

## MEMORANDUM GIVING NOTICE OF OIL AND GAS LEASE

State: Colorado  
 County: Washington  
 Lessor: Anthony Allen Schaffert and Terri Lynn Schaffert, husband and wife  
 39137 County Rd. 32, Otis, CO 80743

Lessee: Bold Resources, LLC, a Colorado limited liability company  
 6615 West Rowland Avenue  
 Littleton, CO 80128

Effective Date: September 18, 2018

For adequate consideration, Lessor, named above, has granted, leased, and let to Lessee, named above, for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and gas of whatsoever nature or kind, with rights of way and easements for laying pipelines, the erection of structures thereon to produce, save and take care of said products, all of the following described lands (the "Lands") in the county and state named above:

TOWNSHIP 1 NORTH, RANGE 49 WEST, 6TH P.M.

Section 34: E/2

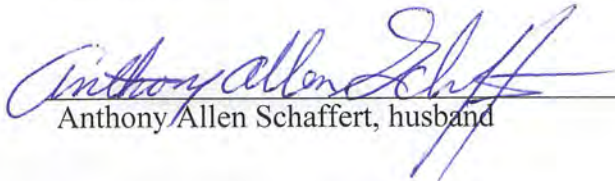
Containing 320.00 acres, more or less.

The Oil and Gas Lease (the "Lease") is for a primary term of three (3) years with an option to extend for an additional two (2) years from the Effective Date stated above and is effective as long thereafter as oil, gas, or other minerals are produced in paying quantities from the Lands, or other lands pooled therewith, according to and by the terms and provisions of the Lease between Lessor and Lessee.


The Lease, with all of its terms, covenants, and other provisions, is referred to and incorporated into this Memorandum for all purposes. This Memorandum is placed of record for the purpose of giving notice of the Lease. The original Lease is maintained in the office of the Lessee.

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

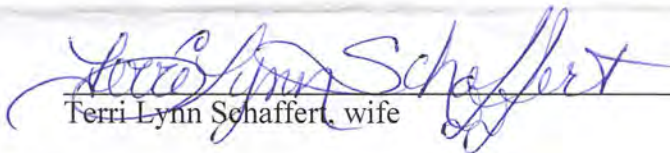
Lessor:  
Anthony Allen Schaffert

  
Anthony Allen Schaffert, husband

Lessee:  
Bold Resources, LLC, a Colorado limited  
Liability Company

  
David V.B. Olds, owner and manager

Lessor:  
Terri Lynn Schaffert

  
Terri Lynn Schaffert, wife

STATE OF COLORADO

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

} ss. Nebraska, North Dakota, South Dakota

COUNTY OF Washington

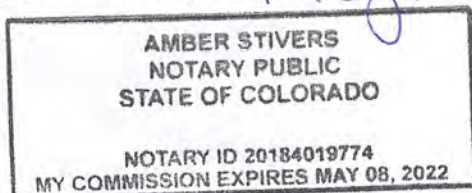
#### ACKNOWLEDGMENT--INDIVIDUAL

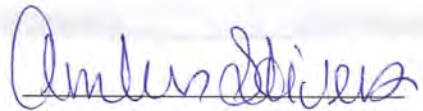
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 19<sup>th</sup> day of February, 2018, personally appeared Anthony Allen Schaffert and Terri Lynn Schaffert, husband and wife, to me known to be the identical person s described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their 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

May, 08, 2022





Notary Public

Address: 102 N Washington St  
OTIS CO 80743

STATE OF COLORADO Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,

COUNTY OF Jefferson } ss. Nebraska, North Dakota, South Dakota

### ACKNOWLEDGMENT--INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 7<sup>th</sup> day of March, 2018, personally appeared David V.B. Olds, owner and manager of Bold Resources, LLC, a Colorado limited Liability Company, to me known to be the identical person X described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his 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 07.13.2021



16N  
Notary Public  
Address: 5994 S. 16th Pl / Canyon  
Helen, CO 80732



# OIL AND GAS LEASE

AGREEMENT, Made and entered into the 18<sup>th</sup> day of September, 2018, by and between

Anthony Allen Schaffert and Terri Lynn Schaffert, husband and wife

whose post office address is 39137 County Road 32, Otis, CO 80743, 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 Washington, state of Colorado, described as follows:

TOWNSHIP 1 NORTH, RANGE 49 WEST, 6TH P.M.

Section 34: E½

See Exhibit "A", attached hereto and made a part hereof for all purposes.

and containing 320.00 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 redacted 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, redacted 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 redacted of such gas and casinghead gas, Lessor's interest, in either case, to bear fifteen percent of the cost of compressing, dehydrating and otherwise treating such gas or casinghead gas to render it marketable or usable and fifteen percent 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.

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 fifteen percent (15%) 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 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, however, in no event shall Lessee's rights be so extended by such shut-in royalty payments for a period or periods of more than three (3) consecutive years after the expiration of the primary term 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 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. When requested by Lessor, 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 to 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 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 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.

