

CONTACT / LEASE PURCHASE REPORT

LEASE RECORDED 877840 (Bk-Pg or #):

TO: St. Croix Operating Inc. COUNTY: Washington STATE: Colorado

PROSPECT: DUNE

LESSOR NAME: Joshua E. Sauer & Jamie Lynn Littleton-Sauer, a/k/a Jamie Littleton-Sauer, husband & wife (joint tenants)

ADDRESS: 31155 County Road RR, Otis, CO 80743  
PHONE: (970) 630-7951  
E-MAIL: jamiesauer73@gmail.com

SS# / TAX ID#: on file

LESSEE: Bold Resources, LLC

LEASE FROM: Surface & Mineral Owner

LEASE DATE: February 10, 2021

LEASE TERM: Five (5) years

ROYALTY: 1/8th or 12.50%

BONUS PER ACRE:

TOTAL PAID:

PAID BY: Bold Resources, LLC Check No. 5469 dated 4/28/2021

NET RENTAL: N/A - Paid-up Lease DEPOSITORY BANK: N/A - Paid-up Lease

TITLE BY: 03/20/21 Lease Check Report by Drummond Land Services, Inc. on E/2 Sec. 28

TWP & RNG	SEC	DESCRIPTION	GROSS ACRES	MINERAL INTEREST	NET ACRES	
1N-50W	28	NE/4	160.00	10.0000%	16.0000	
1N-50W	28	A 35.10 ac m&b tr in SESE as desc in QCD 852046 (Bk 1015, Pg 724)	35.10	20.0000%	7.0200	
TOTALS			195.10		23.0200	

COMMENTS: Exhibit "A" to Lease has surface use provisions.

SUBMITTED WITH THIS REPORT:  
☒ Original Signed Receipt  
☒ Original Lease  
☒ Lease Check Report  
☒ Other: Agreement of Payment for Oil and Gas Lease  
☒ Other: W-9s (in land file if needed)  
☐ Other:

PREPARED BY: Drummond Land Services, Inc.  
52 S. Manila Rd.  
Bennett, CO 80102  
303-324-5536

DATE: June 28, 2021

PRODUCERS 88-PAID UP

# OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10<sup>th</sup> day of February, 2021, by and between

Joshua Edward Sauer and Jamie Lynn Littleton-Sauer, a/k/a Jamie Littleton-Sauer, husband and wife,

whose post office address is 31155 County Road RR, 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 -----Ten and More----- DOLLARS (\$10.00 & More) 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 50 WEST, 6TH P.M.

Section 28: NE/4, and a 35.10 acre metes and bounds tract in SE/4SE/4as described in Quit Claim Deed recorded at Reception No. 852046 (Bk 1015, Pg 724)

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

containing 195.10 gross 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 Five (5) 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 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 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.

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 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 One Dollar (\$1.00) 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.

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 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, 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 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.

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

By: Joshua Edward Sauer  
Joshua Edward Sauer

By: Jamie Lynn Littleton-Sauer  
Jamie Lynn Littleton-Sauer, a/k/a Jamie Littleton-Sauer

STATE OF COLORADO  
Utah,

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

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 21<sup>st</sup> day of April, 2021, personally appeared Joshua Edward Sauer and Jamie Lynn Littleton-Sauer, a/k/a Jamie Littleton-Sauer, 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 June 11, 2023  
Notary Public

DANIELLE ROUTH  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20194021954  
MY COMMISSION EXPIRES JUNE 11, 2023

## EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 2021, by and between, Joshua Edward Sauer and Jamie Lynn Littleton-Sauer, a/k/a Jamie Littleton-Sauer, husband and wife, Lessor, and Bold Resources, LLC, Lessee.

## DESCRIPTION OF LEASED LANDS:

TOWNSHIP 1 NORTH, RANGE 50 WEST, 6TH P.M.

