

MEMORANDUM OF OIL AND GAS LEASE

STATE OF COLORADO §
 §
COUNTY OF WASHINGTON §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, on the 1st day of February, 2017, an Oil and Gas Lease was made and entered into by and between Roger L. Schenk and Diane R. Schenk, husband and wife, whose address is 26237 Hwy. 63, Akron, CO 80720, as Lessor, and Bold Resources, LLC, whose address 6615 W. Rowland Ave., Littleton, CO 80128, as Lessee. Whereby Lessor granted an Oil and Gas Lease on the following lands in Washington County, State of Colorado, described, to wit:

TOWNSHIP 2 SOUTH, RANGE 53 WEST, 6TH P.M.
Section 24: SW/4

which lease is for a term of Three (3) years from February 1, 2017, and as long thereafter as oil or gas shall be produced or operations are continuously prosecuted. Executed copies of this Oil and Gas Lease are in the possession of the Lessor and Lessee.

It is the purpose hereof to give record notice of such Oil and Gas Lease. In consideration of the foregoing and the consideration paid for execution of such Oil and Gas Lease, the undersigned Lessor does hereby lease, let and demise unto Lessee the lands described above upon all of the terms and conditions set forth in such Oil and Gas Lease.

Dated this 31st day of January, 2017.

LESSOR:


Roger L. Schenk


Diane R. Schenk

ACKNOWLEDGEMENT

STATE OF COLORADO }
 } ss.
COUNTY OF WASHINGTON

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

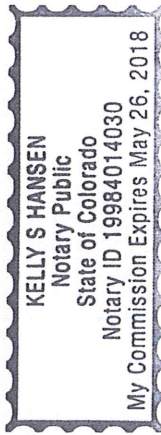
ACKNOWLEDGMENT

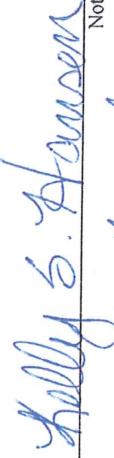
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 31st day of January, 2017, personally appeared Roger L. Schenk and Diane R. Schenk, husband and wife

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

My Commission Expires

5/26/2018




Notary Public
Address: 117 Main Ave.
Akron, CO 80720

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 1st day of February, 2017, by and between
Roger L. Schenk and Diane R. Schenk, husband and wife
whose post office address is 26237 Hwy. 63, Akron, CO 80720, hereinafter called Lessor (whether one or more) and
Bold Resources, LLC whose address is 6615 W. Rowland Ave., Littleton, CO 80128, hereinafter called Lessee:

WITNESSETH, that the Lessor, for and in consideration of REDACTED 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 Colorado, state of Washington, described as follows:

TOWNSHIP 2 SOUTH, RANGE 53 WEST, 6TH P.M.
Sections 24: SW/4

containing 160.00 acres, more or less. This lease covers all the land described above including all lands now or hereafter owned or claimed by Lessor, adjacent, contiguous or a part of the tract or tracts described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, or are fenced or unfenced, or whether such lands are inside or outside of the description set forth above.

1. It is agreed that this lease shall remain in force for a term of Three (3) years 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.

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 pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) 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-eighth (1/8) of the gross 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-eighth (1/8) of such gas and casinghead gas, Lessor's interest, in either case, to bear one-eighth of the cost of compressing, dehydrating and otherwise treating such gas or casinghead gas to render it marketable or usable and one-eighth of the cost of gathering and transporting such gas and casinghead gas from the mouth of the well to the point of sale or use. Gross proceeds shall be the amount received by Lessee, without deduction of processing, gathering, transportation or other costs. In no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

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-eighth (1/8) of the gross proceeds, at the mouth of the well, payable monthly at the prevailing market rate. Gross proceeds shall be the amount received by Lessee, without deduction of processing, gathering, transportation or other costs. In no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

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 Redacted 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 ninety (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. Notwithstanding anything to the contrary herein, the shut-in royalty payments shall not exceed a single 5 year period beyond the original lease term. At the end of such 5-year shut-in period, then this lease shall terminate.

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 to 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, except water from the Lessor's wells and/or ponds.

7. Lessee shall bury Lessee's pipelines 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.

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 of 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 utilize 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 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 by executing the same upon request of Lessee. In the event a well or wells are 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 sentence, (1) operations of hydrocarbons 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.

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. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, regulatory approvals, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented or delayed. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, either express or implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this lease. 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.

14. Lessor hereby warrants title to the leased premises or any part thereof, by, through or under Lessor, but not otherwise.

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, and this lease shall cover and bind all interest of the Lessor which may be acquired subsequent to the date of this lease which Lessor may hereafter acquire by way of reversion or otherwise.

16. Lessee shall pay Lessor for reasonable damages to all property, real, personal or mixed, caused by its operations on said land. The compensation amount shall be deemed full and agreed consideration for all damages caused or created by reason of the reasonable and customary ingress, egress, rights-of-way, drilling, completion, production and maintenance operations associated with the wells and facilities. Such damages will include, without limitation, damage to growing crops and crop land, including terraces; the removal, transportation and care of any livestock; the re-seeding, construction and use of access roads; and the preparation and use of the wellsite areas.

Before commencing any drilling operations upon the above described leased premises, the Lessee shall pay the sum of Red to the Lessor, for each wellsite located on said lands, together with any lands used for road purposes, production facilities, pipelines or other necessary facilities in connection with well sites.

If by reasons directly resulting from the operations of Lessee, there is damage to real or personal property upon the Lands which is not associated with usual and customary operations, such as, but not limited to, damage to livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, terraces, and natural water ways, such damage will be repaired or replaced by Lessee, or Lessee will pay reasonable compensation to Lessor for such additional damage.

In the event that Lessee drills a dry hole, Lessee shall have 1 year to complete restoration of the premises by removing the wellsite operations and appurtenances on the premises, pursuant to applicable laws, rules and regulations. Lessee shall restore the premises to as nearly as practicable to the condition that existed at the time immediately prior to any operations on the premises, at Lessee's cost. If Lessee fails to complete the requirements of this paragraph within the 1 year, then on the 1 year anniversary of the dry hole status, as determined by the removal of the Lessee's drill rig from the premises, then Lessee shall pay Redact. Lessor and shall continue such payment annually until the restoration is complete.

An additional damage payment of Redact. shall be paid for any seismography that is conducted on said land. The payment is in addition to, and not part of the above-described damage payments.

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

Roger L. Schenk

Roger L. Schenk

Diane R. Schenk

Diane R. Schenk

STATE OF COLORADO

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,

COUNTY OF WASHINGTON

} ss.

Nebraska, North Dakota, South Dakota

ACKNOWLEDGMENT

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 31st day of January, 2017, personally appeared Roger L. Schenk and Diane R. Schenk, husband and wife

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

My Commission Expires 5/26/2018

Kelly S. Hansen
Notary Public

Address: 117 Main Ave.

Akron, CO 80720

