expenses, costs and attorney fees, reasonably incurred by Lessor in establishing and recovering such damages.

17. All notices provided for in this lease shall be given by certified mail, addressed to the parties at their addresses first above written, or at such other address of which either party shall notify the other.

18. This lease shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, legatees, personal representatives, successors and assigns.

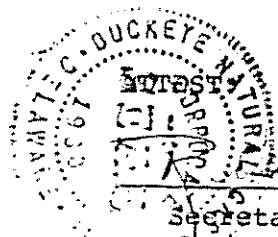
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals in triplicate as of the day and year first above written.

ATTEST:

Dorothy M. Mettler
Secretary

RUNNING CREEK RANCH COMPANY

Joseph D. Freund
Joseph Freund
LESSOR



BUCKEYE NATURAL GAS COMPANY

Raymond C. Kane, Jr.
Raymond C. Kane, Jr.
Vice President

LESSEE