Section 28: NE/4, and

A 35.10 acre metes and bounds tract in the SE/4SE/4 as described in Quit Claim Deed recorded at Reception No. 852046 (Bk 1015, Pg 724)

1. Lessee shall pay Lessor a one-time payment of \$5,000 for any drilling Pad location and Production Facilities which shall be paid before actual drilling operations are commenced. A Pad location covering up to two (2.0) acres in area (a "Pad") and two and one-half (2.5) acres in area for Production Facilities constructed on the Property. Said payment shall be tendered to Lessor not later than fourteen (14) days before commencing any dirt work or excavating.
2. In the event a Pad covers more than two (2.0) acres in area, Lessee shall pay Lessor an additional one-time payment of \$2,000 per acre, or fraction thereof, in excess of two (2.0) acres. If said well is completed as a producer, Production Facilities will be required, and in the event those Production Facilities cover more than two and one-half (2.5) acres, Lessee shall pay Lessor an additional one-time payment of \$2,000 per acre, or fraction thereof, in excess of two and one-half (2.5) acres.

This Exhibit "A" and all of its terms and conditions shall be binding upon all successors of Lessors and Lessee.

## WARRANTY DEED

State Doc Fee: \$20.00  
Recording Fee: \$18.00

THIS DEED, is dated the 16th day of April, 2020, and is made between

**SANDRA L. BICKLEY**

(whether one, or more than one), the "Grantor"  
of the County of Washington, and State of Colorado and

**JOSHUA EDWARD SAUER and JAMIE LYNN LITTLETON-SAUER,**  
**as joint tenants**

the "Grantees," whose legal address is:  
31155 County Road RR, Otis, CO 80743  
of the County of Washington and State of Colorado;

**WITNESS**, that the Grantor, for and in consideration of the sum of Ten Dollars and No Cents (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants, bargains, sells, conveys and confirms unto the Grantees and the Grantees' heirs and assigns forever, not in tenancy in common but in joint tenancy, all the real property, together with any improvements thereon, located in the County of Washington and State of Colorado described as follows:

**PARCEL I:**

**Township 1 North, Range 50 West of the 6th P.M., Washington County, Colorado**  
**Section 28: N½**

**PARCEL II:**

**A parcel of land being a portion of the Southwest Quarter (SW¼), Section 28, Township 1 North, Range 50 West of the 6th P.M., Washington County, Colorado, being more particularly described as follows:**

**Beginning at the Northwest corner of said SW¼ of Section 28;**  
**Thence along the North line of said SW¼ of Section 28 South 89°53'28" East a distance of 2642.46 feet to the Northeast corner of said SW¼ of Section 28;**  
**Thence along the East line of said SW¼ of Section 28 South 00°56'57" East a distance of 1370.51 feet;**  
**Thence departing said East line South 89°44'19" West a distance of 1336.00 feet;**  
**Thence North 02°14'46" East a distance of 576.90 feet;**  
**Thence North 46°20'55" West a distance of 546.17 feet;**  
**Thence North 81°58'54" West a distance of 153.22 feet;**  
**Thence North 88°54'12" West a distance of 798.93 feet to a point on the West line of said SW¼ of Section 28;**  
**Thence along said West line North 00°53'35" West a distance of 391.37 feet to said Northwest corner of said SW¼ and the point of beginning.**

also known as: Vacant Land, Washington County, CO

**TOGETHER** with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;


**TO HAVE AND TO HOLD** the said premises above bargained and described, with the appurtenances, unto the Grantees, and the Grantees' heirs and assigns forever.

The Grantor, for the Grantor and the Grantor's heirs and assigns, does covenant, grant, bargain, and agree to and with the Grantees, and the Grantees' heirs and assigns: that at the time of the ensealing and delivery of these presents, the Grantor is well seized of the premises above described; has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, and in fee simple; and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid; and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except and subject to: Statutory Exceptions as defined in C.R.S. § 38-30-113(5)(a)

**and general property taxes for the year 2020, and subsequent years.**

And the Grantor shall and will WARRANT THE TITLE AND DEFEND the above described premises, *but not any adjoining vacated street or alley*, if any, in the quiet and peaceable possession of the Grantees, and the heirs and assigns of the Grantees, against all and every person or persons lawfully claiming the whole or any part thereof.

**IN WITNESS WHEREOF**, the Grantor has executed this deed on the date set forth above.

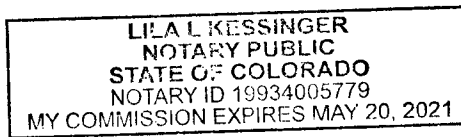
  
Sandra L. Bickley

State of Colorado  
County of Washington

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of April, 2020 by Sandra L. Bickley.

Witness my hand and official seal.

*Lila L. Kessinger*  
Notary Public



My Commission Expires: 05/20/2021