

STATE OF COLORADO )  
 ) ss.  
COUNTY OF WASHINGTON )

Effective January 1, 2022, the State of Colorado, acting by and through the State Board of Land Commissioners ("Lessor") and Denova entered into a Carbon Storage Exploration Lease (the "Lease") providing for use by Denova and compensation to Lessor for subsurface and surface exploration, investigation, monitoring, studies, surveys and tests to determine suitability for geologic sequestration of carbon dioxide under the following lands in Washington County, Colorado:

Description	Section	Township	Range	Acres	County
ALL	16	1N	49W	640.00	Washington
ALL	17	1N	49W	640.00	Washington
S2	18	1N	49W	320.50	Washington
ALL	19	1N	49W	640.37	Washington
ALL	20	1N	49W	640.00	Washington
ALL	21	1N	49W	640.00	Washington
ALL	22	1N	49W	640.00	Washington
W2, N2NE4, S2SE4	27	1N	49W	480.00	Washington
N2, SE4	28	1N	49W	480.00	Washington
ALL	29	1N	49W	640.00	Washington
ALL	30	1N	49W	640.16	Washington
ALL	31	1N	49W	640.48	Washington
ALL	33	1N	50W	640.00	Washington
SE4	14	1N	50W	160.00	Washington
E2	23	1N	50W	320.00	Washington
S2, NW4	24	1N	50W	480.00	Washington
ALL	25	1N	50W	640.00	Washington
E2	26	1N	50W	320.00	Washington
ALL	36	1N	50W	640.00	Washington

DENOVA SEQUESTRATION, LLC

By:

**Jeff Becker, General Counsel**

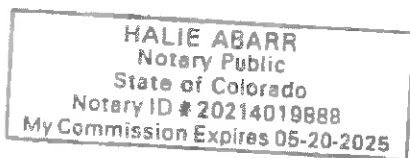
STATE OF COLORADO )  
CITY AND ) ss.  
COUNTY OF JEFFERSON )

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of  
February, 2022, by Jeffrey Becker as  
General Counsel of Denova Sequestration, LLC.

[SEAL]

My commission expires: 05-20-2025

Halie Abarr  
Notary Public





**STATE OF COLORADO  
STATE BOARD OF LAND COMMISSIONERS**

**CARBON STORAGE EXPLORATION LEASE NO. 114345**

This Carbon Storage Exploration Lease (the "Lease") is entered into on this 1st day of January, 2022 ("Effective Date"), by and between the STATE OF COLORADO, acting by and through the STATE BOARD OF LAND COMMISSIONERS ("Lessor"), whose address is 1127 Sherman Street, Suite 300, Denver, CO, 80203, and Denova Sequestration, LLC ("Lessee"), wholly owned subsidiary of Carbon America, LLC, whose address is 5525 West 56<sup>th</sup> Ave, Ste. 200, Arvada, Colorado 80002. Lessor and Lessee may be collectively referred to herein as the "Parties."

Lessor, for and in consideration of the sum of [REDACTED], receipt of which is hereby acknowledged as payment of a bonus in the amount of [REDACTED], and first year's rent in the amount of [REDACTED], and in further consideration of Lessee's agreement to pay [REDACTED] in advance of the anniversary date of this Lease ("Annual Rent") for so long as this Lease shall remain in effect; and in further consideration of the terms and conditions contained herein, to be kept and performed by Lessee, does hereby grant to Lessee for such purposes as set out below, the right of access to the Lease Premises, any and all rights and privileges necessary for the conduct of the Approved Exploration Activities (defined below), and the exclusive right to negotiate a Carbon Storage Lease for geologic carbon storage. This Lease shall cover certain land situated in the County of Washington, State of Colorado, more particularly described in Exhibit A attached hereto and made apart hereof ("Leased Premises"), subject however, to all existing easements and right-of-ways of third parties, and the rights of existing surface and mineral lessees and surface patentees, as shown on Exhibit B, and further subject to the terms, conditions, and agreements set out in this Lease.

**1. Land Access and Permitted Use**

Access is granted to the Leased Premises for the Lease Term subject to the terms and conditions contained herein and only for permitted use described below:

A. Permitted Use - Lessor grants Lessee access to the Leased Premises for the Lease Term subject to the terms and conditions contained herein and only for the sole purpose of carrying on the following Approved Exploration Activities to determine the Leased Premises' suitability for geologic carbon storage:

1. The Approved Exploration Activities are: (i) Geologic mapping and sampling; (ii) drilling and pressure testing of up to one (1) exploration well; (iii) constructing one (1) well pad disturbing not more than five (5) acres in total; (iv) constructing ingress and egress access to drill and operate the exploration well; (v) seismic geophysical surveys, (vi) surveys of the Leased Premises for suitability of pipeline construction, road construction and the location of sequestration facilities; (vii) surveys of the Leased Premises for potential impacts to the local environment, plants and wildlife; (viii) baseline environmental monitoring activities: surface travel (on foot, ATV, 4x4), installation of monitoring stations for air / surface / subsurface water, access to check and maintain equipment; and (ix) one wellhead and associated monitoring, safety and other surface equipment and structures.
2. Exploration activities must be accomplished in a manner that will protect the public health, safety, and property and prevent unnecessary impacts on the surface and subsurface resources.

The Board and the Lessee, by their signatures below, agree to the terms of this Lease:

Denova Sequestration, LLC

By: \_\_\_\_\_

Signature

Scott R. Frazier

Printed Name

January 18, 2022

Date

CEO

Title

STATE OF COLORADO BY THE STATE BOARD OF LAND COMMISSIONERS

By: \_\_\_\_\_

Benjamin Teschner, Program Manager

Date: Jan 27, 2022

ATTEST

State of Colorado

County of Jefferson

The foregoing instrument was acknowledged before me this 18 day of January, 20 22,  
by Scott Frazier as being authorized to execute same.

(SEAL)

Notary Public Halie Abarr

My Commission Expires 05-20-2025

HALIE ABARR  
Notary Public  
State of Colorado  
Notary ID # 20214019888  
My Commission Expires 05-20-2025

# EXHIBIT A

## Carbon Storage Exploration Lease No. EP-114345

### THE LEASED PREMISES

Containing 10,241.51 acres, more or less

Description	Section	Township	Range	Acres	County
ALL	16	1N	49W	640.00	Washington
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ALL	29	1N	49W	640.00	Washington
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ALL	25	1N	50W	640.00	Washington
E2	26	1N	50W	320.00	Washington
ALL	36	1N	50W	640.00	Washington
Total:				10,241.51	