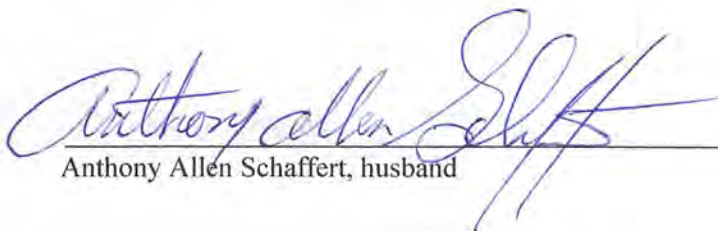
13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or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

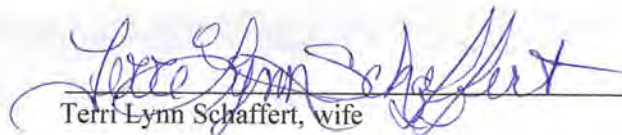
14. Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated 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, 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 have the right, but not the obligation to extend this lease as to all or part of the leased premises for a period of two (2) years beyond the primary term, if on or before the expiration date hereof, Lessee pays or tenders to the Lessor a bonus consideration equal to 100% of the initial bonus consideration paid (per net mineral acre) for this lease

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

  
Anthony Allen Schaffert, husband

  
Terri Lynn Schaffert, wife

STATE OF COLORADO

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

COUNTY OF Washington

} ss.

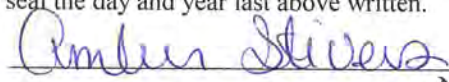
Nebraska, North Dakota, South Dakota

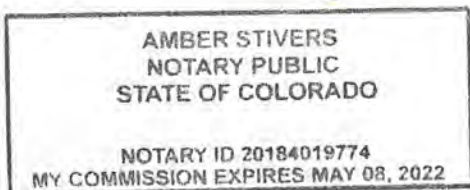
#### ACKNOWLEDGMENT--INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 19<sup>th</sup> day of February, 2018<sup>as</sup> personally appeared Anthony Allen Schaffert and Terri Lynn Schaffert, husband and wife, to me known to be the identical person s described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their 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 May 08, 2022<sup>as</sup>

  
Notary Public



Address: 102 N Washington St  
Otis CO 80743



## EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated September 18, 2018 between, Anthony Allen Schaffert and Terri Lynn Schaffert, husband and wife, Lessor, and Bold Resources, LLC, Lessee.

1. Lessee, its assigns or designees, shall pay surface owner the sum of redacted as payment in full for total land damages per wellsite location for drilling, completing, producing and operating of any and all such reentered wells or any and all new wells drilled by Lessee and/or Lessee's assigns or designees under the terms of this lease. Payment of said redacted location shall be paid before actual drilling operations are commenced.
2. Lessee specifically agrees that within 60 days upon completion of a non-productive well or the abandonment of a producer, the surface of the land shall promptly be restored, weather conditions permitting, to its former condition as nearly as possible and this shall include, but not be limited to: removal of and/or burial of drilling mud, junk, and debris from the premises; filling drill sites, restoration of top soil; deep chiseling of drill sites and unused roads; restoration of any irrigation ditches and laterals disturbed by drilling operations; and prompt removal of unused buildings, machinery and tanks.
3. Lessor reserves the right to designate the location of roads to and from the drilling site. Lessor and Lessee specifically agree that Lessee or its assigns shall use only such designated roads. Lessor reserves the right to designate the location of the tank batteries, treaters and other necessary structures. Such designations shall not be unreasonable.
4. Lessee shall pay the Lessor for all damages occasioned by Lessee's operations under the terms of this lease, including, but not limited to, damages to growing crops, pasturage, livestock, the surface of the land, buildings, irrigation facilities, structure, and/or other improvements.
5. Lessee agrees to restore the surface to as near its original condition as soon as possible after each operation on the land has been completed.
6. Notwithstanding anything in this Lease to the contrary, Lessee and its assigns agree that oil and gas drilling and/or production equipment shall not be erected on any of the land in such a manner as to interfere with any flood or gravity irrigation of the leased premises, or any center pivot irrigation sprinkler which may be located on the leased premises at the time of the execution of this Lease. Any drilling operations commenced on any such irrigated land must be commenced after October 1 and completed prior to April 1 of the following year unless otherwise agreed to in writing by the Lessors. The parties further agree where no irrigation exists Lessee has the right to drill at any time. Where center pivot irrigation does exist, the corners not directly affected by the pivot irrigation can be drilled upon at any time. In the event an existing center pivot irrigation system is located on the leased lands before a producing well is drilled on said lands, Lessee agrees to use "low profile" production equipment; or to set well(s), pump(s), and production equipment off the irrigated portion of said lands provided the application is practicable in Lessee's judgment to avoid interference with said center pivot irrigation.
7. It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas and other proceeds accruing to the Lessor under this lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing the oil, gas and other products produced hereunder to transform the product into marketable form, however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on lessee's actual cost of such enhancements. In no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.
8. At the end of the primary term, this lease may not be maintained in force solely by reason of shut-in royalty payments, as provided heretofore, for any one shut-in period of more than three (3) years, or, from time to time, for shorter periods which exceed three (3) cumulative years.
9. This lease is given and granted without warranty, express or implied, in law or in equity.
10. Lessee and its assigns or designees specifically acknowledges responsibility for any environmental or other claims arising out of Lessee's action and/or operations (or failure to act) on the leased lands, and agrees to indemnify and hold Lessor harmless for the same. Lessee, its heirs, successors and assigns shall indemnify and hold Lessor harmless from liability for any violation(s), whether through negligence or otherwise, of federal, state and/or common law in producing, generating, transporting, or disposing of hazardous wastes, on or from the leased premises, and for any liability whatsoever caused or allowed by Lessee's actions or inactions.